



Tasmania Fire Service

STATE FIRE
COMMISSION
ANNUAL REPORT

2017-18



Statement of Compliance

Honourable Michael Ferguson MP

Minister for Police, Fire and Emergency Management

Dear Minister

In accordance with Section 107(g) of the *Fire Service Act 1979*, we hereby submit for your information and presentation to Parliament the Report of the State Fire Commission for the year ending 30 June 2018.

The report has been prepared in accordance with the provisions of the *Fire Service Act 1979*.



Rodney Sweetnam AFSM ESM

CHAIR, STATE FIRE COMMISSION

8 August 2018



Photo by Warren Frey

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Cover photo by Warren Frey

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State Fire Commission



The State Fire Commission is established under the *Fire Service Act 1979* (the Act), with the following functions and powers:

- (a) *Formulate the policy in respect of the administration and operation of the Fire Service;*
- (b) *Co-ordinate and direct the development of all fire services throughout the State;*
- (c) *Develop effective fire prevention and protection measures throughout the State;*
- (d) *Develop and promulgate a State fire protection plan;*
- (e) *Standardise, as far as practicable, fire brigade equipment throughout the State;*
- (f) *Establish and maintain training facilities from brigades;*
- (g) *Conduct such investigations into fires as it considers necessary, and to prepare reports and recommendations to the Minister arising from those investigations;*
- (h) *Conduct such investigations into the use of fire as it considers necessary, to instruct the public in the wise use of fire, and to disseminate information regarding fire protection measures and other related matters;*
- (i) *Advise the Minister on such matters relating to the administration of this Act as may be referred to it by the Minister, and on matters that, in the opinion of the Commission should be brought to the attention of the Minister; and*
- (j) *Exercise such other functions vested in or imposed on it by this Act or such other functions relating to the preventing or extinguishing of fires as may be imposed on it by the Minister from time to time.*

State Fire Commission



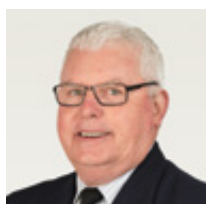
Rodney Sweetnam *AFSM ESM / Chair of the Commission*

Rod was appointed as the inaugural independent Chair of the Commission in May 2017. Prior to his appointment as Chair Rod was the Local Government Association of Tasmania (LGAT) representative on the Commission since November 2009. Rod held senior management roles with the City of Launceston Council from 2000 to 2017 including the position of Emergency Management Coordinator. He was the LGAT representative on the State Fire Management Council from 2002 until his appointment to the Commission in 2009. Rod is currently Group officer of the Quamby Group and has held various officer positions as an active volunteer with brigades in Tasmania and Victoria.



Christopher Arnot *MPM GAICD MfireE / TFS Chief Officer*

Chris was appointed as the Chief Officer (and Chief Executive) of the Tasmania Fire Service on 21st March 2016. He holds a Master's Degree in Public Management (Flinders University), is a Graduate of the Australian Institute of Company Directors and a Member of the Institute of Fire Engineers. Chris is also a member of the Australasian Fire and Emergency Services Authorities Council, on the board of the National Aviation Firefighting Centre and represents Tasmania on the Australia and New Zealand Emergency Management Committee.



Bruce Corbett *AFSM*

Bruce has been the Tasmanian Retained Volunteer Firefighters Association (TRVFA) representative on the Commission since November 2006. He commenced with the Wynyard Brigade in 1977 holding various positions including that of Brigade Chief for 26 years, just recently stepping down to Third Officer. He is a life Member of both TRVFA and the Wynyard Brigade. Bruce is TRVFA representative and Company Secretary of the Council of Australian Volunteer Fire Associations Inc., and represents TVFVA on the Tasmania Volunteer Awards Framework Management Committee and the State Volunteer Consultative Committee. Bruce is President of the North West Branch of TRVFA.



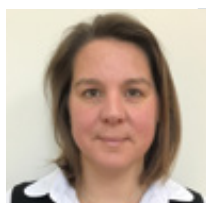
Lyndsay Suhr *AFSM*

Lyndsay has been the Tasmanian Volunteer Fire Brigades Association (TVFBA) representative on the Commission since July 2007. He commenced with the Glenorchy Central Brigade (now Wellington Brigade) in 1977 and has held various positions including that of Brigade Chief. Lyndsay is currently a Group Officer of the Derwent group, a life member of the TVBFA and Wellington Brigade, member of the Wellington Trust Maintenance Coordinating Committee and Glenorchy Emergency Planning Committee. Lyndsay represents TVFBA on the Operations & Resources Committee and Volunteer Handbook Committee. He is also Southern delegate to the State Council of the TVFBA.



Hannah Rubenach-Quinn *BA (Hons) Grad Dip Sc*

Hannah has been the LGAT representative on the State Fire Commission since January 2013. Hannah is currently a Councillor of Break O'Day Council, and has been a volunteer with St Marys Brigade since 1995.



Dana Faletic *BEc OLY*

Dana Faletic has recently joined the Commission, being appointed as the Department of Treasury and Finance representative in May 2018. Dana is currently a Specialist Agency Analyst in the Budget Management Branch of Treasury.



Dale Rayner

Dale is Southern Region Senior Station Officer with 25 years' experience at TFS. He is the Representative of the United Firefighters Union (Tasmania Branch) on the Commission.

Membership: September 2011 - May 2018



Derek Inglis *BEc (Hons) GAICD GDACG*

Derek has been the Department of Treasury and Finance representative on the Commission since March 2015, in his role as Assistant Director, Shareholder Policy and Markets Branch.

Membership: March 2015 - March 2018

Report from the Independent Chair

In 2017-18 the State Fire Commission (SFC) continued to work on strategies to improve the financial position of the organisation. The Commission like other large State Government entities is challenged with continually increasing costs, many of which are increasing at a rate greater than domestic price indexes.

The Commission's revenue comes from several sources that are both fixed and variable. The variable component can provide additional challenges when the revenue does not meet forecasted budgets.

Despite these challenges, with the assistance of the Government, and competent administration by the Chief Officer, his managers and staff in managing budgets, this year's year end cash position is better than predicted.

Whilst the Commission reported a net surplus of approximately four million dollars in 2017-18, a significant component of this can be attributed to unexpected increases in variable revenue streams and cannot be relied upon to continue in future years.

There continues to be the need to keep expenditure within budgets and manage any unforeseen expenditures that may impact on planned expenditure.

The Commission has ensured the appliance build programme continues to be funded enabling the fleet rebuild programme to continue. Firefighting equipment is funded to a level so equipment is fit for purpose.

Commission Membership

During the year the membership terms of Mr Derek Inglis (Treasury) and Mr Dale Rayner (United Firefighter's Union) came to an end. I would like to take the opportunity to thank Derek and Dale for their support of the SFC and active participation in meetings during their respective terms as members of the Commission. The expertise and experience Dale and Derek brought to Commission meetings was appreciated by all members.

The commission welcomed Ms Dana Faletic as the new Treasury representative, Commission members look forward to working with Dana during her time on the commission.

At the time of preparing this report the vacant position for a United Firefighters Union representative had not been finalised. As is the case for the vacant position of Local Government Association of Tasmania representative.

Work, Health and Safety (WH&S)

The SFC is the 'Person Conducting a Business or Undertaking' (PCBU) under the *Work health and Safety Act 2012* and as such has responsibility for the health and safety of all career staff and volunteers in the Tasmania Fire Service. The commission meets formally on a quarterly basis as the 'State Fire Commission Work Health and Safety Committee' to ensure the organisation's policies enable a safe work place.

In an organisation such as ours it could be tempting to focus WH&S activities and energies on high profile fireground activities, and it is acknowledged, the importance of these and other high-risk response activities should not be understated as WH&S risks. However, we have a large number of permanent and volunteer staff carrying out a myriad of functions and activities. There is therefore a need for the SFC to have a broad focus in setting WH&S policy, to ensure all risks associated with the organisations functions are identified and properly managed.

The Commission continues to work with management and staff to provide a workplace that is as safe as possible for all.

Per- and poly-fluoroalkyl substances (PFAS)

During the year the issue of PFAS in the environment gained some prominence in the media. This issue is worldwide and there is a national framework in place led by the Australian Government looking into the issue within Australia. The Commission has received briefings on PFAS. In Tasmania the State Government has taken a leading role. While there is nothing definitive at this point in time PFAS will likely become an emerging issue within the Australian population. As such the SFC has given the issue a high priority on its agenda.

The Commission will keep a close watch on this issue both from a WH&S perspective and for any financial implications that may manifest themselves going forward.

This report is structured in accordance with the organisation's two principle guiding documents, the Commission's Corporate Plan and the Strategic Directions document '*Framing the Future*' which sets out the strategies and deliverables for TFS and SES through to 2028.

This Report is also an opportunity to recognise and promote the excellent work of the career staff and volunteers across both TFS and SES, whose dedicated service and expertise provide aid and support to people predominantly in Tasmania, but also in other jurisdictions within Australia and overseas. Assisting with preparing for and during incidents and events large and small, at all times, in all conditions. The Commission is grateful and appreciative of your efforts'



Rodney Sweetnam AFSM ESM
Chair, State Fire Commission
8 August 2018

Our Organisation



Photo by Warren Frey

Collectively our primary purpose is to minimise the social, economic and environment impact of fire and other emergencies on the Tasmanian community. This is achieved through Tasmania Fire Service (TFS) and State Emergency Service (SES) implementing strategies that develop community self-reliance to prevent and prepare for fires, floods and storms, backed by effective response to emergencies.

TFS and SES are as diverse as the Tasmanian communities they protect. Our people are a mix of career, retained and volunteer members and support staff. With a combined workforce of over 6,000 career staff and volunteers, more than 230 brigades and 31 SES units, TFS and SES are not just major employers and service providers but combine as a community of its own, committed to achieving its strategic goals for a safe and resilient Tasmania. Our combined workforce provides a multifaceted service.

Community risk reduction planning, community education and all-hazard response are key service delivery areas.

TFS operational personnel are equipped and trained for structural firefighting, bush firefighting and fuel mitigation, vehicle and transportation incidents, road crash rescue, urban search and rescue, hazardous materials and the effective deployment of resources and information through our dispatch/communications center. Our community fire safety personnel contribute directly to the resilience of the State through education and community engagement.

SES provides front line emergency response to storm or flood events, road crash rescue, search and rescue and other specialist support functions such as communications. SES also provides broader emergency management planning and support functions and the coordination of various projects that help build community resilience against natural disasters.

Our Vision

Our vision is a Tasmanian community safe from the impact of fire and other emergencies.

Our Role

Our role is to protect life, property and the environment from the impact of fire and other emergencies by:

- Promoting fire safety across the community
- Providing an effective response to emergencies.

Our Values

The services we provide are driven by the needs of the community.

In order to meet those needs, and the needs of our people, we have adopted the following core values:

Service

We value:

- Serving the Tasmanian community
- Being responsive to community needs
- Being progressive and delivering quality services.

Professionalism

We value:

- Dedication and pride in our organisation
- Being skilled, efficient, committed and innovative
- Using our collective capabilities to deliver an excellent service
- Being accountable for our actions.

Integrity

We value:

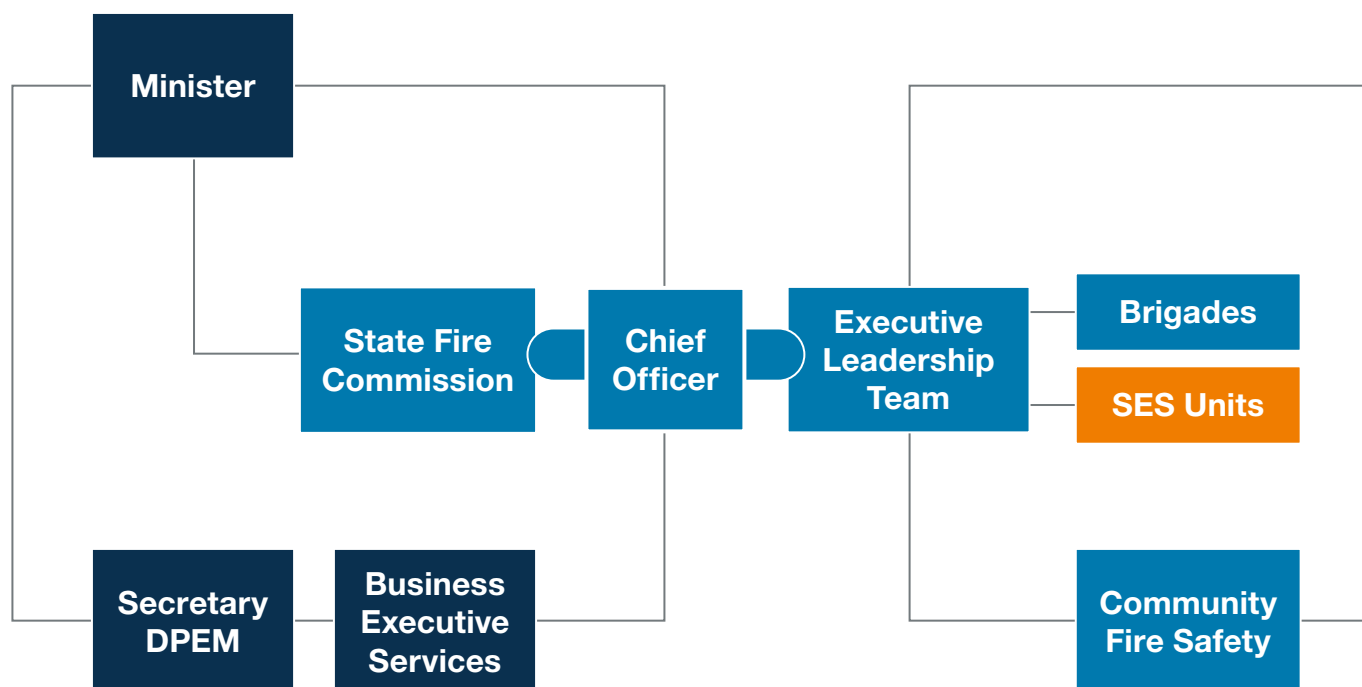
- Being trustworthy and ethical
- Treating each other fairly and honestly
- Having the courage to do the right thing.

Consideration

We value:

- Each other
- Working together to achieve our goals
- Treating each other with respect and understanding
- Being supportive, compassionate and helping each other.

Organisational Structure



Our Strategic Directions

Our Strategic Directions	Strategies	Expected Outcomes
Strategic Direction 1: Supporting Community Resilience	1.1 Safer Communities	Increased long term resilience of at-risk communities. Understanding risks. Tools and programs to manage risk are developed. Decreased risk of death, injury and loss due to natural hazards.
	1.2 Community Protection, Planning, Promotion and Implementation	Appropriate emergency response from households, communities and agencies. Stakeholders are more aware of risks and enabled to manage risks. Decreased risk of death, injury and loss due to natural hazards. Effective management of bushfire related risk throughout Tasmania. Lower net costs to Government, individuals and businesses.
	1.3 Emergency Management Planning – All-hazards risk management	Risks identified, mitigation and treatments put in place.
Strategic Direction 2: Providing Trusted Emergency Response	2.1 Adopt a seamless and all-hazards approach to the delivery of emergency services	Evidence based resource allocation. A capability model for core emergency service delivery is mapped to inform departmental business planning. Efficient use of available resources. Informed future workforce plan and strategic asset management plan. Identify opportunities for improvement (technology, processes).
	2.2 Consolidate learnings from After Action Reviews and other experiences	Highly flexible and adaptable learning organisation/culture.
	2.3 Deliver timely and accurate emergency information and intelligence	A community that is informed to respond in a manner to protect themselves. Decrease in fatalities. Warning and information systems that shape the behaviours of communities during emergencies. Operational intelligences informs preparedness for anticipated emergency events.
	2.4 Be a socially and environmentally responsible organisation	A respected organisation that improves its capacity to measure its impact on the environment.
Strategic Direction 3: A Collaborative Organisation	3.1 Take opportunities to integrate common operating systems	People undertake work efficiently, collaboratively and seamlessly. Operational systems provide the capability to coordinate emergency services across all hazards.
	3.2 Build a culture that delivers a collaborative approach <ul style="list-style-type: none"> • Values and behaviours • Policies and protocols • Stakeholder engagement 	Members achieve outcomes collaborating innately within the organisation and with external stakeholders. Our organisation is receptive to approaches from other organisations to collaborate.
	3.3 Participate and inform Whole of Government (WoG) reforms	WoG reforms are appropriate for fire and emergency services.
	3.4 Participate across the emergency management industry to add value to Tasmania	Fire and emergency services are amongst the leaders in contemporary emergency management. Integrated and seamless operations exist with emergency management partners. National initiatives are utilised to add value for Tasmania. A vibrant, active, engaged and relevant State Fire Management Council (SFMC).

Our Strategic Directions	Strategies	Expected Outcomes
Strategic Direction 4: Valued and Capable People	4.1 Develop and implement a Human Resources (HR) Capability Framework	Engaged workforce. Consistent delivery of service across the organisation. Functionally proficient and diverse workforce. Demonstrated values through behaviours.
	4.2 Develop a people plan	Skilled and capable workforce. Sustainable succession plan. Embedded workplace safety culture. Motivated and engaged workforce. Highly effective volunteer support structure.
	4.3 Development of a professional development pathway for volunteer and career staff	Volunteers are valued and utilised for their skills particularly in training, command and local knowledge. Career pathways ensure capability matches service delivery.
Strategic Direction 5: An Efficient and Effective Organisation	5.1 Review Emergency Service Legislation	New Emergency Service legislation that complements emergency management with contemporary administration and governance.
	5.2 Adopt good governance, corporate risk management and business disciplines that meet changing needs	Reduced organisational risk. Delivery of organisation priorities. Accountable and transparent reporting. Strategic approach to managing assets. Better management of finances. A new organisational structure is in place that is adaptable and responsive.
	5.3 Develop an appropriate funding model to enable service delivery	Appropriate, resourced Emergency Services.
	5.4 Develop and implement outcomes based reporting tools	KPIs developed to enable the organisation to measure performance.
	5.5 Establish a comprehensive and complaint suite of policies and procedures	The organisation is legislatively compliant.
	5.6 Implement an effective communication network	Communications framework optimises information flow between internal and external stakeholder groups.

Chief Officer's Report



Each year our Executive Leadership Team reviews the strategies outlined in this document and they form the basis of the State Fire Commissions Corporate Plan. Obviously any organisation must be funded and structured appropriately to deliver these results and although much of our annual report focusses on finances I would like to contextualise some of the investment we have made in our day to day services to achieve our goals in managing bushfire and structural fire risk.

Bushfire Risk

Climate change experts are telling us that we can anticipate more frequent large bushfires so this calls on us to invest in new approaches to bushfire response and readiness. However, Tasmanians could be forgiven for thinking we escaped the 2017/18 bushfire season largely unscathed, because on the surface we did. The reality is TFS has become extremely proactive in bushfire management.

In recent years we have invested heavily in predictive modelling. The outlook we predicted last September played out almost to the letter. We were expecting several days where the fire danger rating would reach 'Severe' fire danger level and some days of total fire ban. TFS declared four days of total fire ban last summer. On those days firefighters responded to 50 vegetation fires. Each one of those fires had the very real risk of having a significant impact on our communities but through good planning we were able to quickly extinguish them all.

In the lead up to these bad fire days we worked together and with our partner agencies (SES, Police, Parks and Wildlife and Sustainable Timber Tasmania) to plan for the worst. We doubled the fire brigade response to any fires, pre-positioned

fire crews and aircraft near the areas at greatest risk, and we threw every resource we could in our initial response to each fire start. We also stood up incident management teams and regional operations centres to centrally coordinate our response.

This 'rapid weight of response' strategy worked very well. This meant that we were able to get on top of fires quickly and keep them small, ultimately reducing workforce fatigue and potential loss to communities. The up-front investment in this rapid weight of response approach ultimately saves dollars in the long run. We avoid the subsequent campaign fires that can run for days or weeks at a time, allowing our crews to go home to their families at the end of each day. Over the summer months while Tasmanians were enjoying their time at the beach TFS responded to 1130 vegetation fires and on the real bad days where we declared Total Fire Bans we responded to 50 fires and stopped them in their tracks.

TFS is fortunate enough to have 5000 volunteers to call upon, and along with our 300 career firefighters, science experts and administrative staff, I thank each and every one of them for the contribution they make to keeping Tasmania safe again this year.



Photo by Warren Frey

Hazard Reduction

This year our Fuel Reduction Unit achieved a milestone of 500 fuel reduction burns; over the 4 years of the Program. Annual analysis has revealed Statewide Tasmania's risk has been reduced by approximately 5% but in urban fringe areas around our major towns and cities this can be up to 25% in places. I am pleased to say there is now an ongoing Government commitment to this program through forward funding of \$9 million per annum.

Community Resilience

This year (2018) our BRN program has been in full operation for five years. BRN is a community-based prevention and preparedness program for bushfire prone communities across Tasmania. Between August 2016 and June 2018 a total of 4,392 people participated in BRN activities with 211 separate community development activities being conducted.

Communities were re-surveyed in May 2018 to measure the change in household behaviour over time and this revealed that more than 7 out of 10 households in BRN communities had bushfire survival plans.

I am also pleased to share with you that in late 2017 our Bushfire-Ready Neighbourhoods program was awarded

a high commendation at the Resilient Australia Awards for the *1967 Bushfires – Share Your Story Project*; a public education program that uses experiences recounted by those who went through the 1967 bushfires in Tasmania.

Investing in Technology

Compressed Air Foam Systems (CAFS) will now become the standard one every bushfire tanker we build. This foam cools and smothers a fire. It is a force multiplier. Every litre of water goes much further; approximately 10 fold. TFS is recognised as a leader in CAFS throughout Australia.

Urban Fire Risk

Our booming economy and subsequent increase in development applications has resulted in Building Safety processing approximately 460 requests for reports state-wide. The review of these applications is directly related to ensuring the safety of buildings, building occupants and firefighters by ensuring a timely, efficient and effective response. This includes some major projects such as the Royal Hobart Hospital redevelopment, and other major hotel and office developments throughout the state. In the coming years we will need more specialised staff to advise on these developments

However over the past 15 years the number of house fires and house fire deaths in Tasmania have halved. This can be largely attributed to the community education programs which we invest in over time. But we cannot afford to be complacent.

Over time our School Fire Education and Smoke Alarm Program has been very successful. Surveys show we have over 90% uptake of smoke alarms installed in Tasmanian homes. Yet, we are not being complacent. This year we have refreshed the decals on our urban pumpers promoting the home fire safety message of 'a smoke alarm in every bedroom'.

To remain contemporary this year we have been delivering a Compartment Fire Behaviour training program for all front line firefighters. This program focusses on fire language and firefighter safety during internal structural fire attack.

From a fleet perspective we have also ensured ongoing replacement of our heavy pumper fire trucks and the state government has provided \$3.75 million dollars to upgrade our specialist Elevated Platforms in all three regions.

Additional Projects

This year we have also supplemented our mainstream programs with projects. We have completed the first tranche of Resource to Risk Analysis project; an assessment of TFS and SES performance against current community risk. We have reviewed our Fire Permit System and installed Active Vehicle Location in all Fire and Emergency service vehicles to improve workforce safety and dispatch efficiency.

So as you read through this year's annual report I would ask you to note how our finances are strictly focussed on delivering our strategies. I trust you find the financial detail and the supplementary information about our strategies contained in this year's annual report very informative.

Chris Arnol
CHIEF OFFICER

State Fire Management Council



The State Fire Management Council (SFMC) is an independently chaired body established under Section 14 of the Fire Service Act 1979.

SFMC – State Fire Management Council

FMA – Fire Management Area

FMAC – Fire Management Area Committee

FPP – Fire Protection Plan

the Act – Fire Service Act 1979

The mission of the SFMC is to enhance the efficient management of bushfire related risk in Tasmania in order to protect life, property and significant community values.

The SFMC has the following functions:

- to develop a State vegetation fire management policy to be used as the basis for all fire management planning;
- to advise and report regularly to the Minister on such matters relating to the administration of this Act, as it applies to vegetation fire management, as are referred to it by the Minister or by bringing matters to the attention of the Minister;
- to advise the State Fire Commission on matters relating to the prevention and extinguishment of vegetation fires;
- to perform such other functions relating to the prevention or extinguishment of vegetation fires as the Minister may direct;
- to provide an annual report to the Minister on its activities, for inclusion in the annual report of the Commission; and
- to oversee and support Fire Management Area Committees (FMACs) for each Fire Management Area (FMA) of Tasmanian and approve annual Fire Protection Plans (FPPs) for each FMA.

Membership as of 30 June 2018;

- a person nominated by the Minister (Chair, Ian Sauer);
- the Chief Officer of Tasmania Fire Service (Chris Arnol);
- a nominee of the Chief Officer (Deputy Chief Officer, TFS);
- the Chief Executive Officer of the Forestry corporation (Steve Whiteley);
- a nominee of the Chief Executive Officer of the Forestry Corporation (General Manager Land Management, Suzette Weeding);
- the Director of National Parks and Wildlife (General Manager – Deputy Secretary, Jason Jacobi);
- a nominee of the Director of National Parks and Wildlife (Director Operations, Mark Bryce);
- a person nominated by the Tasmanian Farmers' and Graziers' Association (John Atkinson);
- a person nominated by the Forest Industries Association of Tasmania (vacant); and
- a person nominated by the Local Government Association of Tasmania (Melanie Kelly).

TFS provides executive support to SFMC (Debra Pope, SFMC Executive Officer).



PLANNED BURNING
FOR FARMERS AND LANDHOLDERS
Edition 1 - April 2017



Key Performance Indicators



In keeping with our vision and role, TFS key performance indicators are:

- The rate of fire fatalities and injuries (number of fatalities and injuries / 100,000 residents)
- The rate of structure fires (number of structure fires reported to TFS / 1,000 households).

Financial Overview

The Commission had a net surplus of \$4.3M in 2017-18 compared to a net surplus of \$2.2M in 2016-17.

Total revenue was \$100.3M which was an increase of \$10.7M on 2016-17.

The fire service contribution from ratepayers increased \$2.2M to \$43.3M and the insurance fire levy rose by \$1.5M to \$18.7M.

State Government contributions were \$11.1M and increased \$1.2M mainly due to an increase in reimbursements associated with bushfire expenses.

Reimbursements from other Tasmanian Government Agencies rose by \$2.5M for bushfire expenses and \$0.8M for other expenditure.

Sundry income was \$8.4M; increasing \$2.4M which was the result of an increase in funding utilised for the fuel reduction program.

Employee related expenses of \$51.2M should be considered together with Services Provided by DPFEM of \$6.2M as the employee salaries originally associated with providing these services were used to determine the relevant DPFEM shared service fee when it was formulated. The combined expense of \$57.4M rose \$4.7M from last year, and this was due to a number of reasons including award increases, an increase in bushfire overtime, and an artificially reduced 2017 expense due to a large

number of employees transferring from TFS to DPFEM.

Operations expenses of \$15.7M were \$4.0M higher than the 2016-17 figure and this was largely due to an increase in bushfire expenditure.

The Commission uses a burner policy for workers compensation insurance which can sometimes result in volatility. Insurance expenses fell \$3.2M to \$1.4M partly because of a very high workers compensation premium last year which was the residual effect from higher claims incurred in previous financial years.

Expenditure on minor equipment rose \$0.9M to \$1.6M mainly due to some large purchases of firefighting equipment.

At year-end the Commission had cash of \$12.9M, compared with \$8.2M at the same time last year. Overnight borrowings at 30 June 2017 were \$5.0M and were repaid with funding provided by Treasury. Fixed term debt has remained the same at \$4.8M, however \$1.8M of this is now disclosed as a current liability due to its maturity date.

The Commission is responsible for funding the SFC Superannuation Scheme, which is now closed to new members. The position of the Scheme has improved by \$2.6M and is now in surplus by \$0.8M.

Physical Resource Management

Asset values decreased by \$3.2M to \$123M and capital work in progress

decreased from \$2.7M at 30 June 2017 to \$0.6M. This was due to short-term reductions in the capital expenditure program.

Fire Fatality Rate

Source: ROGs and Reporting Services, Department of Police, Fire and Emergency Management

Fire fatalities attended by TFS over the past five years to June 2018 varied from 0.19 in 2013-14 and 2015-16, with an increase to 0.40 in 2014-15, through to a high of 1.18 in 2016-17. This year has shown a decrease in the number of fatalities to 0.38.

Previous TFS annual reports have reported on fire fatalities excluding suicides and homicides, however data from this year on will include these incidents. Figure 1 shows the fire fatalities rate, which is the number of fire related fatalities per 100,000 people. Low fire-fatality rates in Tasmania compared to the previous decade are encouraging.

The Australian fire fatality rate (inclusive of murders and suicides) for the latest reported period available, 2015 was 0.41 fatalities/100,000 people. The rate for Tasmania for the same period was 0.39/100,000 people. In comparison to the relatively stable Australian rate, there is significant variability in the Tasmanian rate due to the relatively small population.

Figure 1: Number of Fire Fatalities 100,000 population

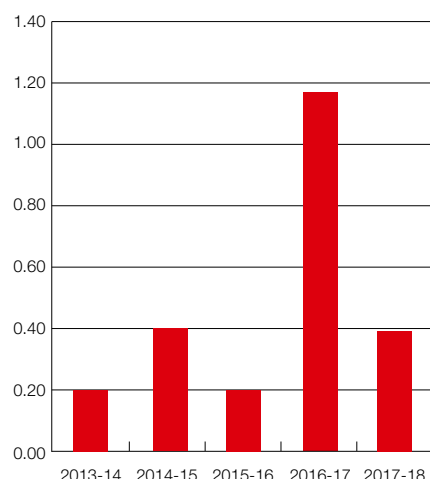


Figure 2: Number of preventable structure fires per 1,000 households

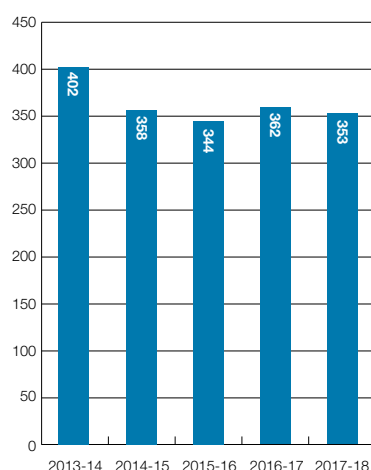
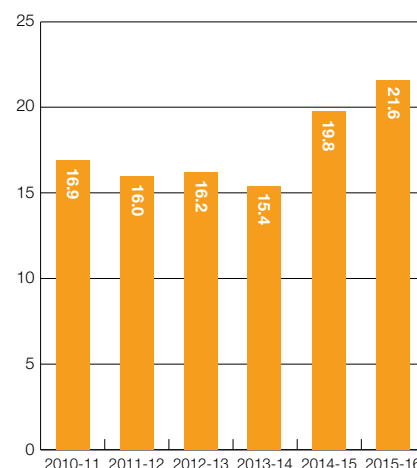


Figure 3: Number of accidental fire injuries per 100,000 residents



Structure Fire Rate

Source: Reporting Services, Department of Police, Fire and Emergency Management

Structure fires attended by TFS over the last five years have varied from a high of 643 in 2013-14 to a low of 524 in 2015-16.

Figure 2 shows the structure fire rate (structure fires per 1,000 households) for the past five years. A slight upward trend occurred during 2016-17, but overall trends continue downward.

**Due to industrial action, structure fires reported to TFS for 12 weeks between 10 December 2015 and 24 February 2016, and between 19 June 2016 and 30 June 2016 are not included in figure 2.*

Number of accidental fire injuries (Tas. Hospital admissions per 100,000 residents)

Source: Fire Injuries: Reports on Government Services 2018, Productivity Commission

Accidental fire injuries in Tasmania requiring hospital admission over the six years to 2015-16 (the latest data available) have varied from a low in 2013-14 to a high of 21.6 in 2015-16.

The data shows the accidental fire injury rate (hospital admissions for accidental fire injuries per 100,000 Tasmania's) for the same period; a statistic comparable with all other states and territories across Australia. The Tasmania fire injury rate in 2015-16 was 21.6, compared to the Australian rate of 14.3 for the same period.

There is more volatility in the Tasmanian rate than in the Australian rate due to our relatively small population.

The 2015-16 fire injuries data is based on a different methodology and are not directly comparable to earlier year's data published in previous editions of the Report on Government Services. Data prior to 2015-16 identified all

hospital separations associated with fire injuries (including where a person may have had multiple hospital separations associated with an injury). A separation is an episode of care for an admitted patient, which can be a total hospital stay (from admission to discharge, transfer or death), or a portion of a hospital stay beginning or ending in a change of type of care. From 2015-16, data is estimated based on the number of injury cases. This methodology excludes admitted patients transferred from another hospital, patients who dies in hospital and patients admitted for rehabilitation. Data is reported by state of usual residence of the admitted patient. Deaths from fire injuries after hospitalisation are counted in the fire death rate data.

Due to the unavailability of the data we were unable to supply figures *house fire insurance claims* for this year's annual report.

Performance Targets	2016 – 17 Actual	2017 –18 Target	2017 - 18 Actual	2018 - 19 Target	2019 - 20 Target
Operational					
Number of preventable structure fires per 1,000 households	1.27	2.1	1.31	2.1	2.1
Number of false alarms (DBA)	3,271	3,000	3437	3,000	3,000
Percentage of fires of undetermined cause	16%	15%	14%	15%	15%
Percentage of fires in structures confined to room of origin	69.2%	71.2%	70.8%	71.2%	71.2%
Financial					
Operating surplus/(deficit)	\$2.2	\$0.9m	\$4.3m	(\$1.6m)	\$0.3m
Return on assets	1.8%	0.8%	3.1%	(1.1%)	0.4%
Return on equity	2.2%	1.0%	3.7%	(1.6%)	0.4%
Debt to equity	8.5%	4.6%	3.9%	1.3%	2.4%
Current ratio	70.8%	76.7%	111.1%	128.5%	133.2%
Human Resources					
Average sick days per employee	4.74	<6	<6	<6	<6
Workers compensation claims	<50	<50	<50	<50	<50



STRATEGIC DIRECTION 1

Supporting Community Resilience

Australia's comprehensive approach to emergency management recognises four types of activities that contribute to reducing hazards and increasing community resilience.

Prevention and mitigation activities eliminate or reduce the impact of hazards themselves; or increase the resilience of the community to the impact of those hazards.

Preparedness activities include planning and providing community development, education and information, to help prepare them to deal effectively with emergencies and disasters.

Response activities implement preparedness arrangements and plans to deal effectively with emergencies and disasters if and when they do occur.

Recovery activities assist communities affected by an emergency or disaster to rebuild the physical infrastructure and restore emotional, social, economic and physical well-being.

TFS and SES deliver a range of prevention, mitigation, preparedness and response activities for the Tasmanian community, related to bushfires, building fires and other incidents and hazards.

All TFS and SES volunteers and staff recognise the value of our trusted position and our primary responsibility to the community we serve, including the importance of communication across the range of emergency management activities.

Our approach to engagement and partnership with the community reflects our values of service to our community, professionalism in service delivery, integrity and consideration. It is also based on research evidence from the Bushfire and Natural Hazards Cooperative Research Centre (and 10 years of the Bushfire Cooperative Research Centre prior to that) as well as the National Strategy for Disaster Resilience Community Engagement Framework.



STRATEGY

1.1 Safer communities

DELIVERABLES YEARS 2-5

- Risk and evidence based community fire programs are delivered.
- Flood and Storm community programs are being delivered.
- Performance measures to evaluate outcomes are established.

Community Protection Planning

Three types of Community Plans are developed by TFS:

- Community Protection Plans are simple, local plans for community members and visitors to the area. They provide bushfire safety options, such as the location of nearby safer places and community specific advice. An additional five Protection Plans were developed during 2017-2018.

- Response Plans are comprehensive pre-incident plans that reflect TFS operational priorities. They are used by TFS brigades and include information about local community characteristics and vulnerabilities, and technical bushfire risk. An additional three Response Plans were developed during 2017-18.
- Mitigation Plans are local-level bushfire hazard management plans. They are designed to guide community-level fuel management to protect people and community assets. Mitigation planning was undertaken covering 20 communities during 2017-18, with plans being implemented through the Fuel Reduction Program.

State Fire Management Council (SFMC)

The SFMC is committed to supporting community education and extension programs. The *Red Hot Tips* program is aimed at improving the skill of private landholders in rural areas to manage bushfire risk on their property, with a particular focus on planned burning.

The SFMC, in conjunction with the Fuel Reduction Program and Tasmanian Farmers and Graziers Association, hosted

a Planned Burning Field Day in July 2017. The event was held on a rural property in southern Tasmania and attracted over 130 participants. The day was based on the successful *Red Hot Tips* program.

The field day provided an opportunity for farmers and landholders to learn how to manage bushfire risk on their own properties. A mix of speakers, trade stalls and a practical field walk focussed on the tools and techniques required to safely conduct planned burning. The field day was supported through the collaboration of a number of government departments, rural suppliers, local industry and community groups.

In recent decades there has been a decline in property owners burning off. By equipping landholders and farmers with the skills required for burning on their own properties, the SFMC hope to encourage and increase fuel reduction burning on private land, complementing the work of the Fuel Reduction Program.

In April 2018, the SFMC hosted a workshop with farmers and other key stakeholders to review the *Red Hot Tips* program and consider future options. The SFMC is now investigating sustainable, collaborative, cost effective options to continue the program into the future.



Photo by Warren Frey

State Emergency Service (SES)

SES Achievements during 2017–2018:

Funding was approved from for the establishment of an SES Flood Policy Unit (FPU) and for a three year project to map flood hazard and undertake flood studies across Tasmania. The work of the FPU will significantly improve our understanding of flood risk and will help build community resilience to flood.

SES continued to develop a new flood alert system, to be launched next year.

SES completed a number of flood-related documents to support flood management and awareness:

- *Floodplain Risk Assessment Guidelines for Municipal Councils in Tasmania*

- *Tasmanian Community Flood Education and Awareness Framework and Guidelines*
- *Tasmanian Flood Information Management Guidelines*
- *Collect Flood Intelligence Learner Guide*
- *SES SOP – Obtain ground based flood intelligence.*

Residential, rural and business flood plan templates.

SES improved access to certain flood studies, plans and existing flood maps via WebEOC, Common Operating Platform (COP) and LISTMap.

SES improved the arrangements for activating incident control and public information support at regional and state levels.

SES successfully coordinated and administered the final two rounds of Commonwealth funding grants under the National Partnership Agreement (NPA) for Natural Disaster Resilience 2015-18. Under this NPA a total of 60 projects, valued at \$8.98M, were approved for Commonwealth funding assistance of \$3.92M. State government agencies, municipal councils, non-government organisations and research institutions benefited from the NPA, resulting in projects that will help build resilience against natural disasters.

STRATEGY

1.2 Community Development Plan

DELIVERABLES YEARS 2-5

- The Development Plan is refined for community risk assessments. It is developed in consultation with communities and utilises available evidence.
- The FRU activities are sustained.
- Fire protection plans are being implemented in a sustainable collaborative way prioritised by risk.

In 2018, the Community Development and Education Unit implemented the first year of the 2017-2020 Community Development Framework. The framework guides, supports, informs practice and the future direction when working with at risk communities.

The Framework defines community development in a community fire safety context as the process of working with at-risk communities to identify and implement strategies to strengthen and develop resilience to fire and other emergencies. Core business programs and strategies of the framework delivered in the 2017/18 financial year have included:

- Bushfire-Ready Neighbourhoods
- Tasmanian Visitor Information Network Program
- Council on the Ageing Home Fire Safety Program
- Project Wake Up!
- Bushfire and Natural Hazards Cooperative Research Centre and Australasian Fire and Emergency Services Authorities Council engagement
- Provision of public information as part of incident response for bushfires. In 2018, a Tasmania Fire Service/State Emergency Service Public Information Coordination Group was established.

Enabling households and service providers to mitigate home fire risk for older people and people with disabilities

The majority of fire fatality victims in Tasmania have been aged 60 years or older. Elderly people and people with disabilities living in their own homes have been identified as a major risk group for home fires and fire morbidity.

In its fifth year, TFS has continued its partnership with the Council on the Ageing in 2017-18, a peer education program about home fire safety for people over the age of 65. TFS again provided training material and 'train the trainer' sessions for the peer educators. In turn, they provided

home fire safety information sessions around the State to approximately 300 community members over the age of 65. This collaborative approach offers older people the opportunity to participate in conversations about issues that affect them and to access the information and services they need to protect their wellbeing. The outcomes of the home fire safety program included participants increasing their knowledge about home fires; gaining a greater understanding of what they can do to prevent home fires; and gaining a greater understanding of what they can do to reduce or limit the severity of fire in their home. TFS has committed to rolling out this program with Council on the Ageing in 2018-19.

All career brigades and 143 volunteer brigades around Tasmania continued to deliver home safety services to elderly people and people with disabilities living in their own homes, through the Project Wake Up (PWU) program. In 2017-18, 176 clients were provided with services through PWU, including the installation of 308 smoke alarms in their homes. Clients are referred to the program by 175 aged and community care service providers, and are offered a home fire safety audit; general home fire safety information; and the installation of smoke alarms.

In 2017-18, a specialised version of PWU for Deaf and Hard of Hearing Tasmanians was delivered by the TasFire Equipment (TFE) and Community Education units of TFS. This program has been running since July 2010, in partnership with The Tasmanian Deaf Society (TasDeaf) and Department of Health and Human Services (DHHS) (Disability and Housing). In 2017-18, 28 Deaf and Hard of Hearing clients had specialist smoke alarms installed in their homes. This is a total of 113 clients since the program started.

Enabling families to mitigate home fire risk for children and respond safely

The School Fire Education Program is one of the core community fire safety programs of the TFS, developed to improve the home fire safety of this identified risk

group. The program is currently offered to all Tasmanian primary schools from Prep to Grade 6, providing age-appropriate activities about home fire safety and how to survive a fire. Classroom lessons and take-home learning resources are provided by specially trained TFS career firefighters, based on consultation with educators.

In 2017-18, the program continued with research to evaluate children's application of the fire safety message under realistic or simulated conditions. This research is supported by the Bushfire and Natural Hazards Cooperative Research Centre, and the methodology developed will have far-reaching applications in all kinds of safety education for children.

The school-based program also aims to prevent the onset of fire-lighting among children by increasing their awareness of the dangers of fires, and encouraging them to make safe choices about fire. This is reflected in reduced referrals to TFS' secondary arson prevention program for children, the Juvenile Fire Lighter Intervention Program (JFLIP). This is a family-based program for primary school-aged children who engage in unsafe fire-play. Ninety per cent of participating children do not re-offend. JFLIP practitioners are also trained to participate in Youth Justice diversionary processes for young people who have committed fire-related offences. The reach of the School Fire Education Program with the target demographic has been an effective primary prevention strategy, and has contributed to a decline in referrals to JFLIP.

In 2017-18 the School Fire Education program was delivered to 22,591 primary school children in 99 schools. During this period six (6) JFLIP cases were registered, and practitioners represented the TFS at five (5) Community Conferences.

Enabling workplaces to mitigate fire risk and respond safely

Training programs were developed and delivered in collaboration with industry and tailored to site-specific risks for all types of workplaces. Training included; workplace fire safety and emergency management, industrial emergency response teams and fire-fighting for forestry workers. A key factor in this training is building workplace capacity, in particular for isolated workplaces who are some distance from the nearest brigade response and for forest workers in the safe management of controlled burns. Well prepared workplaces can mitigate on-site risks, often preventing small incidents from developing into much larger incidents, ensuring any necessary site evacuation is effective and responding crews are well briefed.



Enabling communities to mitigate bushfire risk and respond safely

In June 2018 the Bushfire-Ready Neighbourhoods program (BRN) of Tasmania Fire Service (TFS) had been in full operation for five years. BRN is a community-based prevention and preparedness program for bushfire prone communities across Tasmania.

In 2017 the BRN program was awarded the International Association of Public Participation and Resilient Australia Awards high commendation awards for the *1967 Bushfires – Share Your Story Project*. BRN was also awarded the 2017 Resilient Australia Photography Award, for the 'Bushfire-Ready Neighbourhoods in Action' photo.

In June 2018 BRN concluded round 2 of the program (July 2016 to June 2018). Round 2 of the program included intensively working with 22 core communities state-wide, as well as supporting dozens more. Round two outputs included:

- August 2016 and June 2018 a total of 4,392 people participated in BRN activities;
- 211 community development activities were conducted for the same period;
- The program worked directly with communities (including volunteer brigades);
- The program supported brigades to develop their capacity for community engagement;
- A total of 631 TFS volunteers and 246 Officers participated in the BRN program during the round 2 period.

The BRN program continued to work with a series of sectors at risk including tourism, preventative health, community services, people over the age of 65 and people with disabilities. One of these key partnerships included the collaboration between the Tasmanian Visitor Information Network, TFS and SES.

As with round one (2014 to 2016), there has been a rigorous evaluation process. The program undertook a baseline survey of communities at the beginning of round two (2016); collected quantitative and qualitative data throughout round about BRN activities. A sample of round 2 communities were re-surveyed in May 2018 to measure the change in household behaviour over time.

Outcomes identified by an independent longitudinal evaluation of round 2 included:

- Over 7 in 10 households in the participating BRN communities reported having a bushfire survival plan at the conclusion of round 2;
- Households reported that they are more likely to leave early in the event of a major bushfire situation;
- Those that were aware of the BRN program were significantly more likely to have a higher level of household preparedness than those not aware of the program;
- Respondents were more aware of the BRN program in the post-survey compared with the pre-survey, with healthy levels of involvement across the surveyed communities;
- Those involved in the BRN program provided many positive comments, reflecting changes in household behaviour.

Bushfire-Ready Neighbourhoods: North-west region highlight

The uptake and development of phone tree early warning systems at Sisters Beach, Jackeys Marsh and Squeaking Point have been implemented as systems of contact to empower the community to develop situational awareness and be proactive in the preparedness space. All systems are using annual testing to promote the time as 'time to start preparing' so the phone tree holds a dual purpose of early warning and of promoting the preparedness message.

Bushfire-Ready Neighbourhoods: Northern region highlight

Collaboration with Tamar Natural Resource Management has provided a wide range of expert resources and extended the reach of Bushfire-Ready Neighbourhoods to other groups such as Tasmanian Land Conservancy and Tasmania Parks & Wildlife Service. This has included bushfire survival planning workshops, burning to plan workshops and property assessment field days.

Bushfire-Ready Neighbourhoods: Southern region highlight

Dolphin Sands residents' attendance at events was higher than expected. TFS volunteer brigade members were a key liaison with SES, Neighbourhood Watch and committee member of the local ratepayers group. The brigade achieved considerable community engagement in bushfire risk by supporting the community group to manage a pump trailer for mitigation burns, coordinating emergency water tanks, safety signage and a pre-incident triage disc identifier system on gates.

Based on the research and evidence, round two of the BRN program has

continued to have the desired effect. Community members have been engaged with the program activities, have completed bushfire survival plans, and have engaged in community development activities to build resilience and undertake mitigation.

Since inception, the BRN program has worked in a targeted way with more than 100 communities state-wide.

Enabling schools to mitigate bushfire risk and respond safely

TFS Bushfire-Ready Schools program (BRS) uses bushfire science to categorise schools based on their survivability during a bushfire event, and prescribe tailored risk treatments. By undertaking a qualitative risk assessment for every school, the BRS program is able to provide schools with a comprehensive assessment report, a site specific bushfire hazard mitigation strategy, and written advice about bushfire emergency management planning. The BRS program is aligned with the Comprehensive School Safety Framework (Pillar 1: Safe Learning Facilities), and through it the Sendai Framework for Disaster Risk Reduction 2015-2030. During 2016-17, a total of 22 schools had protection strategies developed for them, focussed on asset-level fuel management, and building retrofits for ember protection.

During 2017-18 the Disaster Resilient Schools (DRS) Project commenced, which is an extension to the BRS Program and designed to build disaster resilience within school communities. The first phase of this project supported and assisted schools to undertake recommended hazard management works towards improving their bushfire safety category rating. A total of five vulnerable schools were supported to implement works, resulting in a greatly improved bushfire safety outcome. The second phase of the project engaged with school communities in the development of an online bushfire emergency planning resource. The resource provides school managers with a tool and support in preparation for bushfire emergency, and aligns to the Comprehensive School Safety Framework (Pillar 2: School Disaster Management).

Fuel Reduction Program

As announced in Budget Papers this year, the Fuel Reduction Program is now a key deliverable of the Commission and has been funded out to the full extent of the forward estimates (2021/22). The business plan for the whole-of-government program is being reviewed by the steering committee, incorporating

the new funding arrangements. Fuel reduction burning remains the most cost-effective way of reducing the risk of bushfire in Tasmania. However, other fuel treatments are used where appropriate and the Program will continue to take a strategic science-based approach to bushfire risk assessment and fuel treatment.

The implementation of the Fuel Reduction Program has seen the successful coordination of the three major fire management agencies in Tasmania and has allowed over 500 strategic fuel reduction burns to go ahead, significantly reducing bushfire risk in many areas of Tasmania. Most importantly, during the past 12 months the Program has achieved direct community benefit with previously undertaken burns providing protection to communities where bushfires have occurred. Successful suppression of these bushfires was directly related to the reduction of fuel loads.

The program has completed over 130 burns in 2017-18 year in strategic high bushfire risk areas. Burning continues all year as opportunities present. Tasmania is the first state in Australia to implement a multi-tenure, whole of government program for strategic bushfire risk mitigation, with fuel reduction burns targeting both public and private land.

The Program communications and engagement strategy has also been updated and refined, with the current iteration implemented beginning in Autumn 2017. This work is reviewed each season for currency and in response to input such as the results of a professional resurvey of community understanding and awareness undertaken in December 2017. This re-evaluation of the 2016 survey outputs has shown that a positive community perception continues to grow. 1 in 6 Tasmanians would say they are “familiar” with the Fuel Reduction Program. Further, 60% of the population recognise bushfire risk reduction as the need for the Program and identify prescribed burning as the most effective method to achieve that. While the re-survey showed that 50% of Tasmanians still perceive a medium to high bushfire risk in their neighbourhood there is more participation in mitigation actions with twice the number of respondents having direct involvement with a “burn off”.

Fire Management Area Committees (FMACS)

There are 10 FMACS within Tasmania. FMAC boundaries are based on risk and topography, and as far as practical, align to local government boundaries.

FMAC membership is defined under Section 18 of the Act and usually consist of representatives from Tasmania Fire Service (career and volunteer), Local Government, Sustainable Timber Tasmania, Parks and Wildlife Service, Wellington Park Trust (if applicable), Tasmanian Farmers and Graziers Association, relevant utility companies and other large key land managers in the FMA.

The primary role of a FMAC is to prepare a fire protection plan (FPP) for their area. This process allows FMACS to identify and assess community bushfire risks and prioritise strategic works in response to those risks, including areas for strategic fuel reduction burning. The role of FMACS is detailed in Section 20 of the Fire Service Act 1979. The most recent FPPs were approved by the SFMC early 2018. FPPs, and supporting Executive Summaries, are available on www.sfmc@fire.tas.gov.au

The SFMC hosted a state-wide forum late 2017 for FMAC Chairs and representatives. The forum provided an opportunity for members to collaborate and discuss the role and responsibilities of FMACS. A draft Terms of Reference was developed as a result of the forum. The revised Terms of Reference will support a number of improvements, realigning the focus of the Committees to concentrate on the key functions of: identifying strategic bushfire priorities, bushfire protection planning and collaboration. The SFMC will continue to work with FMACS during 2018-19 to improve governance, capability and support.

- SES continued to lead an Emergency Management Reforms Project to address recommendations from a number of reviews, with a focus on the drafting of amendments to the *Emergency Management Act 2006* and on developing a case for additional resources to:
 - o Coordinate multi-agency exercises and lessons management;
 - o Provide community development and protection planning for flood and storm;
 - o Establish a dedicated Flood Policy Unit to coordinate flood studies, planning and policy; and
 - o Establish additional regional resources to provide planning and development support, particularly for municipal authorities

STRATEGY

1.3 Emergency Management Planning – All-Hazards Risk Management

DELIVERABLES YEARS 2-5

- Continue mitigation and treatment implementation.
- Management of all hazards including emerging risks are reviewed.

TFS mitigation of bushfire risk through policy and regulation

TFS also contributes to bushfire mitigation at a strategic level through its involvement in policy development, and its role in bushfire building and development control.

During 2017-18 bushfire hazard practitioners in Tasmania received professional support from TFS, including advice, mentoring and review of bushfire emergency plans. TFS also undertook performance auditing of bushfire practitioners, investigated reported instances of non-compliance and provided evidence to Consumer Building and Occupational Services (CBOS) relating to potential enforcement matters.

In addition, TFS collaborated with a range of industry and government stakeholders to support strategic level bushfire mitigation initiatives in 2017-18. This included continuation of the state-wide bushfire-prone areas mapping; revision of the *Chief Officer's Scheme for the Accreditation of Bushfire Hazard Practitioners*; and development of the Bushfire Emergency Planning Guideline. TFS also supported the planning and building industry through participation in and delivery of a range of technical forums and presentations to industry groups.

TFS mitigation of fire risk in the built environment

TFS has legislated responsibilities to ensure that commercial buildings in Tasmania comply with relevant fire safety standards. This includes responsibility for assessing and approving evacuation plans required under the General Fire Regulation 2010. Evacuation plans are an integral component for the safety of building occupiers. In 2016-17, TFS Building Safety staff assessed and approved written evacuations, and then practice evacuations were observed and critiqued by staff from TFS Operations as part of the final approval. Check lists and other resources were prepared and managed to provide a consistent approach to our external clients.



Members of the Building Safety unit worked closely with the Director of Building Control and building surveyors to ensure that new and renovated buildings have the appropriate fire safety systems and features. This is necessary to ensure that the safety systems work as intended, ensuring occupants can safely evacuate the building and the fire service can safely and effectively intervene, should a fire occur. They also inspected and reported on the implementation of the annual maintenance statements required for all commercial buildings under the *Building Act 2000*. This is an assessment of the level of compliance, and the improvement over time, of the standard of maintenance of the essential health and safety systems in commercial buildings across the state. This work includes working with local government and other regulatory authorities to undertake audits of fire safety systems in commercial buildings. A highlight of the 2017-2018 financial year were joint audits of Hobart nightclubs undertaken in partnership with the Police, Worksafe Tasmania, and Hobart City Council.

TFS are active members of the Built Environment Technical Group of AFAC, and have been involved in developing

policy and standards for the National Construction Code and relevant fire safety Australian Standards.

Building Safety staff also assessed and monitored the performance of those companies permitted to work on fire protection system and equipment. This is to ensure that competent technicians install and maintain the systems and equipment to the required standards, and the systems are fit for purpose, and meet community and TFS expectations.

State Emergency Service (SES)

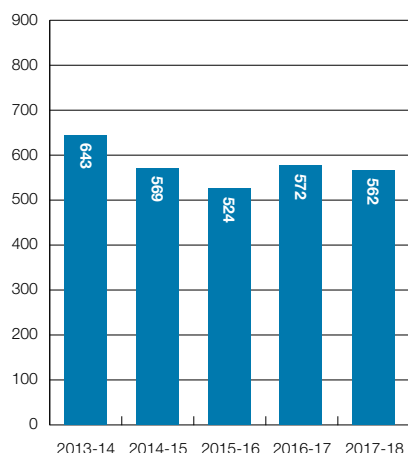
- SES completed the development of the *State Special Emergency Management Plan – Flood*
- SES developed plans for, and was funded under the NPA for a project to implement an Emergency Management Training Continuum
- SES completed the development of the *Tasmanian Emergency Risk Assessment Guidelines* (TERAG) and took kit, which will assist State and municipal agencies conduct emergency risk assessments in a consistent manner according to the latest standards.

Fuel Reduction Program report

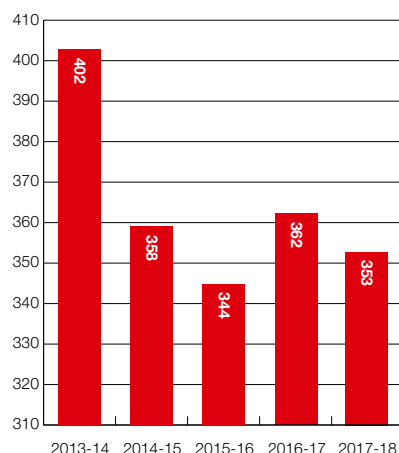
Activity	
Area treated by planned burning	22,166
Number of planned burns conducted	127
Number of areas treated by other fuel management treatments	5
Number of planned burns conducted within a 5km radius of a human settlement area	108
Number of cross-tenure planned burns	29
Number of planned burns on private land	22

Statistics

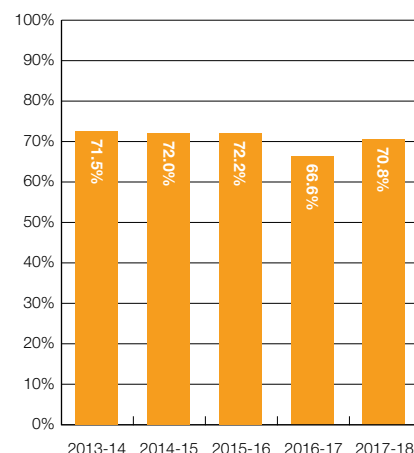
**Total structure fires
2013-14 to 2017-18**



**Accidental residential structure fires
2013-14 to 2017-18**



**Structure fires confined to the
room of origin 2012-13 to 2017-18**



Fire permits

The first declaration of a fire permit period for the 2017-18 season occurred at midnight on 25 October 2017.

This period incorporated all of the Southern municipalities and 3 Northern municipalities. On 15 November a further 3 Northern municipalities were added. Finally on 30 November, due to increased warm and dry conditions the remaining Northern municipalities along with all those in the North West were added.

From the first declaration in October to the revocation of the permit period on April 10 2018 the TFS issued 1369 permits. This is a 5% increase on last year's figure of 1298.

Total Fire Bans

The 2016-17 season saw four total fire ban declarations across parts or all of the state.

Days of total fire ban per region:

South = 4

North = 3

North West = 2

Registered Burns – No Permit Required

In a continued strategy to reduce unnecessary call outs the TFS encourages people to register their burns, even if the burn does not require a permit.

In the 2017-18 financial year the TFS registered 16,611 burns. This is a 20% increase on last year's figure of 13,289.

Total Area Burnt by Bushfires

To better raise, train and sustain our public information capability the TFS has created a Public Information Coordination Group. This group is made up of Community Fire Safety, State Operations, SES and DPFEM Media and Communications. The group is tasked with coordinating training and skills maintenance, reviewing interstate and international practices and managing public information operational capability across TFS and SES.

Another Public Information Officer course is planned for mid-2019 to build further capability and capacity.



Fire Cause Determination – Successes

Throughout 2017-18 the Fire Investigation Unit has seen a continued reduction in undetermined fire cause determinations. A result of these completed reports by Fire investigation Officers is the enabling of successful charges being laid in several arson cases on a state-wide basis.

The continued training of TFS and inter-agency personnel has allowed for improved working relationships and a further understanding of processes surrounding the identification of fire cause and origin, not only with larger and protracted incidents but also in identifying the importance of cause determination of all fire related incidents. The combination of reducing the number of undetermined causes and the increased awareness across agencies has seen a significant number of positive results from charges.

With each count of arson being prosecuted combined with TFS assisting Tasmania Police in pursuing any fire related criminal act, and continued work with the community to reduce the incidents of deliberately lit fires, a greater awareness of the issues are highlighted.

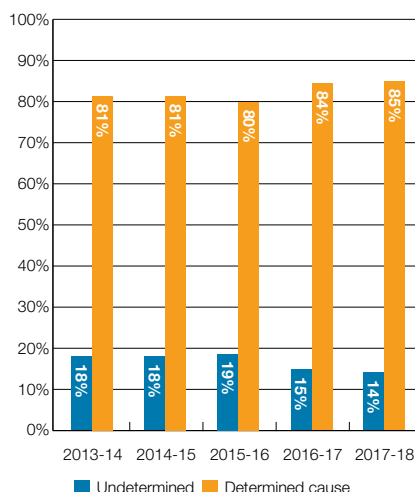
On-going support, training, mentoring and a continued inter-agency approach will enable the direction of Fire Investigation to continue in reducing the rates of undetermined fire cause and gain positive outcomes for the public.

Emergency Services Computer Aided Dispatch (ESCAD) System

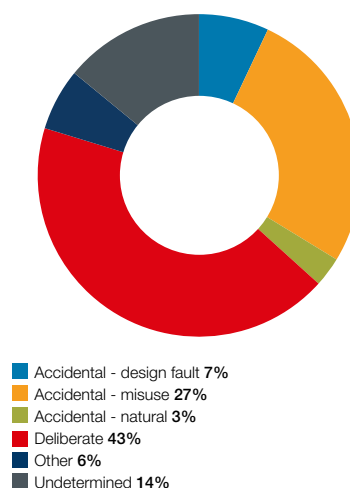
The aim of the Tasmanian ESCAD Project is to replace the current disparate emergency services Computer Aided Dispatch (CAD) systems with an adaptive and integrated commercial off the shelf CAD application that is customised for the Tasmanian environment and is suitable for Tasmanian emergency services now and into the future.

The principal objective is to provide the Tasmanian emergency service agencies the ability to provide the best possible response to emergencies and calls for assistance. The CAD will facilitate business process improvement and services will become more efficient and effective, with enhanced safety for the community and emergency services personnel. Tasmania Police went live with ESCAD on the 3rd of October 2017, the TFS plan to go-live with ESCAD in September 2018 and Ambulance Tasmania plan to go-live in November 2018.

Cause of all fires
2013-14 to 2017-18



Cause of fires attended 2017-18



Reduction of unwanted alarms and unnecessary false calls

The TFS false alarm working group has not met over the previous 12 months with the ongoing monitoring of unwanted false alarm call numbers being embedded into business as usual within the TFS.

Operational managers of areas responsible for responding to alarm calls receive monthly updates on alarm call numbers to enable them to determine cause factors that can be addressed if necessary directly through engagement with individual building owner/occupiers.

Personal Protective Clothing

TFS is committed to providing the highest level of protection through Personal Protective Clothing for our firefighters. A new structural firefighting helmet has been distributed in August 2018 and new bushfire helmets for our volunteers will continue to be rolled out in 2018-19.

Automatic Vehicle Location System (AVLS)

AVLS is a geographic positioning system that transmits data from TFS and SES vehicles to a server via the Telstra Mobile Next G Network with a redundancy feed across TFS Radio Network thereby maximising coverage across the state.

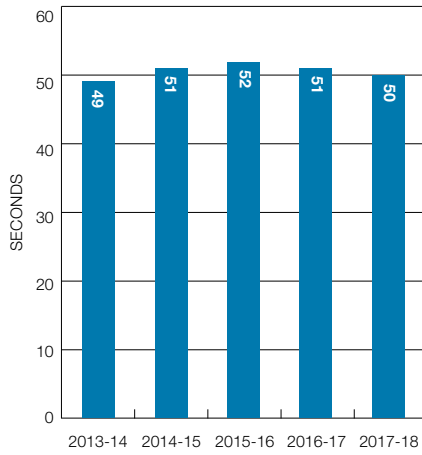
The device fitted to vehicles, known as an In Vehicle Unit, logs and/or reports (transmits) positional and associated data on a regular basis via the networks on the TFS Total Operating Picture (TOP)

server at TFS Headquarters. Selected data, specifically incident response, is then duplicated to the Common Operating Platform (COP).

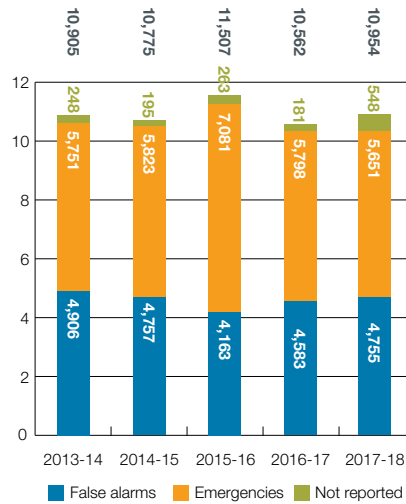
Access to this data assists TFS by:

- Improving the quality of service it delivers to its customers. The AVLS in conjunction with the ESCADE project provides opportunities to maximise the effective deployment of appropriate resources to incidents within acceptable safety margins
- Operational situational awareness is improved increasing crew welfare and safety
- Interagency coordination is improved with sharing of resource location through FireComm
- The system will ensure the public receives an efficient service and that firefighter can be assured of assistance within a reasonable time.

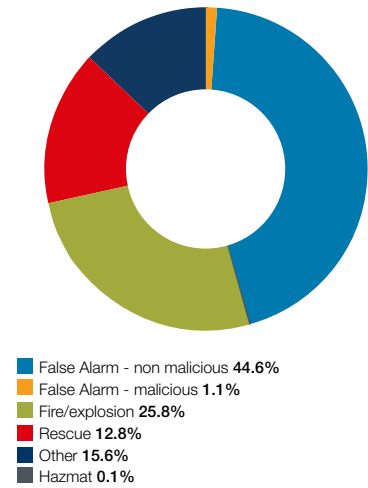
**Median call handling times
2013-14 to 2017-18**



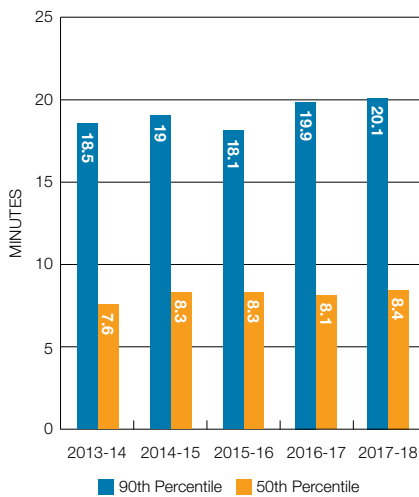
**Number of incidents
2013-14 to 2017-18**



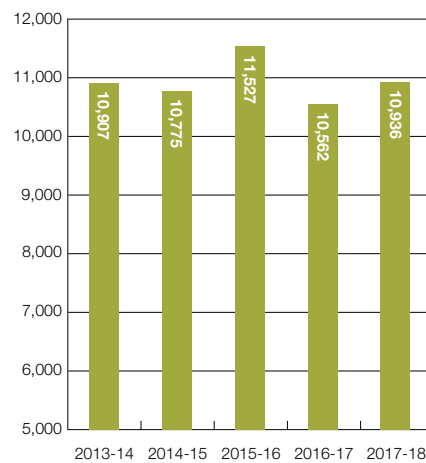
Type of incidents attended 2017-18



**Response times (structural fires)
2013-14 to 2017-18**



**Total incidents attended by TFS brigades
2013-14 to 2017-18**



Type of fires attended 2017-18

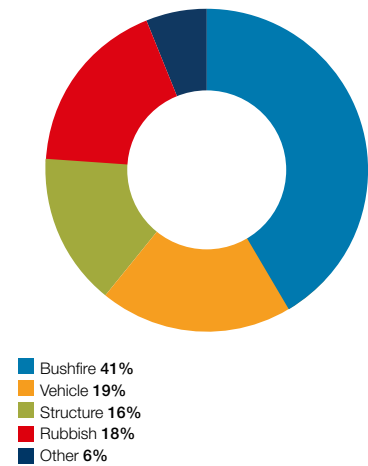




Photo by Warren Frey

STRATEGIC DIRECTION 2

Providing Trusted Emergency Response

TFS operational personnel are equipped and trained for structural firefighting, bush firefighting and fuel mitigation, vehicle and transportation incidents, road crash rescue, urban search and rescue, hazardous materials and the effective deployment of resources and information through our dispatch / communications centre.

SES provides front line emergency response to storm or flood events, road crash rescue, search and rescue and other specialist support functions such as communications. SES also provides broader emergency management planning and support function.

Both TFS and SES are skilled and equipped to provide effective and trusted emergency response when needed.

STRATEGY

2.1 Adopt a seamless and all-hazards approach to the delivery of emergency services

DELIVERABLES YEARS 2-5

- A multi-service, all-hazards emergency service delivery model is fully operational.
- Resources design allocation plan (technology and knowledge procedures, personnel, equipment completed).
- Capability model informs business planning.
- Aviation service delivery is synchronised with other agencies to optimise whole government capability.

ORH Consultants have completed stage one of the Resource to Risk Project. During this process the TFS and SES has identified that under our current response modelling there is minor deficiencies that will need to be reviewed.

The operational leadership group will provide advice to the State Fire Commission through the Chief Officer about the best use of existing resources to mitigate these identified risks.

National Aerial Firefighting Centre (NAFC)

The National Aerial Firefighting Centre (NAFC) was formed by the Australian States and Territories in July 2003 to provide a cooperative national arrangement for combating bushfires. It achieves this by facilitating the coordination and procurement of a fleet

of highly specialised firefighting aircraft that are readily available for use by State and Territory emergency service and land management agencies across Australia.

This national aircraft fleet complements local Call When Needed (CWN) aerial firefighting resources that are arranged directly by the States and Territories. The National Fleet receives funding support from the Australian Government as well as State and Territory Governments.

The 2017-18 fire season was the last season of the current contracted arrangement with the aircraft service providers and the season saw 5 rotary winged aircraft and 2 fixed winged aircraft operating out of Tasmania. The arrangements and dispersion of the aircraft was a key success in the containment of fires.

Whilst the TFS have aircraft based in Tasmania on immediate response there was a requirement to call in support from New South Wales in the form of a Large Air Tanker (LAT) and support staff to assist with the strategic containment of areas identified at the Argonaut Rd St Helens fire.

The fire season of 2017-18 was also used to review the effectiveness of the current arrangements and look specifically at the fleet size and amount of water carrying capacity of each aircraft quantify specifically in line with the Chiefs intent of a suitable weight of attack.

The TFS continues to utilise local CWN aircraft and has strong relationships with the local providers which also saw a number of local aircraft preposition on high fire danger days and deployed to numerous fires in support of the NAFC fleet.

STRATEGY

2.2 Consolidate learnings from After Action Reviews and other experiences

DELIVERABLES YEARS 2-5

An informed organisation-wide learning loop is applied to organisational learning.

The Tasmania Fire Service and State Emergency Service are organisations that are continually learning and that embrace and thrive on continuous improvement. This ethos has seen the organisations voluntarily open itself up for both internal and external reviews after significant events. This displays and promotes transparency, and a progressive organisation in that we are open to scrutiny and providing a trusted emergency response.

As learning organisations we have established trigger points to enact an immediate "After Action Review" following an emergency event. The intent

of immediate review is to recognise the value and effectiveness of our service delivery and make any appropriate changes to further enhance service delivery.

The existing pattern of recommendation collation, implementation and audit of the recommendations has continued through-out the year and we have progressed with the lessons identified. Since 2006 there have been 221 recommendations identified. The TFS have researched, actioned and implemented 55% of these and are continuing progress on outstanding items. Some of the outstanding

recommendations require a large body of work and will be finalised with the Fire Service Act and Permit system reform.

State Emergency Service (SES)

SES reviewed its After Action Review process and developed a proposal and budget submission for the establishment of an Exercise and Lessons Management Unit to support multi-agency exercises and to coordinate lessons arising from exercises and emergencies.

SES hosted the National Disaster Rescue Challenge in Hobart on 11-12 November. The event was attended by teams of SES volunteers from all States and Territories.



Photo by Warren Frey

STRATEGY

2.3 Deliver timely and accurate emergency information and intelligence

DELIVERABLES YEARS 2-5

- The community is engaged to ensure they are receiving relevant information.
- A 'Vulnerable People' strategy is implemented.
- Operational intelligence cell is formed at State level to enhance operational awareness and response.
- Incident management personnel have access to dynamic data and information to support effective decisions.

Public Information Officers

To better raise, train and sustain our public information capability the TFS has created a Public Information Coordination Group. This group is made up of Community Fire Safety, State Operations, SES and DPFEM Media and Communications. The group is tasked with coordinating training and skills

maintenance, reviewing interstate and international practices and managing public information operational capability across TFS and SES.

Another Public Information Officer course is planned for mid-2019 to build further capability and capacity.

State Emergency Service (SES)

The ongoing development of the SES Flood Alert system was achieved with the support of the National Hazards Warning Working Group and in consultation with a broad range of national, State and municipal stakeholders.

SES supported the ongoing development of a Vulnerable People strategy.

STRATEGY

2.4 Be a socially and environmentally responsible organisation

DELIVERABLES YEARS 2-5

Respect built between community and emergency service through communication and consultation regarding environmental indicators relevant to emergency services. Ways to measure and review environmental indicators are established.

The Fuel Reduction Program has an ongoing commitment to building a better understanding of the impact of fire on ecosystems. In 2018 the Fuel Reduction Program completed projects in collaboration with experts in threatened flora, threatened fauna, and threatened vegetation communities. The outcomes of this work are incorporated into standard operating procedures applied to all program burns.

The Fuel Reduction Program operates under a targeted communication and engagement strategy and employs dedicated staff to consult with community and industry. These links provide for both awareness raising and also capacity building outcomes with the objective to reduce the risk to Tasmanian communities without compromising social and ecological values.

The Program works closely with agencies having a vested interest in program actions, particularly where it relates to smoke management, community health and wellbeing and also industry viability. Working relationships with Asthma Tasmania and Wine Tasmania continue to grow with continually improving communications and procedures aimed to build understanding of mutual interests and minimise impacts.

Compressed Air Foam System (CAFS)

Compressed Air Foam Systems (CAFS) has continued to grow with our embracement of new technologies in fire suppression. CAFS increases our organisational capacity and effectiveness at fires.

A prototype medium tanker has been introduced to end users for evaluation prior to building the first of 28 appliances. All 28 will be fitted with CAFS, significantly boosting our capability.

CAFS enabled urban pumpers have been ordered (5 in total - 1 per year for 5 years) with the first two in service later in 2019. This will give a great capability to explore and use CAFS in an urban environment.

There has been some opportunities to use CAFS at large structure fires in the North West, All Goods Store Devonport and Reliquaries Shop Latrobe. CAFS 8.1 was deployed to the All Goods department store fire by the IC and was proven to be beneficial in suppressing the fire. It greatly assisted crews in mopping up, not just in the application of CAFS but as a heavy pumper delivering a high volume of water through the monitors. The application of CAFS increased the smoke quality, reduced the

level of particulate and smoke emissions from the fires and extinguished the fire.

TFS CAFS crews and appliances (CAFS 8.1 and 2 x 3.1) were requested to support Victorian peat fires in March 2018 for a 20 day Interstate commitment. 39 staff and volunteers worked together seamlessly to make a positive difference to the affected Victorian communities in the Lake Elingamite area.

Established CAFS working group has been initiated to ensure state-wide consistency with the use and further development of CAFS. This working group is made up of both career and volunteer members. The objective of the Compressed Air Foam Reference Group (CAFRG) is to inform CAFS decision making in a consultative, collaborative and constructive manner, maintaining a state wide focus.

Personnel are continuing to gain knowledge, skills and experience in the applications of CAFS. Training has been rolled out across the state, all Regions now have competent CAFS 8.1 operators that can be deployed statewide. CAFS 1 & 2 training is continuing to be rolled out. As the new medium tankers come into service further training will be required at the relevant brigades.





STRATEGIC DIRECTION 3

A Collaborative Organisation

We aspire to be collaborative both across TFS and SES, and also with the broader Department of Police, Fire and Emergency Management environment to deliver high quality fire and emergency service planning and support across Tasmania.

Within that environment, TFS and SES are committed to maximising the use of common operating systems and integrated corporate support system. We aim to have our members achieve outcomes collaborating within the organisation and with external stakeholders.

By achieving deliverables in relation to this strategic direction, TFS and SES will be among the leaders in contemporary emergency management, using national initiatives to add value for Tasmania.

STRATEGY

3.1 Take opportunities to integrate common operating systems

DELIVERABLES YEARS 2-5

- Priority operating systems are modified and adopted.
- WebEOC is embedded and fully utilised.

In 2017-18, the Systems Alignment Project has completed the alignment of three key systems across the Department of Police, Fire and Emergency Management. Despite the complexities of providing one system solution, the Project team has delivered a common Empower system in June 2017 and completed the work to align RM8 and TRIM information management systems for the department. The third key system, Technology One, was broken into phases with a functioning integrated Financials Model that was delivered in early 2017-18.

The work undertaken by BES in 2017-18 has focussed on ensuring a high level of collaboration with TFS and SES. The integrated corporate, human resources and policy functions of the Department entered a phase of consolidation. Business units have reviewed and revised their structures to ensure business needs are met and serviced is provided efficiently and effectively. Integrated services have provided a number of benefits for TFS and SES. An increased focus on people management and support has enabled the number of vacancies and fixed term

appointments across TFS and SES to be managed and appropriately prioritised. The Firefighters Enterprise Bargaining Agreement will commence negotiations in the last half of the 2017 calendar year to negotiate another three year agreement. The selection process for firefighter recruits will also commence this financial year with another nine full time positions available.

A focus on increased welfare support across the Department has increased TFS and SES employee and volunteer access to professional and practical support.

Work was undertaken to increase TMRN network resilience with the installation of generator solutions at Mt Owen, Brady's Lookout and cooling solutions at Mt

Lloyd, Guy Fawkes and Walkers Lookout.

The Fire Service (Finance) Regulations 2006 were remade and work was undertaken to facilitate a review of the *Fire Service Act 1979* in 2017-18.

In 2017-18, the replacement of appliances continued, and a tanker replacement plan with the purchase of 30 new medium tankers approved and 5 new heavy pumper ordered over the next 5 years.

Work has been undertaken for a Property Assessment Survey to be conducted in 2017-18. The survey will include all properties owned across DPFEM including TFS and SES properties.

BES has worked closely with TFS to support the introduction of new

financial processes, particularly in the management of emergency situations, such as the 2016-17 wildfires.

All procurement of firefighting equipment and fire appliances are now procured in line with the Treasury Instructions.

SES continues to integrate WebEOC, COP and other whole-of-department data management systems into its business activities and operations.

SES has implemented AVL within its operational fleet.

SES contributed towards the ongoing Conexus Project and has committed to aligning the SES internet Content Management System to the DPFEM system to improve security and reliability.

STRATEGY

3.2 Build a culture that delivers a collaborative approach

DELIVERABLES YEARS 2-5

- Policies and protocols and reviewed and modified to ensure they support collaboration.
- Training / education regarding opportunities collaboration is completed.
- Tools are available to assist collaboration.
- Operating systems are integrated.

Future Focus 2017-2020 provides overarching direction for DPFEM and has developed common principles which will guide the delivery of services and behaviours of employees, members and volunteers. The document establishes a strong basis for increased collaboration across the Department over the next three years.

TFS and SES also established an agreed strategic direction – *Framing the Future*. This document reflects the transfer of responsibility for the SES to the State Fire Commission and the opportunity this brings for closer collaboration and resource sharing. The actions detailed in *Framing the Future* align with the Departmental direction and capitalise on the operational synergies of TFS and SES.

Numerous opportunities have been taken to promote the SES Values and supporting behaviours.

This collaborative approach and strong relationship extends into the community with trained Community Engagement Officers in each region around the state working with land holders to perform fuel reduction burns on private lands of key risk reduction value. In addition to this the officers work to build community capacity to undertake their own actions, so as to contribute to community safety outcomes and to do so in a way that extends the interoperability beyond agencies and into the minds of land owners and land managers.

This collaboration and mutual development model extends to relationships and functions within the TFS Career and volunteer streams. The Fuel Reduction Unit works closely with career and volunteer brigades in both planning and operational functions. Over time this will build the overall capacity of the organisation to implement effective risk mitigation measures and also to develop a skilled people with extensive fire ground experience valuable in bushfire response.





STRATEGY

3.3 Participate and inform Whole of Government (WoG) reforms

DELIVERABLES YEARS 2-5

- WoG reform impacting Fire and Emergency Services are adopted.
- Process for representation and reporting is reviewed.

The DPFEM Gender Equity Working Group has progressed the gender equity strategies and solutions across the Department. The Working Group is chaired by TFS Regional Chief, South. Initial work has focused on undertaking a literature review and environmental scan to provide a basis for informing future work.

2017-18 will see the introduction of the Emergency Services Computer Dispatch (ESCAD) system introduced across all three emergency services agencies. Tasmania will be the first state in Australia with a dispatch facilities that is a common platform for TasPol, TFS and Ambulance Tasmania.

As business owner of Whole-of-Government program the Fuel Reduction Unit works consistently to build new and strengthen existing inter-agency service delivery. This includes Planning, Operational, Data and Information, Media and Communications, as well as partnerships with Tasmania Parks and Wildlife and Sustainable Timber Tasmania. These partnerships are rapidly building state-wide capacity to proactively mitigate bushfire risk and in doing so strengthen markedly working relationships and the common operating systems essential for effective bushfire response. To implement and maintain this whole of government Program the

Fuel Reduction Unit works collaboratively with partner agencies to undertake risk assessments and after action reassessments, annual and seasonal reviews, prioritisation and forward planning.

SES actively participated in a number of multi-agency projects such as the ESCAD, TasGRN, Wellbeing and Emergency Management Reforms Projects. SES stands to gain the most from these projects.

STRATEGY

3.4 Participate across the emergency management industry to add value to Tasmania

DELIVERABLES YEARS 2-5

- Clear communication channels and documented understanding exists between EM agencies for emergencies.
- Collaboration occurs with newly identified stakeholders to deliver solutions for the community.
- TFS and SES utilise research initiatives that enhance service and programs.
- Strategic directions Framework is reviewed and relevant.

TFS continues to be actively involved with the Bushfire and Natural Hazard Cooperative Research Centre, AFAC, ANZCTC, NAFC and other national research and development forums relevant to the emergency services sector.

Participating in national forums enables TFS to apply research results to organisational decision-making. TFS community safety and risk assessment programs, emergency warnings and predictive modelling are all backed by solid research. Recently 'child centred disaster risk reduction' research has improved TFS School Fire Education program. Research has also enabled TFS to trial ways to better manage animals (pets, livestock) during emergencies.

National research also assists with assessment of new technology such as the use of drones to assist in risk assessment and mitigation activities particularly. TFS is actively considering the purchase of drones for use in our fuel reduction program. The use of drones in the urban setting is also under consideration.

The National Fire Danger Ratings System is a good example of the kind of input Tasmania can achieve at the national level. The project aims to redesign fire danger warning and ratings systems.

The work will improve understanding of bushfire risk, incorporating latest science, technology and systems developments and some prototype testing will take place in Tasmania during summer 2017/18.

The Chief Officer TFS is co-Chair of the Chief Officers and Commissioners Strategic Committee (CCOSC). The Committee is primarily focused on arrangements for national and international deployment of emergency services personnel but is also considering issues such as national capabilities for USAR and Hazmat

The Fuel Reduction Unit proactively looks to incorporate lessons of others and to share new and emerging understandings across the national emergency management industry. As the first agency in the country to implement a tenure blind, risk based whole of Government program these lessons are of critical value.

The Fuel Reduction Unit participates in regular AFAC working groups and takes advantage of conference events to disseminate broadly lessons learnt and to use these same opportunities to add value to the Tasmanian industry.

The Fuel Reduction Unit is constantly developing new and strengthening existing working relationships with key community and industry stakeholders

with a vested interest in the outputs and outcomes of the Units functions. The Fuel Reduction Unit works in close collaboration with the State Fire Management Council (SFMC) and also supports the function of Fire Management Area Committee (FMAC). This support includes underpinning regionally specific Fire Protection Plans (FPP) that result from the participation of locally relevant community, industry and local government stakeholders. The FPP are used to inform Program operations and also build efficiencies into the implementation within those affected communities.

SES actively participated in a wide range of national, State, regional and municipal emergency management-related forums and committees. In particular, SES provided executive services to the State Emergency Management Committee and the three Regional Emergency Management Committees, which carries additional responsibilities such as secretariat, the maintenance of Tasmanian and Regional Emergency Management Plans, the coordination of the NPA for Natural Disaster Resilience and significant project work.





STRATEGIC DIRECTION 4

Valued and Capable People

TFS and SES are as diverse as the communities we protect. Our people are a mix of career, retained and volunteer members and support staff.

With a combined workforce of over 6,000 career staff and volunteers, more than 230 brigades and 31 SES units, our combined workforce provides a multifaceted service.

Our people are well trained, equipped and respected. TFS and SES aim to continue to develop our people with strategies aimed at ensuring:

- Embedded workplace safety culture
- Highly effective volunteer support structure
- Proficient and diverse workforce
- Consistent service delivery
- Career pathways, including for our volunteers
- Opportunities for all levels of TFS and SES to contribute ideas and innovation.



STRATEGY

4.1 Develop and implement a Human Resources (HR) Capability Framework

DELIVERABLES YEARS 2-5

- People Capability Framework implemented including:
 - Revised internal Communications Strategy
 - Improved system of personnel recognition
 - Job-specific, incremental leadership program
- Sustainable and targeted recruitment program.

Firefighter Recruitment

In 2017-18, a number of bodies of work have been developed and/or adopted to enhance recruitment practices and outcomes, stream-line processes and improve efficiency in Firefighter recruitment and selection. This work has included:

- Development and implementation of new Vacancy Management, Recruitment and Selection Guidelines;
 - Development and delivery of training to support the implementation of the Vacancy Management, Recruitment and Selection Guidelines;
 - Development of a Vacancy Management Selection Panel Toolkit; and
 - Completion of a review into Firefighter Recruitment practices.
- All SES staff received performance feedback.

STRATEGY

4.2 Develop a people plan

DELIVERABLES YEARS 2-5

- An effective and targeted recruitment and retention strategy for a function and fit-for-purpose workforce implemented.
- WH&S Framework implemented.
- Values based awareness program implemented.
- Demonstrate/deliver effective reward and recognition campaign.

Health and Wellbeing Program – “Project Wellbeing”

In its 2017-18 State Budget, the Tasmanian Government provided funding for the development of a proactive and preventative program that positively supports the health and wellbeing of the emergency services workforce across DPFEM and Ambulance Tasmania.

Strong foundations supporting the health and wellbeing of our workforces already exist these organisations. The Health and Wellbeing Program aims to build on these foundations looking at opportunities to improve our approach across all aspects of our workers' and volunteers' health and wellbeing.

In 2017-18, a large body of work has been completed to initiate this Project and inform the design of the Program. This has included the establishment of governance and project management structures, appointment of a Project Manager and completion of a comprehensive consultation and needs analysis phase reaching emergency service workers in all regions of the State, union bodies and professional service networks. Work will continue in 2018-19

to design the Program and commence implementation.

Safe and Healthy Workplaces

In 2017-18, supported by People and Culture, TFS has maintained a commitment to the continuous improvement of its safety management systems and the prevention of work related injury and disease. TFS has also continued to proactively approach work health and safety while complying with the Work Health and Safety Act 2012.

The number of new claims and average cost of Worker's Compensation claims continued to trend downwards. Injury Management and Advisory Services has continued to provide workers compensation and rehabilitation case management services to meet injury management and rehabilitation needs of the workforce.

Work Health and Safety (WHS) governance was a key focus for DPFEM during 2017-18.

An important outcome of this focus was the establishment of the first whole of agency Work Health and Safety Policy Statement, collaboratively agreed

and signed off by each of the DPFEM Operational Heads. This work will continue with the impending release of the DPFEM WH&S Policy.

During 2017-18, People Support coordinated the process to re-elect TFS Volunteer Health and Safety Representatives (HSR's), resulting in an increase in HSR Representation across all TFS Regions.

Respectful Relationships

In January 2018, the Executive Leadership Team (ELT), participated in 'Leading a Safe & Healthy Culture' workshop with the broader Agency Management Group (AMG) as part of a respectful relations initiative.

The focus of the workshop was on the alignment of our Agency Guiding Principles, the respective values of our organisational arms and resulting expectations on behaviours of each other. As a result, ELT had a subsequent workshop to further examine the context of respectful relationships within TFS and SES.

STRATEGY

4.2 Develop a people plan (continuing)

As a management team, we are committed to focussing on a culture of respectful relations and as a result, have sought assistance from Ms Lee-Ann Adams, Senior Consultant/Organisational Development to co-facilitate further conversations with regional managers, district officers and senior managers, identifying strategies for enhancing our communication at both district and strategic management levels. ELT believe that we can do more to continually improve our communications and organisational conversations which are a basis for respectful relationships.

State Emergency Service (SES)

Reviewed SES Volunteer suitability assessment and selection process

Promoted the SES Volunteer Employer Recognition Scheme

Maintained a number of SES Volunteer recruitment and retention strategies (uniforms, service recognition, quality training and support, quality equipment, etc.)

Volunteer numbers are now being sustained at 600+. (Include SES

Volunteer stats: Total: 629 Male: 451 (72%) Female: 178 (28%)

Promoted health and wellbeing, including the Ritualize Wellness App

Actively participated in forums to promote a diverse and respectful workforce, such as Male Champions of Change, LGBTI Working Group and Multi-Cultural Steering Committee.

STRATEGY

4.3 Development of a professional development pathway for volunteer and career staff

DELIVERABLES YEARS 2-5

- Volunteers are utilised in operational command roles.
- Development Program evaluated and key performance measures identified.

Operational Trainings (OT) focus over the 17/18 financial year has been the ongoing development and roll out of programs that support our career and volunteer firefighting personnel, building on our organisational capacity and capability.

TFS initiated a project to support the development of our training programs at Levels 2 and 3 of the Volunteer Development pathway. This included two successful Emergency Volunteer Funding (EVF) applications where the funding will be utilised to develop the programs required to enhance the overall management and leadership within volunteer brigades.

The advanced urban fire suppression skills enhancement program continued to be delivered to our volunteer and career firefighters, achieving very positive outcomes. This program provides the necessary advanced skills and knowledge to read fire behaviour and predict fire spread in buildings. This in turn enables safer and more effective fire suppression activities.

Managing and controlling bushfires on the urban-rural interface is an important aspect of community safety and firefighting operations. An additional skills enhancement program has been developed that provides advanced skills and knowledge to our firefighters that specifically relates to the utilisation of

contemporary strategies and tactics in dealing with interface type fires.

A two year Senior Station Officer (SSO) pilot program was completed which resulted in 10 career fire officers completing the program and subsequently being promoted to SSO. The completion of this pilot program allowed an extensive review to be undertaken that has identified areas of program improvement, with the ultimate aim of embedding this program into our career development pathway.

TFS conducted a comprehensive three week training program specifically designed to increase the capacity of TFS to respond to rescue incidents requiring specialist roping techniques. This Vertical Rescue program was attended by 17 personnel from across the state, including firefighters and a representative from Tasmania Police.

Fire cause determination is an important aspect of firefighting operations. To ensure TFS maintains its capability 11 personnel attended a five day intensive Bushfire Investigation course at Cambridge. The course was delivered by the Country Fire Authority Victoria (CFA) and has built on capability within the organisation. This has also ensured a state wide consistent approach to safe and legally acceptable fire cause determination for bushfires.

The increased capacity will also allow TFS personnel to be a resource at a national level, particularly bushfire investigations.

OT undertook a review of its business unit priorities for the 18/19 financial year. A revised business unit plan was developed that will provide further direction and alignment to overall TFS strategic objectives.

State Emergency Service (SES)

- Developed a case for additional funding to develop an emergency management training continuum
- Reviewed and developed Statements of Duties for Operational SES Volunteers and Operational Support SES Volunteers to accompany a revised SES Volunteer induction agreement process
- Commenced a review of SES staff professional development priorities
- Established a single TFS/SES Registered Training Organisation
- SES completed ASQA Quality Indicator Surveys, Competency Completion Report, AVETMISS quarterly reporting and Annual Declaration of Compliance
- SES staff delivered 27,316 hours of training to SES Volunteers

STRATEGY

4.4 Establish mechanisms to support proactive innovation

DELIVERABLES YEARS 2

- TFS/SES effectively harness the contribution that can be made by all members in corporate planning and business processes.

Building on the establishment of the light tanker appliance consultative forum in 2016/17, 2017/18 saw several additional consultative forums developed, including for the design specifications of 3 new Aerial appliances, 5 new Scania heavy pumpers, as well as medium tankers. End users were invited to participate in forums to provide input into the design

and functionality of these appliances. The benefit of the inclusion of experienced 'end users' in the research and development process is critical in the development of functional and 'fit for purpose' appliances. The consultative forums are an important aspect of capability development.

Alongside the consultative forums, business unit group input was included in the development of business unit plans aligned to the Corporate Plan and the Framing The Future strategic directions document. A draft communications plan is currently being developed.





Photo by Warren Frey

STRATEGIC DIRECTION 5

An Efficient and Effective Organisation

Good governance, sound financial management corporate risk identification and mitigation and compliance with legislation, policy and procedure are fundamental elements of an efficient and effective organisation. TFS and SES recognise the importance of these elements in providing a trusted and respected service to the community and to the Government.

STRATEGY

5.1 Review Emergency Service Legislation

DELIVERABLES YEARS 2-5

Recommendations from the review are agreed and implemented including a revised funding model for SES.

Recommendations from the review are agreed and implemented including a revised funding model for SES.

The Review is being overseen by a Steering Committee with an independent chair. Mr Michael Harris has been appointed to this position. The Steering Committee has met on two occasions. The Review has now commenced stage two. An issues paper has been released for consultation and this consultation period continues until 7 September 2018.

Consultation meetings are currently taking place with key stakeholders and groups who have indicated their interest in the review.

A range of possible options for the Act have been identified, many of which have already been canvassed in the Issues

Paper, and options will continue to be considered based on submissions put forward by stakeholders.

Once this consultation period is complete, a report outlining options and recommendations will be drafted. This will undergo another round of community and stakeholder consultation prior to being submitted to the Minister.

It is anticipated that the Draft Report will be submitted to the Minister in early 2019.

SES has contributed to the review of the Fire Service Act 1979 towards a sustainable funding model for the SES

SES coordinated the drafting of amendments to the Emergency Management Act 2006 to implement a number of recommendations arising from the Independent Review of Emergency Management Arrangements in Tasmania.



Photo by Warren Frey



Photo by Warren Frey

STRATEGY

5.2 Adopt good governance, corporate risk management and business disciplines that meet changing needs.

DELIVERABLES YEARS 2-5

- Risk mitigation and reporting implemented.
- Robust project management methodology is adopted to manage corporate projects.
- An integrated suite of systems is designed and implemented to enable consistent tracking of project information, financial and human resourcing.
- Detailed asset planning is occurring which delivers assets consistent with operational needs.
- Business continuity framework is operating effectively.
- Change management is embedded in methodologies and mature change management is adopted across services.

A project management process has been put in place, along with business unit plans that differentiate between businesses as usual and project work. This improved approach to governance has resulted in a more efficient use of resources, and identification of corporate risk and exposure.

A governance framework for the organisation was developed, with terms of reference for different committees. Work is now commencing on aligning the structure to meet business needs.

Initially only funded for four years, the state-wide fuel reduction program was initially managed through a standalone unit in the Operations Division of the TFS. With the provision of funding now being provided on an ongoing basis, in 2018 the Fuel Reduction Unit and Bushfire Planning and Policy Unit have been integrated into the Community Fire Safety Division as the Bushfire Risk Unit. The formation of this unit enables the holistic management of the threat of bushfire in Tasmania through:

- Understanding the risk and vulnerabilities
- Developing community resilience
- Delivering mitigation programs and initiatives
- Engaging and collaborating with stakeholders

- Leading and contributing to the development of legislation, regulations and policies both internally as well as state and national levels
- Responding to emergencies.

Business continuity framework is operating effectively

TFS continues to work closely with other areas of the Department to identify areas of corporate risk and to formulate mitigation strategies. This will continue to be a focus area in the 2018-19 year.

Robust project management methodology is adopted to manage corporate projects.

An integrated suite of systems is designed and implemented to enable consistent tracking of project information, financial and human resourcing.

TFS continues to implement project management methodology and over the past year a total of 10 projects have been completed. A total of 25 remain in progress. A dedicated resource has been appointed to manage project management and business unit planning and reporting. All areas of TFS have now undertaken two rounds of business unit plan reporting.

Detailed asset planning is occurring which delivers assets consistent with operational needs.

Change management is embedded in methodologies and mature change management is adopted across services.

TFS is currently finalising a detailed Strategic Asset Management Plan. This document describes the goals, objectives and strategies for realising the operational needs of the TFS for 2018-2022.

The fundamental aim of the SAMP is to support the operational goals outlined in the TFS *Framing the Future*.

The SAMP consolidates TFS' objectives, initiatives and strategies for management of the assets used by TFS in delivering its core business services. The SAMP cascades from the *Framing the Future* document providing the link between TFS assets and its corporate strategies and business plans.

SES reviewed its strategic asset priorities and contributed towards the development of the new DPFEF Strategic Asset Management Plan.

STRATEGY

5.3 Develop an appropriate funding model to enable service delivery

DELIVERABLES YEARS 2-5

A funding model for SES is established and legislated.

2017-18 has seen good budget planning developed to forecast the operating costs of the TFS with a five year plan to fund fire appliances and much needed firefighting equipment. The review of the TFS Act will work towards identifying a sustainable funding model for both the TFS and SES.

STRATEGY

5.4 Develop and implement outcomes based reporting tools

DELIVERABLES YEARS 2-5

A shared recording mechanism is identified and implemented.

All business unit plans and KPIs have been completed allowing our people to report against their progress towards deliverables across the year. These plans and KPIs have been aligned to the 'Framing the Future' document which forms the basis of the State Fire Commission's Corporate Plan 2017-18 to 2020-21.

SES continues to report performance data on a monthly basis to DPFEM Corporate Performance Reporting. All data is publicly available at <http://www.police.tas.gov.au/about-us/our-performance/>

STRATEGY

5.5 Establish a comprehensive and compliant suite of policies and procedures

DELIVERABLES YEARS 2-5

All policies and procedures are in place.

Over the 2017-18 financial year, operational policies for both TasFire Training and TasFire Equipment have been developed and implemented. These policies articulate their role in addressing community fire safety risk through the provision of targeted training and the installation, and the maintenance and installation of portable fire equipment.

SES reviewed and upgraded SES policies per the DPFEM policy template.

STRATEGY

5.6 Implement an effective communication framework

DELIVERABLES YEARS 2-5

- Digital and social media are used to compliment traditional communication methods to maximise timelines and coverage of public information.
- A range of internal communication approaches are adopted to ensure the workforce is informed and engaged in accordance with the communications strategy.

With a mix of career and volunteer members, and brigades and units across the state, corporate communication needs to be flexible and responsive. TFS addresses this through publications such as the Fireground magazine; fortnightly emails to staff from the Chief Officer; updates to volunteers through emails and Wordback; and regular updates to TFS online.

The rollout of MS 365 to TFS volunteers will assist in more timely delivery of information, as increasing numbers of volunteers take up the option to activate an account.

SES held a staff workshop to develop improvements in the way we communicate business activities and developments with staff and volunteers.

The SES Director issued 15 *ShopTalk* newsletters to all SES volunteers and staff to acquaint them with significant issues or developments.

Two *SES Gazette* newsletters were published and made available to the public on the SES website.

SES website content was reviewed and updated.

SES website hits peaked at 1,606,062 hits in May due to the extreme weather event. Total hits for the year were 8,677,729.



Photo by Warren Frey



Photo by Warren Frey

Financial Statements 2017-18

STATE FIRE COMMISSION FINANCIAL STATEMENTS 2017-18

The accompanying financial statements, including notes to accounts, are provided to disclose activities funded both within and outside the Public Account. These statements have been prepared on an accrual basis in accordance with the *Fire Service Act 1979*.

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STATE FIRE COMMISSION CERTIFICATION OF FINANCIAL STATEMENTS

The accompanying financial statements of the State Fire Commission have been prepared in compliance with the provisions of the *Fire Service Act 1979* from proper accounts and records.

In the opinion of the Commissioners of the State Fire Commission:

- the financial statements are drawn up so as to give a true and fair view of the results and cash flows for the period 1 July 2017 to 30 June 2018 and the financial position at 30 June 2018 of the State Fire Commission;
- the accounts have been prepared in accordance with the provisions of the *Fire Service Act 1979*; and
- at the date of this statement, there are reasonable grounds to believe that the Commission will be able to pay its debts as and when they fall due.

At the date of signing we are not aware of any circumstances which would render the particulars in the financial statements misleading or inaccurate.



Rodney Sweetnam AFSM ESM

COMMISSION CHAIR



Christopher Arnol MPM, GAICD, MIFireE

COMMISSION MEMBER

21 September 2018

Independent Auditor's Report

To the Members of Parliament

State Fire Commission

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of State Fire Commission (the Commission), which comprises the statement of financial position as at 30 June 2018 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and the statement of certification by the members of the Commission.

In my opinion, the accompanying financial report:

- (a) presents fairly, in all material respects, the financial position of the Commission as at 30 June 2018 and of its financial performance and its cash flows for the year then ended
- (b) is in accordance with the *Fire Service Act 1979* and Australian Accounting Standards.

Basis for Opinion

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Commission in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

The *Audit Act 2008* further promotes the independence of the Auditor-General. The Auditor-General is the auditor of all Tasmanian public sector entities and can only be removed by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

My audit is not designed to provide assurance on the accuracy and appropriateness of the budget information included in the financial report.

...1 of 3

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

Responsibilities of the Members of the Commission for the Financial Report

The members of the Commission are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Fire Service Act 1979* and for such internal control as they determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the members of the Commission are responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Commission is to be dissolved by an Act of Parliament, or the members of the Commission intend to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members of the Commission.
- Conclude on the appropriateness of the members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am

...2 of 3

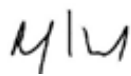
To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.
Professionalism | Respect | Camaraderie | Continuous Improvement | Customer Focus

Strive | Lead | Excel | To Make a Difference

required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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



Rod Whitehead
Auditor-General

Tasmanian Audit Office

28 September 2018
Hobart

...3 of 3

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STATEMENT OF COMPREHENSIVE INCOME

	Note	2018 Budget \$'000	2018 Actual \$'000	2017 Actual \$'000
Income				
Fire Service Contribution	1	43,256	43,256	41,009
Insurance Fire Levy	1	17,000	18,652	17,141
State Government Contribution	2	8,017	11,050	9,818
Other State Government Agencies	2	-	756	-
Bushfire Fighting Reimbursements from other Tasmanian Agencies		-	2,601	140
Motor Vehicle Fire Levy	1	7,960	8,164	7,979
Fire Prevention Charges	3	6,289	6,003	6,068
Sundry Income	4	10,442	8,397	5,992
Commonwealth Government Contribution	2	1,239	1,429	1,437
Total Income		94,203	100,308	89,584
Expenses				
Employee Related Expenses	5	56,858	51,202	46,564
Community Awareness, Subscriptions and Professional Fees	6	1,652	1,830	1,937
Operational Training		878	578	746
Operations Expenses	7	13,593	15,718	11,703
Services Provided by DPFEM ¹		-	6,160	6,060
Funding of State Emergency Service		2,653	2,653	583
Protective Clothing and Uniforms	8	830	1,245	973
Depreciation	20	6,666	6,534	6,642
Financial and Other Expenses	9	4,419	4,316	4,391
Insurance		3,700	1,395	4,555
Borrowing Costs	10	134	186	321
Repairs and Maintenance	11	1,214	2,502	2,211
Minor Equipment	12	662	1,643	726
Total Expenses		93,259	95,962	87,412
Net Surplus/(Deficit) for the Year		944	4,346	2,172
Other Comprehensive Income				
<i>Items That Will Not be Reclassified Subsequently to Profit or Loss</i>				
Actuarial Gain/(Loss) on SFC Super Scheme Obligation	13(b)	-	2,732	6,169
Increase/(Decrease) in Asset Revaluation Reserve	20	-	-	26,755
Total Other Comprehensive Income for the Year		-	2,732	32,924
Total Comprehensive Income for the Year		944	7,078	35,096

1. The Department of Police, Fire and Emergency Management provides corporate support services to the Commission.

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 28a of the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

		Reserves \$'000	Retained Surpluses \$'000	TOTAL \$'000
Balance as at 30 June 2016				
		18,943	61,488	80,431
Net Surplus/(Deficit)		-	2,172	2,172
Other Comprehensive Income				
Actuarial Gain/(Loss) on SFC Super Scheme Obligation	13(b)	-	6,169	6,169
Increase/(Decrease) in Asset Revaluation Reserve	20	26,755	-	26,755
Balance as at 30 June 2017		45,698	69,829	115,527
Net Surplus/(Deficit)		-	4,346	4,346
Other Comprehensive Income				
Actuarial Gain/(Loss) on SFC Super Scheme Obligation	13(b)	-	2,732	2,732
Increase/(Decrease) in Asset Revaluation Reserve	20	-	-	-
Balance as at 30 June 2018		45,698	76,907	122,605

The Financial Statements are to be read in conjunction with the accompanying notes to the accounts.

STATEMENT OF FINANCIAL POSITION

	Note	2018 Budget \$'000	2018 Actual \$'000	2017 Actual \$'000
CURRENT ASSETS				
Cash	14		7	7
Cash at Bank	14		12,931	8,233
Cash and Cash Equivalents	14,22	5,579	12,938	8,240
Receivables	15	2,749	2,734	1,303
Inventories	16	1,643	1,905	1,472
Other Current Assets	17	4,027	3,677	3,294
Total Current Assets		13,998	21,254	14,309
NON-CURRENT ASSETS				
Capital Work in Progress	20	2,751	641	2,696
Property, Plant and Equipment	20	96,263	123,184	126,367
Total Non-Current Assets		99,014	123,825	129,063
TOTAL ASSETS		113,012	145,079	143,372
CURRENT LIABILITIES				
Payables and Income in Advance	21	2,507	4,099	2,354
Provision for Employee Related Expenses	13(a)	15,245	13,207	12,843
Short Term Borrowings	22	-	-	5,000
Fixed Rate Borrowings	22	500	1,830	-
Total Current Liabilities		18,252	19,136	20,197
NON-CURRENT LIABILITIES				
Provision for Employee Related Expenses	13(a)	914	1,117	1,043
SFC Superannuation Fund Net Liability (Asset)	13(b)	7,386	(779)	1,775
Fixed Rate Borrowings	22	3,330	3,000	4,830
Total Non-Current Liabilities		11,630	3,338	7,648
TOTAL LIABILITIES		29,882	22,474	27,845
NET ASSETS		83,130	122,605	115,527
EQUITY				
Retained Surpluses		64,187	76,907	69,829
Reserves		18,943	45,698	45,698
TOTAL EQUITY		83,130	122,605	115,527

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 28b of the accompanying notes.

The Financial Statements are to be read in conjunction with the accompanying notes to the accounts.

STATEMENT OF CASH FLOWS

	Note	2018 Budget \$'000	2018 Actual \$'000	2017 Actual \$'000
Cash Flows from Operating Activities				
Receipts from Operating Activities		93,788	98,132	94,501
Payments to Suppliers and Employees		(85,574)	(87,216)	(98,605)
Interest Paid		(134)	(187)	(321)
Interest Received		10	203	70
Net Cash provided by Operating Activities	27	8,090	10,932	(4,355)
Cash Flows from Investing Activities				
Proceeds from Sale of Equipment		120	639	776
Payments for Property, Plant and Equipment		(1,930)	(1,873)	(4,389)
Net Cash used in Investing Activities		(1,810)	(1,234)	(3,613)
Cash Flows from Financing Activities				
Repayment of borrowings		(1,000)	(5,000)	-
Proceeds from borrowings		-	-	-
Net Cash used in Financing Activities		(1,000)	(5,000)	-
Net Increase/(Decrease) in Cash and Cash Equivalents		5,280	4,698	(7,968)
Cash			7	8
Cash at Bank			8,233	16,200
Cash and Cash Equivalents at the Beginning of the Financial Period	14	299	8,240	16,208
Cash			7	7
Cash at Bank			12,931	8,233
Cash and Cash Equivalents at the End of the Financial Period	14, 27	5,579	12,938	8,240

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 28c of the accompanying notes.

The Financial Statements are to be read in conjunction with the accompanying notes to the accounts.

1. Statutory revenue

(a) Fire Service Contribution

Contributions are received from Local Councils through a fire service contribution raised on properties. A minimum contribution was initially implemented in 1991 to provide additional funds to re-equip volunteer brigades. The minimum contribution is \$38 for the current year.

(b) Insurance Fire Levy

Contributions are received from insurance companies in respect of premium income on certain prescribed classes of insurance where the risks insured are situated in Tasmania. Contributions are received monthly with an approved lodgement return. The current insurance fire levy is 2% on marine cargo insurance, 14% on aviation hull insurance, and 28% on other classes of insurance.

(c) Motor Vehicle Fire Levy

The Commission receives income raised through a fire levy applied to all registered vehicles. This is collected by the Registrar of Motor Vehicles via the vehicle registration fee and forwarded to the Commission. The fire levy is \$17 per vehicle for the current year.

2. Contributions from State and Commonwealth Governments

Under section 101 of the *Fire Service Act 1979* the Treasurer must pay out of monies appropriated by Parliament, such amounts as the Treasurer determines appropriate towards the operating costs of the Commission. The Commonwealth Government pays the Commission an annual contribution towards the operating cost of brigades.

Funds provided to the Commission are detailed below:

	2018 \$'000	2017 \$'000
State Government Contributions		
General Contribution	3,299	6,816
Capital Contributions	4,540	790
Wildfire Fighting Reimbursements	3,211	2,212
Total	11,050	9,818
Other State Government Agencies		
State Government Agencies	756	-
Total	756	-
Commonwealth Government Contributions		
General Contribution	306	273
Aircraft Hire	1,121	1,101
Volunteer Grants	2	8
Natural Disaster Resilience Program	-	55
Total	1,429	1,437

3. Fire Prevention Charges

Income is earned through the sale, inspection and maintenance of fire safety equipment, training and provision of other fire prevention services throughout the State. Income is recorded when the goods or services are provided.

Fire Prevention Charges comprise:

Sale of Fire Safety Services and Equipment	1,391	1,511
Sale of Alarm Equipment	22	68
Alarm Rental	1,125	1,117
Alarm Network Fee	1,145	1,138
Avoidable False Alarms	119	127
Commercial Training	828	814
Inspection Fees - TasFire Equipment	1,207	1,153
Inspection Fees - Building Safety	149	131
Community Planning Revenue	17	9
Total	6,003	6,068

	2018 \$'000	2017 \$'000
4. Sundry Income		
Reimbursement by Ambulance Tasmania ¹	223	218
Road Crash Rescue	208	252
Interest Received	203	70
Reimbursement for Fuel Reduction Unit Expenditure ²	6,682	4,043
Insurance Premium Adjustments	45	44
Insurance Claim Recoveries	409	487
Reimbursement of Interstate and Overseas Deployments	275	-
Communications	7	70
Other	345	808
Total	8,397	5,992
<p><i>1. Contribution for shared facilities and reimbursement for costs incurred in upgrading and maintaining Ambulance Tasmania radio network and communication centre.</i></p> <p><i>2. The Tasmanian Government funds a fuel reduction program via the Department of Police, Fire and Emergency Management.</i></p>		
5. Employee Related Expenses		
Salaries, Wages and Allowances	37,463	35,259
Payroll Tax	2,692	2,374
Annual Leave	4,470	3,731
Long Service Leave	882	1
Superannuation	5,695	5,199
Total	51,202	46,564
6. Community Awareness, Subscriptions and Professional Fees		
Advertising	588	636
Functions	42	39
Grants and Donations	264	41
Professional Fees	511	925
Subscriptions	405	237
Other	20	59
Total	1,830	1,937
7. Operations Expenses		
Communication Expenses	1,776	1,771
Computer Expenses	1,922	1,539
Consumables	406	375
Electricity	666	699
Bushfire Fighting Support from Other Agencies	26	-
Fire Suppression & Control	197	78
Hire of Equipment	112	147
Motor Vehicle Expenses	1,187	843
Municipal Rates	574	579
Office Cleaning	208	209
Printing and Stationery	210	186
Travel Expenses	1,029	719
Bushfire Fighting Aircraft Expenses	4,837	2,621
Bushfire Fighting Equipment Hire	556	185
Other	2,012	1,752
Total	15,718	11,703
8. Protective Clothing and Uniforms		
Protective Clothing	894	611
Uniforms	351	362
Total	1,245	973

	2018 \$'000	2017 \$'000
9. Financial and Other Expenses		
Audit Fees	73	81
Cost of Goods Sold		
Sale of Fire Safety Services and Equipment	692	708
Sale of Alarm Equipment	13	53
Fringe Benefits Tax	19	185
Local Government Collection Fees	1,730	1,640
(Gain)/Loss on Sale of Assets	(66)	(371)
Pensioner Rebates (Municipal)	1,251	1,297
Pensioner Rebates (Transport)	525	645
Other	79	153
Total	4,316	4,391
10. Borrowing Costs		
Interest on Bank Overdraft	44	127
Interest on Interest Bearing Liabilities	142	194
Total	186	321
11. Repairs and Maintenance		
Communication Expenses	352	376
Computer Equipment	124	83
Fire Fighting Equipment	176	181
Land and Buildings	569	593
Motor Vehicles	1,260	904
Office Furniture	19	22
Workshop Equipment	2	52
Total	2,502	2,211
12. Minor Equipment		
Communication Equipment	129	49
Computer Equipment	329	35
Fire Fighting Equipment	926	271
Office Furniture and Related Equipment	115	198
Tasmanian Ambulance Service Communications Equipment (Note 4)	-	42
Workshop Equipment	66	54
Bushfire Fighting Equipment	45	61
Other	33	16
Total	1,643	726
13. Provision for Employee Related Expenses		
a) Employee Related Provisions		
Current Provisions		
Provision for Long Service Leave	6,949	6,759
Provision for Annual Leave	4,089	3,941
Provision for Superannuation ¹	1,415	1,407
Provision for Payroll Tax ¹	754	736
Total	13,207	12,843
Non-Current Provisions		
Provision for Long Service Leave	962	874
Provision for Superannuation ¹	91	109
Provision for Payroll Tax ¹	64	60
Total	1,117	1,043

1. Provisions for Superannuation and Payroll Tax relate to the Provisions for Long Service Leave and Annual Leave

13. Provision for Employee Related Expenses (continued)

Provision for Employee Related Expenses No cash reserve has been set aside to meet commitments from the Provision for Employee Related Expenses and commitments will be met as they fall due.

The Provision is comprised of Provisions for Long Service Leave, Annual Leave, Superannuation and Payroll Tax.

Provision for Long Service Leave is made for all employees. The liability is the sum of the existing entitlements and an estimate of future entitlements expected to arise from service completed at 30 June. In determining the liability for expected future entitlements, consideration has been given to known future increases in wage and salary rates, and experiences with staff separations.

The provision relating to employees with ten or more years of service is measured at nominal value and disclosed as a current liability as experience shows that this is likely to be settled within 12 months after year end. The balance of the provision relating to employees with less than ten years of service has been measured at the present value of future cash outflows discounted using the rates applied to national government securities at balance date, which best match the terms of maturity of the related liabilities. The balance of the provision is disclosed as a non-current liability.

The **Provision for Annual Leave** represents employee entitlements due and accrued as at 30 June. The provision has been calculated using the remuneration rates the Commission expects to pay when the obligations are settled. The provision is measured at nominal value and disclosed as a current liability as experience shows that annual leave is settled within 12 months after year end.

Superannuation and Payroll Tax Provisions are calculated by applying the appropriate superannuation and payroll tax rates to the liabilities calculated for Long Service Leave and Annual Leave.

Sick Leave. The Commission does not provide for sick leave. All of the Commission's sick leave is non-vesting, and it is thus inappropriate to make provision for future sick leave.

b) Superannuation

State Fire Commission Superannuation Scheme

Regulatory Framework

The State Fire Commission Superannuation Scheme (SFCSS) forms part of the Retirement Benefits Fund (RBF) and operates under the *Public Sector Superannuation Reform Act, 2016*. The rules of the scheme are set out in the State Fire Commission Superannuation Scheme Trust Deed.

The State Fire Commission (the Commission) is responsible for funding the defined benefits component of the Scheme.

The Commission's net obligation in relation to the Scheme is recorded in the SFC Superannuation Fund Net Liability if it is a liability or in the SFC Superannuation Fund Net Asset if it is an asset, and net movement in the obligation is recorded in the Statement of Comprehensive Income. Actuarial gains and losses in relation to this fund are recognised in Other Comprehensive Income in the year they are incurred. The Commission also makes employer superannuation contributions based as a minimum on the Commonwealth's Superannuation Guarantee rate for State Award employees. These employees may elect to have their contributions forwarded to any complying superannuation scheme.

Although RBF is not subject to the Superannuation Industry (Superannuation) (SIS) legislation, the Tasmanian government has undertaken (in a Heads of Government Agreement) to operate the scheme in accordance with the principles of the legislation. As an exempt public sector superannuation scheme (as defined in the SIS legislation), RBF is not subject to any minimum funding requirements. RBF is a complying superannuation fund within the provisions of the *Income Tax Assessment Act 1977*, and the fund's taxable income is taxed at a concessional rate of 15%.

The Superannuation Commission has fiduciary responsibility for, and oversees the administration of, the Scheme. The day-to-day running of SFCSS is managed by the Office of the Superannuation Commission within the Tasmanian Department of Treasury and Finance.

Scheme Risks

The Commission is exposed to a number of risks from its requirement to fund the scheme. The more significant financial risks relating to the defined benefits are:

- **Investment risk** - the risk that investment returns will be lower than assumed, requiring the Commission to increase contributions to offset this shortfall
- **Salary growth risk** - the risk that wages or salaries (on which future benefit amounts will be based) rise more rapidly than assumed, increasing defined benefit amounts and the employer contributions required to fund them
- **Legislative risk** - the risk that legislative changes could be made which increase the cost of providing the defined benefits.

13. Provision for Employee Related Expenses (continued)

General Plan Information

The Scheme was closed to new members on 30 June 2005. At 30 June it had 85 members (89 at 30 June 2017). Members of the Scheme are entitled to receive lump sum benefits on resignation, retirement, death or invalidity. An actuarial investigation into the scheme was most recently performed on 29 January 2016 (as at 1 May 2015) by Dr David Knox FIA of Mercer Consulting (Australia) Pty Ltd. The investigation showed the following figures determined in accordance with AAS 25 *Financial Reporting by Superannuation Plans*:

	\$'000	Asset Coverage
Assets	25,470	
Liability for Vested Benefits	23,770	107.2%
Liability for Accrued Benefits	23,705	107.4%

The financial objectives adopted in this actuarial investigation were:

- In the short term, to maintain the value of the scheme assets at 100% of vested benefits for scheme members
- in the longer term, to maintain a margin of 5% to 10% over the vested benefits; and
- to the extent possible, avoid significant fluctuations in the required employer contribution rate.

The actuary recommended that the Commission contribute to the scheme at the following rates:

- 11% of salaries, plus
- any deemed member contributions.

The funding method used to make the contribution recommendation was the *attained age normal method*. Under this method, contributions are set with the aim of providing benefits in respect of future service for existing members, adjusted for any excess or shortfall of assets over liabilities in respect of service prior to the investigation date. The recommended contributions may be adjusted in the short-term to ensure that the scheme's financing objectives are met.

The economic assumptions used in the investigation were:

Rate of investment return 7.0% p.a. *net of investment expenses and taxes on investment returns*
Rate of inflationary salary increases 4.5% p.a.

There were no significant events during the year: i.e. no plan amendments, curtailments or settlements.

There were no significant events during the year: i.e. no plan amendments, curtailments or settlements.

A *curtailment* is an event that significantly reduces the expected years of future service of present employees or reduces the accrual of defined benefits for a significant number of employees for some or all of their future services. A curtailment will occur when there is a significant reduction in the number of employees covered by the plan or where the plan is amended resulting in a reduction of benefits associated with the future service of current employees. Events causing a curtailment may include the termination or suspension of a plan.

A *settlement* occurs when an entity sponsoring a superannuation plan enters into an irrevocable transaction that eliminates all further legal or constructive obligation for all or a significant part of the benefits provided under the plan. Examples include the purchase of non-participating annuities for members or the payment of a lump sum payment to, or on behalf of, members in exchange for their right to receive benefits specified under the plan.

The Commission is not aware of any assets and liability strategies adopted by the Scheme.

13. Provision for Employee Related Expenses (continued)

Significant Actuarial Assumptions

The following actuarial assumptions were used to calculate the value of assets and liabilities of the Scheme.

	2018	2017
Assumptions to determine Defined Benefit Cost		
Discount Rate	2.95%	2.30%
Expected Salary Increase Rate	2.5% for 2017-18 2.5% for 2018-19 2.5% for 2019-20 2.5% for 2020-21 4% after 2020-21	2.5% for 2016-17 3.0% for 2017-18 3.5% for 2018-19 4% after 2018-19
Assumptions to Determine Closing Defined Benefit Obligation		
Discount Rate	2.70%	2.95%
Expected Salary Increase Rate	2.5% for 2018-19 2.5% for 2019-20 2.5% for 2020-21 4% after 2020-21	2.5% for 2017-18 2.5% for 2018-19 2.5% for 2019-20 2.5% for 2020-21 4% after 2020-21

Year End Results

Disclosure in Statement of Financial Position	2018 \$'000	2018 \$'000	2017 \$'000	2017 \$'000
Present value of defined benefit obligation at end of year		32,296		30,868
Fair value of plan assets at end of year		(33,075)		(29,093)
Net Liability/(Asset) Recognised in Statement of Financial Position		(779)		1,775

Disclosure in Statement of Comprehensive Income (Note 5)

Service Costs				
Current service cost		988		1,231
Past service cost		-		-
Curtailment or settlement (gains)/losses		-		-
Net Interest				
Interest cost	857		689	
Interest Income (Expected return on plan assets)	(843)	14	(562)	127
Net (Income)/Expense Recognised		1,002		1,358

Disclosure in Other Comprehensive Income/Changes in Equity

Remeasurement of the defined benefit Liability/Asset		
Actuarial (Gains)/Losses		
Actuarial (gains)/losses on the defined benefit obligation		
Actuarial (gains)/losses due to changes in financial assumptions	590	(3,075)
Actuarial (gains)/losses due to changes in experience	79	(176)
Less Actuarial (gains)/losses on fair value of plan assets less interest income	(3,401)	2,918
Total Actuarial (Gains)/Losses	(2,732)	(6,169)
Total Disclosures in Other Comprehensive Income/Changes in Equity	(2,732)	(6,169)

Explanation of Movement in Recognised Liability/(Asset)

Superannuation Liability/(Asset) at Beginning of Year	1,775	7,386
Add Defined Benefit Cost recognised in operating statement	1,002	1,358
Estimated defined benefits cost (Remeasurements) in other comprehensive income	(2,732)	(6,169)
Less Employer Contributions	(824)	(800)
Superannuation Liability/(Asset) at Year-end	(779)	1,775

13. Provision for Employee Related Expenses (continued)

	2019 \$'000
Estimate of Defined Benefit Cost for 2018-19	
Current Service Cost	979
Net Interest	(46)
Past Service Cost	*
Gain/Loss on Settlements	*
Disclosed in Statement of Comprehensive Income	933

* Not known until the end of the year

	2019 \$'000
Estimate of Net Liability/(Asset) Recognised in 2017-18 Statement of Financial Position	
Superannuation Liability/(Asset) at Beginning of Year	(779)
Add Estimated Defined Benefit Cost	933
Remeasurements	*
Less Estimated Employer Contributions	(776)
Estimated Superannuation Liability/(Asset) at Year-end	(622)

* Not known until the end of the year

	2018 \$'000	2017 \$'000
Reconciliation of the Fair Value of Scheme Assets		
Fair value of scheme assets at start of year	29,093	25,364
Interest income	843	562
Actuarial gains/(losses) excluding interest income	3,401	2,918
Employer contributions	824	800
Member contributions	372	369
Benefits paid ¹	(1,333)	(776)
Tax paid	(125)	(144)
Fair value of scheme assets at end of year	33,075	29,093

Reconciliation of the Present Value of the Defined Benefit Obligation		
Present value of defined benefit obligation at start of year	30,868	32,750
Current service cost	988	1,231
Interest cost	857	689
Member contributions	370	369
Actuarial (gains)/losses due to changes in financial assumptions	590	(3,075)
Actuarial (gains)/losses arising from liability experience	79	(176)
Benefits paid	(1,333)	(776)
Tax, premiums and expenses paid	(123)	(144)
Present value of defined benefit obligation at end of year	32,296	30,868

Fair Value of Scheme assets as at 30 June 2018*

Asset Category	Total \$'000	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Equity securities	12,144	5,210	6,934	-
Unit trusts	20,608	10,896	9,704	7
Direct property	313	-	313	-
Derivatives	10	-	10	-
Total	33,075	16,106	16,961	7

*Estimated based on estimated Scheme assets at 30 June 2018 and asset allocation of the Scheme as at 30 June 2017

The fair value of fund assets does not include any amounts relating to:

- any of the Commission's own financial instruments
- any property occupied by, or other assets used by the Commission.

13. Provision for Employee Related Expenses (continued)

Expected Contributions and Maturity Profile

Based on the assumptions used in this report and the recommendations from the 2016 actuarial investigation, the expected contributions to the scheme and the maturity profile of the defined benefit obligation are detailed below.

	2019 \$'000
Expected employer contributions to defined benefits scheme	776
Expected benefit payments for the financial year	\$'000
2018-19	2,275
2019-20	2,559
2020-21	2,379
2021-22	2,948
2021-23	2,755
Following five years	13,780

The weighted average duration of the defined benefit obligation is 6.8 years.

Sensitivity Analysis

The table below shows how the defined benefit obligation would have been impacted by changes in the discount rate and salary indexation rate at balance date, while retaining all other assumptions.

	Base Case	Discount Rate Sensitivity		Salary Increase Rate Sensitivity	
		Scenario A	Scenario B	Scenario C	Scenario D
		Reduce Discount Rate by 1%	Increase Discount Rate by 1%	Reduce Salary Increase Rate by 1%	Increase Salary Increase Rate by 1%
Discount rate	2.70%	1.70%	3.70%	2.70%	2.70%
Salary increase rate	4.00%	4.00%	4.00%	3.00%	5.00%
Defined benefit obligation* (\$'000)	32,296	35,161	30,094	30,097	35,103

*Includes defined benefit fund contributions tax provision

	2018 \$'000	2017 \$'000
14. Cash and Cash Equivalents		
Cash on Hand	7	7
Cash at Bank	12,931	8,233
Total	12,938	8,240

Cash comprises cash on hand, deposits held at call and short term deposits with a bank or financial institution. All cash transactions are recorded through the Commission's bank account. Cash and cash equivalents are carried at fair (face) value. Interest revenue is accrued at the market or contractual rate. There is no currency exchange rate risk associated with cash and cash equivalents.

All cash and cash equivalents are available for use by the Commission.

	2018 \$'000	2017 \$'000
15. Receivables		
Trade Debtors	2,471	1,323
Sundry Debtors	283	-
GST Receivable	-	-
Less Provision for Doubtful Debts	(20)	(20)
Total	2,734	1,303
Ageing of Trade Debtors		
Current	1,950	624
30 - 60 days	231	300
60 - 90 days	55	56
90+ days	235	343
Total	2,471	1,323
Trade and other receivables are measured at amortised cost less any impairment losses. The collectability of debts is assessed at year-end and a specific provision is made for any doubtful accounts. Due to the short settlement period, receivables are not discounted back to their present value. The Commission's average trading terms are 30 days and no material interest is charged on overdue accounts.		
16. Inventories		
Stock on hand is valued at the lower of average cost and net realisable value. Consumable stores are expensed at the time of purchase.		
17. Other Current Assets		
Accrued Revenue	2,481	2,282
Prepayments	1,196	1,012
Total	3,677	3,294
18. Assets Held for Sale		
In accordance with AASB 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i> , Non-Current Assets are reclassified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are stated at the lower of carrying value and fair (net recoverable) value less disposal costs. Provision for Depreciation accounts are transferred to the related asset accounts and the assets are then revalued to their estimated net recoverable value with any resulting impairment gains or losses disclosed in the Income Statement. Non-Current Assets held for sale are transferred to Current Assets and are not depreciated. Assets held for sale are sold in accordance with the Commission's policy in relation to the useful life of assets. It is expected that assets held for sale will be sold within twelve months. Motor Vehicles and Fire Appliances are disposed of at auction or other public sale. Assets held for sale at year end were not material.		
19. Capital Commitments		
Capital expenditure contracted but not provided in the accounts, and payable within one year	147	320

	2018 \$'000	2017 \$'000
20. Property, Plant and Equipment		
Land		
At Fair Value at 30 June	25,303	25,317
	25,303	25,317
Buildings		
At Fair Value at 30 June	58,696	59,079
Accumulated Depreciation	(1,467)	(264)
Written Down Value	57,229	58,815
Motor Vehicles		
At Cost	7,420	7,364
Accumulated Depreciation	(5,557)	(5,205)
Written Down Value	1,863	2,159
Fire Appliances		
At Cost	72,580	70,280
Accumulated Depreciation	(39,385)	(36,725)
Written Down Value	33,195	33,555
Plant and Equipment		
At Cost	28,900	28,308
Accumulated Depreciation	(23,306)	(21,787)
Written Down Value	5,594	6,521
Total Property, Plant and Equipment		
Total Gross Value	192,899	190,348
Accumulated Depreciation	(69,715)	(63,981)
Written Down Value	123,184	126,367
Capital Work in Progress		
Balance at the beginning of the year	2,696	2,751
Additions	992	3,803
Transfers to Inventory	(134)	-
Transfers to Property, Plant and Equipment	(2,913)	(3,858)
Balance at year end	641	2,696

Reconciliation of Property, Plant and Equipment as at 30 June 2018

	Land \$'000	Buildings \$'000	Motor Vehicles \$'000	Fire Appliances \$'000	Plant and Equipment \$'000	Total \$'000
Carrying Amount 30 June 2017	25,317	58,815	2,159	33,555	6,521	126,367
Asset Additions from Purchases	-	-	375	41	595	1,011
Asset Additions through Transfers from CWIP	-	-	-	2,884	28	2,912
Depreciation Expense	-	(1,399)	(536)	(3,054)	(1,545)	(6,534)
Disposals	(14)	(187)	(135)	(231)	(5)	(572)
Carrying Amount 30 June 2018	25,303	57,229	1,863	33,195	5,594	123,184

Reconciliation of Property, Plant and Equipment as at 30 June 2017

	Land \$'000	Buildings \$'000	Motor Vehicles \$'000	Fire Appliances \$'000	Plant and Equipment \$'000	Total \$'000
Carrying Amount 30 June 2016	17,750	40,143	2,680	33,818	7,825	102,216
Asset Additions through Purchases	6	137	179	32	226	580
Asset Additions through Transfers from CWIP	4	724	7	2,957	172	3,864
Revaluations	7,567	19,188	-	-	-	26,755
Depreciation Expense	-	(1,377)	(578)	(2,986)	(1,701)	(6,642)
Transfer between Asset Classes	-	-	(26)	26	-	-
Disposals	(10)	-	(103)	(292)	(1)	(406)
Carrying Amount 30 June 2017	25,317	58,815	2,159	33,555	6,521	126,367

20. Property, Plant and Equipment (Continued)

Capital Work in Progress

Capital Work in Progress is valued at the cost of material, labour and labour on costs for work to date. Capital Work in Progress excludes certain commitments for outstanding purchase orders and unperformed work under existing contracts (Note 19).

Asset Revaluation

On revaluation, the accumulated depreciation accounts are transferred to the related asset accounts. The assets are then depreciated over their estimated remaining useful lives using their revalued amount as the base. When a class of assets is revalued upwards, that part of the revaluation increment that reverses previously expensed revaluation decrements for that class of assets is treated as revenue, and any excess is credited to the Asset Revaluation Reserve. When a class of assets is revalued downwards, that part of the revaluation decrement that reverses a credit balance in the Asset Revaluation Reserve relating to that class of assets is debited to the Reserve, and any excess decrement is expensed.

Land and Buildings

Freehold land and buildings are recognised at fair value. Cost is considered to be the best measure of fair value for recently purchased or constructed property. In prior years the Commission used the Valuer-General's progressive property revaluations. However, from 30 June 2017, the Commission obtains independent valuations of its land and buildings at least every five years. The Commission revalued all its land and buildings at 30 June 2017. As a result the asset class of land was revalued upwards by \$7.567M and Buildings were revalued upwards by \$19.188M. These revaluations were booked to the Asset Revaluation Reserve. There was no revaluation of Land and Buildings in the year ended 30 June 2018.

Fire Appliances, Passenger Vehicles and Plant and Equipment

Internal expenses incurred in the fabrication of Fire Appliances and the construction of Radio and Communications Equipment are capitalised. Passenger vehicles are valued at cost.

Plant and Equipment

Plant and Equipment is at cost and is comprised of Fire Fighting Equipment, Workshop and Other Equipment, Radio and Communications Equipment, Office Furniture and Equipment and Computer Equipment. Items of Plant and Equipment with a purchase price of less than \$2,000 are expensed at the time of purchase. Items of Plant and Equipment with a cost of \$2,000 or more are shown at cost less depreciation and are written off over their expected useful life to the Commission on a straight line basis. Equipment is not depreciated until full operational status is attained. Expenditure incurred in relation to plant and equipment subsequent to initial acquisitions is capitalised when it is probable that future economic benefits, in excess of the originally assessed performance of the assets will flow to the Commission in future years. Where these costs represent separate components they are accounted for as separate assets and are separately depreciated over their useful lives.

Depreciation

Items of Property, Plant and Equipment, including buildings, are depreciated over their estimated useful lives. Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and held ready for use. All items are depreciated using the straight line method of depreciation at the following range of rates:

Asset Class	Range of Rates
Buildings	1% to 4%
Motor Vehicles	4% to 20%
Fire Appliances	4% to 5%
Plant and Equipment	6.6% to 33.3%

Change in Accounting Estimates

In 2017 the Commission changed the valuation policy in relation to its land and buildings to ensure that an independent commercial valuation is performed at least every five years.

Useful lives of 100 years are applied to brick buildings and 30 years to steel buildings. In the past the Commission retained these useful lives even when buildings were revalued. However, it has now changed the way it estimates depreciation on its buildings by amending its policy on the useful lives of buildings once they have been revalued.

There is no change for new buildings that have never been revalued.

For level two buildings that have been revalued the remaining useful lives will be 70 years unless that is not deemed appropriate for a particular building. For Level three buildings that have been revalued, unless deemed inappropriate in specific cases, the remaining useful lives will be set at 50 years, less the age of the building, but no less than 40 years for a brick building and no less than 25 years for a steel building, as summarised in the table below.

20. Property, Plant and Equipment (Continued)

Building Type	Previous Policy	Revised Policy
Level 2 buildings	100 years	70 years on all buildings, or Individual assessment *
Level 3 buildings		
Brick construction	100 years	50 years less the age of the building, but no less than 40 years, or Individual assessment *
Steel construction	30 years	50 years less the age of the building, but no less than 25 years, or Individual assessment *

* The individual assessment is an exception case where the above formulae prove to be inappropriate for individual cases, e.g. where a building is known to have a remaining economic life that is significantly different to the minimums calculated. This would be specifically evaluated as the situation requires, e.g. by a valuer or engineer, or if there is a plan or budget to replace the building at some future time, by management.

Depreciation on buildings for the 2017-18 financial year using the new policy was \$1.399M. Using the old policy it would have been \$1.092M. Because straight line depreciation is used depreciation on these buildings should remain at \$1.399M unless there is a change to their capacity to produce economic benefits.

Impaired Assets

Assets are reviewed at balance date for impairment using a range of impairment indicators. Where an asset is deemed to be impaired, its recoverable amount is estimated, and if materially lower than its carrying amount, the carrying amount is reduced to its recoverable amount. Any resulting impairment loss (or gain) is recognised in the Statement of Comprehensive Income in Financial and Other Expenses (or Sundry Income) unless the asset has previously been revalued upwards, in which case it is recognised as a reversal up to the amount of the previous revaluation and any excess is recognised through profit or loss.

Assets at Fair Value

The Commission measures and recognises the following assets at fair value on a recurring basis:

- Land
- Buildings - Fire Stations and Other
- Buildings - Major Urban Offices and Workshops.

(a) Fair Value Hierarchy

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy. Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as:

- Level 1** - Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2** - Inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly;
- Level 3** - Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset held at fair value by the Commission. The table presents the Commission's assets measured and recognised at fair value. The fair values of the assets are determined using valuation techniques which maximise the use of observable data, where it is available, and minimise the use of entity specific estimates. If one or more of the significant inputs is not based on observable market data, the asset is included in level 3. This is the case for fire stations, which are of a specialist nature for which there is no active market for similar or identical assets. These assets are valued using a combination of observable and unobservable inputs.

Recurring fair value measurements

	30 June 2018				30 June 2017			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Land	-	25,303	-	25,303	-	25,317	-	25,317
Buildings	-	15,027	42,202	57,229	-	15,245	43,571	58,816
Total	-	40,330	42,202	82,532	-	40,562	43,571	84,133

There were no transfers between levels 1 and 2 during the year, nor between levels 2 and 3.

(b) Valuation techniques and significant inputs used to derive fair values

The valuations of land and major urban offices and workshops were performed on the basis of market value, taking into consideration sale prices for similar properties and/or potential market rent these properties could generate. Specialised and often remote buildings such as fire stations and radio sites were valued on the basis of replacement with a new asset having similar service potential because there is no active market for these assets. The average cost of construction was used to calculate the gross replacement value. The level of accumulated depreciation was determined based on the age of the asset and the useful life adopted by the Commission.

20. Property, Plant and Equipment (Continued)

Measurement of Fair Value

Asset	Fair Value 30 June 2018 \$'000	Fair Value 30 June 2017 \$'000	Fair Value Hierarchy	Valuation Technique and Key Inputs	Significant Unobservable Inputs	Relationship of Unobservable Inputs to Fair Value
Land	25,303	25,317	Level 2	Comparable sales - market	n/a	n/a
Buildings - Fire Stations and Other	42,202	43,570	Level 3	Depreciated replacement cost	" Construction Cost Useful Life 33 to 100 years "	Increase in construction cost or useful life leads to higher fair value
Buildings - Major Urban Offices and Workshops	15,027	15,245	Level 2	Comparable sales - market	n/a	n/a

	2018 \$'000	2017 \$'000
21. Payables and Income in Advance		
Accrued Expenses	629	911
Creditors	246	1,422
Provision for Insurance Premiums	382	-
GST Payable	21	-
Other Creditors	2,821	4
Income Received in Advance	-	17
Total	4,099	2,354

22. Financial Instruments Disclosures

The following tables detail the Commission's remaining contractual maturity for its financial liabilities and expected maturity for financial assets.

2017-2018

	Weighted Average Interest Rate	Less than 1 month	1 - 3 months	3 months to 1 year	1 - 5 years	5+ years	Total	Market Value
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets								
Non-interest bearing		7	2,734	-	-	-	2,741	2,741
Variable interest rate instruments	2.15%	12,931	-	-	-	-	12,931	12,931
		12,938	2,734	-	-	-	15,672	15,672
Financial Liabilities								
Non-interest bearing		3,717	-	-	-	-	3,717	3,717
Fixed Rate Interest Bearing Liabilities	3.12%	-	-	1,830	3,000	-	4,830	4,857
		3,717	-	1,830	3,000	-	8,547	8,574

22. Financial Instruments Disclosures (continued)

Comparative figures for 2016-2017

	Weighted Average Interest Rate	Less than 1 month	1 - 3 months	3 months to 1 year	1 - 5 years	5 + years	Total	Market Value
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets								
Non-interest bearing		7	1,303	-	-	-	1,310	1,310
Variable interest rate instruments	1.45%	8,233	-	-	-	-	8,233	8,233
		8,240	1,303	-	-	-	9,543	9,543
Financial Liabilities								
Non-interest bearing		2,337	-	-	-	-	2,337	2,337
Variable Rate Short Term Borrowings	2.20%	5,000	-	-	-	-	5,000	5,000
Fixed Rate Interest Bearing Liabilities	3.12%	-	-	-	4,830	-	4,830	4,868
		7,337	-	-	4,830	-	12,167	12,205

Investments and Borrowings

The Commission conducts its investment and borrowing programmes with the Tasmanian Public Finance Corporation (Tascorp) and private investment managers.

Financial Liabilities

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate, a shorter period. The Commission manages trade creditor accounts to ensure timely payments and no material interest is paid on these liabilities.

Financial Risk Management

The activities of the State Fire Commission are exposed to the following financial risks:

Credit Risk

The largest exposure to credit risk to the financial assets of the Commission relates to Trade Debtors. This exposure relates to the risk of financial loss due to debtors failing to discharge their financial obligations. This risk is significantly mitigated by the nature of the Commission's revenue, most revenue is collected by the Commission or other Government agencies as a legislative requirement and has virtually no credit risk. Sales to the public which carry credit risk are a small part of the Commission's revenue and bad debts have been immaterial in the past. The maximum credit risk exposure in relation to Trade Debtors is the carrying amount less the provision for doubtful debts (Note 15). The Commission is not materially exposed to any individual or group. Trading terms for the Commission's Trade Debtors is 30 days.

Interest Rate Risk

The Commission's exposure to interest rate risk, and the effective weighted average interest rate by class of asset or liability is set out in the table below. Exposure arises predominantly from assets and liabilities bearing variable interest rates as the Commission intends to hold fixed rate assets and liabilities to maturity.

Liquidity Risk

Liquidity risk is the risk that the Commission will not be able to meet its financial obligations as they become due. The cash inflow stream of the Commission is very consistent with some seasonality relating to quarterly collections. The major cash outflow is salaries which is also consistent. The Commission's approach to managing liquidity is to ensure it will always have sufficient liquidity. It monitors its cash flows and utilises an overdraft when needed.

Currency Exchange Rate Risk

There is no material currency exchange rate risk.

Other Price Risk

The only sensitivity analysis performed on financial assets and liabilities is interest rate risk. Other price risks are not considered material.

22. Financial Instruments Disclosures (continued)

Interest Rate Risk Sensitivity Analysis for 2017-2018

	Carrying Amount	Interest Rate Risk			
		-1%		+1%	
		Impact on Operating Result	Impact on Equity	Impact on Operating Result	Impact on Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets					
Cash	12,931	(129)	(129)	129	129
Total Financial Assets	12,931	(129)	(129)	129	129
Financial Liabilities					
Interest Bearing Liabilities	4,830	48	48	(48)	(48)
Total Financial Liabilities	4,830	48	48	(48)	(48)

Comparative figures for 2016-2017

	Carrying Amount	Interest Rate Risk			
		-1%		+1%	
		Impact on Operating Result	Impact on Equity	Impact on Operating Result	Impact on Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets					
Cash	8,233	(82)	(82)	82	82
Total Financial Assets	8,233	(82)	(82)	82	82
Financial Liabilities					
Interest Bearing Liabilities	9,830	98	98	(98)	(98)
Total Financial Liabilities	9,830	98	98	(98)	(98)

2018
\$'000

2017
\$'000

Borrowing Facility

Total Facility (unsecured and subject to an annual review)	10,000	10,000
(Sub-limit apply: \$5M for working capital and \$5M for fixed term debt)		
Fixed rate borrowing	4,830	4,830
Unused Facility	5,170	5,170

Bank Overdraft Facility

Total Facility (unsecured and subject to an annual review)		
Less Overdraft	-	5,000
Unused Facility	-	5,000

Credit Card Facility¹

Total Facility	-	700
Less Allocated Facility	-	(411)
Facility Available	-	289

1. The Department of Police, Fire and Emergency Management now provides a credit card service to the Commission

22. Financial Instruments Disclosures (continued)

Loans

Since 1986, all fixed rate loan raising has been arranged through the Tasmanian Public Finance Corporation. All loans are recorded in Australian dollars. The loan amount in current liabilities comprises the portions of the loans payable within one year. The non-current loan balance represents the portion of the loans due later than one year.

Borrowing Terms and Arrangements

Borrowings from Tascorp are secured by a Government guarantee over the Commission's revenue and a maximum term of 10 years applies to borrowings. Other borrowings are unsecured. All Tascorp arrangements are reviewed annually. The Commission has reviewed its banking arrangements and discontinued its \$5m overdraft facility during 2017-18.

Capital Management

The Commission is a Statutory Authority created under the *Fire Service Act 1979*, and does not have any externally imposed capital requirements. However, the Commission's three year Corporate Plan including its finances and capital plan must be approved by the Minister in consultation with the Treasurer each year. The Commission does not have any issued capital and its capital structure consists of equity (retained surpluses and reserves) and net debt or net cash (borrowings offset by cash and bank deposits). The Commission is a not-for-profit organisation and aims to break even or have a small net surplus each year. The government and the community fund it principally through contributions, grants and taxes. Its funds are expended on operating expenses, community awareness and safety and the construction or purchase and maintenance of assets such as fire trucks and fire stations. Management monitors cash flows to ensure adequate liquidity and the Commission's ability to operate as a going concern. Senior management considers the capital structure when the corporate plan is prepared each year.

23. Lease Commitments

	2018 \$'000	2017 \$'000
Not later than 1 year	81	75
Later than 1 year and not later than 5 years	69	60
Later than 5 years	64	25
Total	214	160

Operating lease commitments include land and building leases.

24. Remuneration of Auditors

The Tasmanian Audit Office audits the accounts for the State Fire Commission through a sub-contractor, KPMG. The total remuneration to the Tasmanian Audit Office and KPMG exclusive of GST was \$55,740 and \$44,840 in 2016-17.

25. Contingent Liabilities

There are no material contingent liabilities known to the Commission.

26. Events After Reporting Date

There are no material events after reporting date known to the Commission.

27. Notes to the Statement of Cash Flows

(a) Reconciliation of Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, cash includes cash on hand and at bank. Cash at the end of the financial year shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows.

	2018 \$'000	2017 \$'000
Bank Account	12,931	8,233
On hand	7	7
Cash and Cash Equivalents disclosed in the financial statements	12,938	8,240

(b) Reconciliation of Net Surplus to Net Cash Provided by Operating Activities

Net Surplus	4,346	2,172
Add (Less) Non-Cash Items:		
Depreciation	6,534	6,642
SFCSS defined benefits fund movements in employee related expenses	179	558
(Profit)/Loss on disposal of assets	(66)	(371)
Net cash used in operating activities before change in assets and liabilities	10,993	9,001
Changes in Assets and Liabilities during the financial period		
(Increase)/Decrease in receivables	(1,431)	1,447
(Increase)/Decrease in accrued revenue	(199)	299
(Increase)/Decrease in inventory	(432)	171
(Increase)/Decrease in prepayments	(183)	429
Increase/(Decrease) in payables and accrued expenses	1,745	(14,629)
Increase/(Decrease) in provisions	439	(1,073)
Net Cash from Operating activities	10,932	(4,355)

(c) Reconciliation of Liabilities arising from financing activities

Liabilities	Non-Cash Changes					Cash Flows		
	Closing Balance 2017 \$'000	Transfers to/ (from) other Government Entities \$'000	New Liabilities Acquired \$'000	Change in Fair Value \$'000	Other \$'000	Cash Received \$'000	Cash Repayments \$'000	Closing Balance 2018 \$'000
Borrowings	9,830						(5,000)	4,830
Total	9,830	-	-	-	-	-	(5,000)	4,830

28. Explanations for Material Variances Between Budget and Actual Outcomes

The following are brief explanations of material variances between Budget estimates and actual outcomes. Variances are considered material where the variance exceeds 10 per cent of Budget estimate and \$300,000.

(a) Statement of Comprehensive Income for the Year Ended 30 June 2018

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Income					
Fire Service Contribution		43,256	43,256	-	0%
Insurance Fire Levy	(a1)	17,000	18,652	1,652	10%
State Government Contribution	(a2)	8,017	11,050	3,033	38%
Other State Agencies	(b)	-	756	756	n/a
Bushfire Fighting Reimbursements from other Tasmanian Agencies	(c)	-	2,601	2,601	n/a
Motor Vehicle Fire Levy		7,960	8,164	204	3%
Fire Prevention Charges		6,289	6,003	(286)	-5%
Sundry Income	(d)	10,442	8,397	(2,045)	-20%
Commonwealth Government Contribution		1,239	1,429	190	15%
Total Income		94,203	100,308	6,105	6%
Expenses					
Employee Related Expenses	(e)	56,858	51,202	(5,656)	-10%
Community Awareness, Subscriptions and Professional Fees		1,652	1,830	178	11%
Operational Training	(f)	878	578	(300)	-34%
Operations Expenses	(g)	13,593	15,718	2,125	16%
Services Provided by DPFEM	(h)	-	6,160	6,160	n/a
Funding of State Emergency Service		2,653	2,653	-	0%
Protective Clothing and Uniforms	(i)	830	1,245	415	50%
Depreciation		6,666	6,534	(132)	-2%
Financial and Other Expenses		4,419	4,316	(103)	-2%
Insurance	(j)	3,700	1,395	(2,305)	-62%
Borrowing Costs		134	186	52	39%
Repairs and Maintenance		1,214	2,502	1,288	106%
Minor Equipment		662	1,643	981	148%
Total Expenses		93,259	95,962	2,703	3%
Net Surplus/(Deficit) for the Year		944	4,346	3,402	360%
Other Comprehensive Income					
<i>Items That Will Not be Reclassified Subsequently to Profit or Loss</i>					
Actuarial Gain/(Loss) on SFC Super Scheme Obligation	(k)	-	2,732	2,732	
Total Comprehensive Income for the Year		944	7,078	6,134	650%

Variance Explanations

- (a1) Due to market forces in the insurance industry
- (a2) Due to the reimbursement of bushfire expenditure which is not budgeted due to its unpredictability.
- (b) Unbudgeted reimbursements from other agencies for goods or services provided.
- (c) This also relates to the reimbursement of bushfire expenditure which is not budgeted due to its unpredictability.
- (d) Due to Fuel Reduction Unit revenue being \$2M under budget. DPFEM receives the funding for fuel reduction and now allocates \$2M direct to Sustainable Timber Tasmania (SST) rather than funding SST through the Commission. The budget reflects the earlier arrangements.
- (e) and (h) The Department of Police, Fire and Emergency Management (DPFEM) now provides corporate services to the Commission through its Business and Executive Services division (BES). This service is provided at cost which is presently estimated at the employment expenses of recent TFS staff who transferred to DPFEM to provide those services. When the budget was set, this service fee was not separated from the employee expenses and the expense has since been segregated. The two expenses, Employee Expenses (\$51.2M) and Services Provided by DPFEM (\$6.2M), should be considered together and explained as variances in the employee expenses. The total expense is \$57.4M and this is a variance of \$0.5M or 0.9% of the budget of \$56.9M and this was principally the result of unbudgeted bushfire expenses.
- (f) Operational training was under budget due to reallocation of the funding.
- (g) Operations Expenses included unbudgeted bushfire expenses of \$6M. This was offset by an underspend of \$3.7M by the Fuel Reduction Unit, partly due to the redirection of funding to Sustainable Timber, and partly due to higher FRU spending on other expenses.
- (h) See (e)
- (i) This variance was due to a large issue of protective clothing and new helmets for firefighters.
- (j) The Commission uses a burning policy for workers' compensation insurance, and claims experience has resulted in caps on some premiums being reached, thus reducing the expected cost of premiums.
- (k) Due to the unpredictability of actuarial movements this item is not budgeted.

28. Explanations for Material Variances Between Budget and Actual Outcomes (continued)

(b) Statement of Financial Position as at 30 June 2018

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
CURRENT ASSETS					
Cash and Cash Equivalents	(a)	5,579	12,938	7,359	132%
Receivables		2,749	2,734	(15)	-1%
Inventories		1,643	1,905	262	16%
Other Current Assets	(b)	4,027	3,677	(350)	-9%
Total Current Assets		13,998	21,254	7,256	52%
NON-CURRENT ASSETS					
Capital Work in Progress	(c)	2,751	641	(2,110)	-77%
Property, Plant and Equipment	(d)	96,263	123,184	26,921	28%
Total Non-Current Assets		99,014	123,825	24,811	25%
TOTAL ASSETS		113,012	145,079	32,067	28%
CURRENT LIABILITIES					
Payables and Income in Advance	(e)	2,507	4,099	1,592	64%
Provision for Employee Related Expenses	(f)	15,245	13,207	(2,038)	-13%
Fixed Rate Borrowings	(g)	500	1,830	1,330	266%
Total Current Liabilities		18,252	19,136	884	5%
NON-CURRENT LIABILITIES					
Provision for Employee Related Expenses		914	1,117	203	22%
SFC Superannuation Fund Net Liability (Asset)	(h)	7,386	(779)	(8,165)	-111%
Fixed Rate Borrowings	(i)	3,330	3,000	(330)	-10%
Total Non-Current Liabilities		11,630	3,338	(8,292)	-71%
TOTAL LIABILITIES		29,882	22,474	(7,408)	-25%
NET ASSETS		83,130	122,605	39,475	47%
EQUITY					
Retained Surpluses	(j)	64,187	76,907	12,720	20%
Reserves	(k)	18,943	45,698	26,755	141%
TOTAL EQUITY		83,130	122,605	39,475	47%

Variance Explanations

- (a) Cash is \$7.4M higher than expected principally due to net operating surplus being \$3M over budget and an additional \$3.1M being claimed in bushfire reimbursements which is to be repaid in 2018-19. In addition the budget was based on an opening cash balance of \$300K, whereas the opening balance was \$8.2M.
- (b) Prepaid expenses were \$500K under budget
- (c) Capital work in progress (CWIP) was lower than expected due to the CWIP budget not reflecting the winding back of the capital budget for appliance and building projects.
- (d) and (j) The Commission obtained independent valuations of all of its land and building assets as at 30 June 2017 (See note 20). The 2017-18 budget was set prior to the valuation.
- (e) Other creditors increased by \$2.8M due to the anticipated repayment in 2018-19 of reimbursed bushfire expenses (\$3.1M), while trade creditors declined by \$1.2M because all creditors were paid at year end. These transactions weren't budgeted.
- (f) The 2018 budget was estimated using higher staff numbers, however a number of these transferred to DPFEM.
- (g) and (i) Current and non-current debt should be considered together. \$1.8M of borrowings was reclassified from non-current to current as the time to maturity declined to less than 12 months. The budget anticipated the retention of \$500K in current debt, but this was repaid due to stronger than expected cash flows.
- (h) The reduction in the net liability is principally due to fund investment performance and changes in actuarial assumptions. This isn't budgeted due to the unpredictable nature of market performance and assumptions.
- (i) See (g)
- (j) The retained surplus was \$12.8M over budget due to a number of factors. The operating surplus was \$3.4M over budget. There was an unbudgeted actuarial gain of \$2.7M. The budget was set prior to 1) the additional contribution by Treasury of \$5M in 2016-17 to repay debt, and 2) the net surplus in 2016-17 outperforming budget by \$3.8M.
- (k) The Commission obtained independent valuations of its land and building assets as at 30 June 2017. The results are shown at Note 20. Due to the unpredictability of asset revaluations this item is not budgeted.

28. Explanations for Material Variances Between Budget and Actual Outcomes (continued)

(c) Statement of Cash Flows for the Year Ended 30 June 2018

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Cash Flows from Operating Activities					
Receipts from Operating Activities	(a)	93,788	98,132	4,344	5%
Payments to Suppliers and Employees		(85,574)	(87,216)	(1,642)	2%
Interest Paid		(134)	(187)	(53)	40%
Interest Received		10	203	193	1930%
Net Cash provided by Operating Activities		8,090	10,932	2,842	35%
Cash Flows from Investing Activities					
Proceeds from Sale of Equipment	(b)	120	639	519	433%
Payments for Property, Plant and Equipment		(1,930)	(1,873)	57	-3%
Net Cash used in Investing Activities		(1,810)	(1,234)	576	-32%
Cash Flows from Financing Activities					
Repayment of borrowings	(c)	(1,000)	(5,000)	(4,000)	400%
Proceeds from borrowings		-	-	-	
Net Cash used in Financing Activities		(1,000)	(5,000)	(4,000)	400%
Net Increase/(Decrease) in Cash and Cash Equivalents		5,280	4,698	(582)	-11%
Cash and Cash Equivalents at the Beginning of the Year		299	8,240	7,941	2656%
Cash and Cash Equivalents at the End of the Year		5,579	12,938	7,359	132%

Variance Explanations

- (a) The variance of \$4.6M is due to unbudgeted bushfire receipts of \$5.6M, the insurance fire levy being over budget by \$1.2M, offset by the Fuel Reduction Unit revenue being \$2.0M under budget. DPFE receives the funding for fuel reduction and now allocates \$2M direct to Sustainable Timber Tasmania (SST) rather than funding SST through the Commission. The budget reflects the earlier arrangements.
- (b) Proceeds from sale of equipment was \$519K over budget because of slightly earlier timing of vehicle and appliance disposals than expected. These realised \$130K and \$434K respectively.
- (c) Debt was repaid in 2017, earlier than expected due to a contribution by Treasury. The 2017-18 budget was formulated prior to this.

29. Related Party Transactions

There were no material related party transactions requiring disclosure.

30. Remuneration of Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the agency, directly or indirectly.

Remuneration for key personnel is set by the *State Service Act 2000*. Remuneration and other terms of employment are specified in employment contracts. Remuneration includes salary, motor vehicle and other non-monetary benefits.

Long-term employee expenses include movements in long service leave entitlements and superannuation obligations. Negative amounts represent net reductions in these obligations.

Acting Arrangements

When key management personnel are unable to fulfil their duties, consideration is given to appointing other members of senior staff to their position during their period of absence. Individuals are considered members of key management personnel when acting arrangements are for more than a period of one month.

The following were key management personnel of the Commission or the Executive Leadership Team (ELT) at some time during the financial year and unless otherwise indicated were key management personnel for the entire period:

Key management personnel

Rodney Sweetnam	Chair of the Commission from 26 May 2017. Member since 5 Sep 2002
Christopher Arnol	Chief Officer and Member of the Commission from 21 Mar 2016
Bruce Corbett	Member of the Commission, from 20 Nov 2006
Lyndsay Suhr	Member of the Commission, from 2 Sep 2007
Derek Inglis	Member of the Commission, from 16 Mar 2015 to 31 May 2018
Hannah Rubenach-Quinn	Member of the Commission, from 17 Dec 2012
Dale Rayner	Member of the Commission, from 17 Oct 2011 to 31 May 2018
Dana Faletic	Member of the Commission, from 30 Apr 2018
Jeremy Smith	Regional Chief South from 25 Aug 2012
Jeffrey Harper	Regional Chief North from 2 Aug 2012
Shane Batt	Regional Chief North West from 21 Sep 2015
Felicity Novy	Principal Staff Officer from 18 May 2017
Sandy Whight	Director Community Fire Safety from 28 Aug 2017
Greg Butters	Assistant Director Operational Training from 25 Jan 2017
Andrew Lea	Director State Emergency Service (SES) from 14 Jan 2007
Matthew Brocklehurst	Assistant Director Operations and Resources, SES from 28 Nov 2016
Leon Smith	Assistant Director Emergency Management, SES from 28 Nov 2017

Acting key management personnel

Jeremy Smith	Acting Chief Officer 7 May to 11 Jun 2018 and Acting Deputy Chief Officer 23 Oct 2017 to 6 May 2018
Jeff Harper	Acting Chief Officer 5 Apr to 4 May 2018 and Acting Deputy Chief Officer 1 July to 20 Oct 2017
Matthew Brocklehurst	Acting Director SES 3 Jul to 6 Oct 2017
Paul Salter	Acting Regional Chief South 10 Jul to 18 Aug 2017 and 23 Oct 2017 to 30 June 2018
Ian Bounds	Acting Regional Chief North 1 Jul to 10 Dec 2017 and 4 Apr to 1 Jun 2018 Acting Regional Chief North West 14 Dec 2017 to 1 Jan 2018 and 19 Feb to 3 Apr 2018
Louise Mendel	Acting Principal Staff Officer from 25 Sep 2017 to 30 June 2018
Nick Connolly	Acting Assistant Director Operations and Resources, SES 1 Jul to 2 Oct 2017
Chris Irvine	Acting Assistant Director State Emergency Management, SES 3 Jul to 6 Oct 2017

30. Remuneration of Key Management Personnel

	Short-Term Benefits		Long-Term Benefits		Termination Benefits	Total
	Salary	Other Benefits	Superannuation	Other Benefits and Long-Service Leave		
2018	\$	\$	\$	\$	\$	\$
Key Management Personnel						
<i>Commission Members</i>						
Rodney Sweetnam	34,866	-	3,312	-	-	38,178
Bruce Corbett	5,977	-	568	-	-	6,545
Lyndsay Suhr	6,120	-	581	-	-	6,701
Derek Inglis	5,178	192	492	-	-	5,862
Dana Faletic	-	-	-	-	-	-
Hannah Rubenach-Quinn	6,122	-	582	-	-	6,704
Dale Rayner	113,407	-	16,444	7,352	-	137,203
<i>Executive Leadership Team (ELT)</i>						
Chris Arnol	223,073	15,017	21,192	6,725	-	266,007
Jeremy Smith	182,441	-	26,454	3,377	-	212,272
Jeff Harper	173,993	-	25,229	-	-	199,222
Shane Batt	162,787	-	23,604	-	-	186,391
Sandy Whight	116,673	-	11,084	5,472	-	133,229
Greg Butters	127,948	-	12,155	5,317	-	145,420
Felicity Novy	122,232	-	11,612	3,512	-	137,356
Andrew Lea*	-	-	-	-	-	-
Matthew Brocklehurst*	-	-	-	-	-	-
Leon Smith*	-	-	-	-	-	-
Acting Key Management Personnel						
Paul Salter	50,307	-	7,295	3,338	-	60,940
Ian Bounds	74,862	-	10,855	-	-	85,717
Louise Mendel	88,759	-	8,432	-	-	97,191
Nick Connolly*	-	-	-	-	-	-
Chris Irvine*	-	-	-	-	-	-
Total	1,494,745	15,209	179,891	35,093	-	1,724,938

* Key management personnel of the Commission, but State Emergency Services employee remunerated by DPfEM

30. Remuneration of Key Management Personnel (continued)

	Short-Term Benefits		Long-Term Benefits		Termination Benefits	Total
	Salary	Other Benefits	Superannuation	Other Benefits and Long-Service Leave		
2017	\$	\$	\$	\$	\$	\$
Key Management Personnel						
<i>Commission Members</i>						
Rodney Sweetnam	3,755	-	357	-	-	4,112
Bruce Corbett	940	-	89	-	-	1,029
Lyndsay Suhr	6,118	-	581	-	-	6,699
Derek Inglis	-	-	-	-	-	-
Hannah Rubenach-Quinn	6,118	1,555	581	-	-	8,254
Dale Rayner	113,557	-	16,466	-	-	130,023
<i>Executive Leadership Team (ELT)</i>						
Chris Arnol (also Commission member)	211,157	6,131	20,060	-	-	237,348
Gavin Freeman	162,470	8,694	25,097	10,610	-	206,871
Jeremy Smith	153,971	-	23,215	6,134	-	183,320
Jeffrey Harper	149,547	5,200	22,729	7,207	-	184,683
Shane Batt	150,128	1,300	22,726	6,606	-	180,760
Scott Wilson-Haffenden	36,784	3,896	4,819	-	-	45,499
Todd Crawford	34,777	2,046	4,469	-	-	41,292
Felicity Novy	106,378	10,000	10,493	-	-	126,871
Sandy Whight	128,838	-	12,240	-	-	141,078
Andrew Lea*	-	-	-	-	-	-
Matthew Brocklehurst*	-	-	-	-	-	-
Acting Key Management Personnel						
Ian Bounds	54,935	1,620	7,183	-	-	63,738
Sandra Barber	47,503	2,375	4,513	-	-	54,391
Nick Connolly*	-	-	-	-	-	-
Brian Edmonds*	-	-	-	-	-	-
Chris Irvine*	-	-	-	-	-	-
Total	1,366,976	42,817	175,618	30,557	-	1,615,968

* Key management personnel of the Commission, but State Emergency Services employee remunerated by DPfEM

31. Accounting Policies

Business Details of the State Fire Commission

The State Fire Commission (the Commission) is a Statutory Corporation created under Section 7 of the *Fire Service Act 1979* (the Act) of Tasmania, Australia. The Tasmania Fire Service (TFS) was created under Section 6 of the Act and is under the control of the Commission.

The role of the Commission is to protect life, property and the environment from the impact of fire and other emergencies. It delivers all of its services through its operational arm, the Tasmania Fire Service, which also operates under the business names of TasFire Equipment and TasFire Training. Its principal activities are emergency response (fire, vehicle accidents, biological and chemical hazards, etc.), preventative fire safety through community education and training, sales and servicing of fire protection equipment and administration of the *General Fire Regulations* including such activities as approving building plans in relation to fire safety and issuing various permits.

While the Commission reports to the Minister for Police, Fire and Emergency Management, the Chief Officer of TFS reports to the Secretary of the Department of Police, Fire and Emergency Management (DPFEM) for administrative matters. The Director of the State Emergency Service (SES) reports to the Chief Officer. The Commission funded \$1.222 million (2016-17 \$0.583 million) of the operating costs of the SES this year.

The Australian Business Number for the Commission and its operating entities is 68 039 681 690. The Head Office of the Commission is on the Corner of Melville and Argyle Streets, Hobart, Tasmania.

At 30 June the Commission had 421.3 employees (full time equivalents). Last year it had 417.2 employees.

Basis of Financial Statements

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards and Interpretations. It has been prepared on the basis of historical costs except for the revaluation of land and buildings, and does not take into account changing money values. Accounting policies used are consistent with those of the prior year unless otherwise stated.

Compliance with Australian Accounting Standards may not result in compliance with International Financial Reporting Standards (IFRS), as Australian Accounting Standards include requirements and options available to not-for-profit organisations that are inconsistent with IFRS. The Commission is considered to be not-for-profit and has adopted the Australian Accounting Standards relating to not-for-profit entities which do not comply with IFRS.

The financial statements have been prepared on the basis that the Commission is a going concern. The continued existence of the Commission in its present form, undertaking its current activities, is dependent on Government policy. The Treasurer, in accordance with Section 101 of the *Fire Service Act 1979* (the Act), must pay to the Commission such amount as the Treasurer determines is appropriate towards defraying the operating costs of the Commission.

System of Accounting

The accompanying financial statements are prepared in accordance with the accrual basis of accounting that brings to account known assets and liabilities at balance date. Income is recognised when an increase in future economic benefits related to an increase in an asset or a decrease in a liability has arisen that can be measured reliably. Expenses are recognised when a decrease in future economic benefits related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. All amounts shown in the financial statements are in thousands of dollars unless otherwise stated. The system of accounting complies with the requirements of the Act.

Judgements and Assumptions

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Judgements made by the Commission that may have significant effects on the financial statements are disclosed in the relevant notes to the financial statements.

Goods and Services Tax

Revenue, expenses and assets are recognised net of Goods and Services Tax (GST), except where the GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of GST. The net amount recoverable from, or payable to, the ATO is recognised as an asset or liability in the Statement of Financial Position. In the Statement of Cash Flows, the GST component of cash flows arising from operating, investing or financing activities which is recoverable from, or payable to, the ATO is classified within operating cash flows.

Changes in Accounting Disclosures

The Commission has adopted all of the new and revised accounting standards and interpretations issued by the Accounting Standards Board that are relevant to its operations and are effective for the current annual reporting period.

New and revised accounting standards adopted this year

The following standards have been adopted this year:

AASB 2016-2 - *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107* was issued in March 2016. This standard makes amendments to AASB 107 *Statement of Cash Flows* to provide disclosure of changes in liabilities arising from financing activities involving cash and non-cash transactions. It applies to annual reporting periods beginning on or after 1 January 2017. There is no financial impact.

31. Accounting Policies (Continued)

The following applicable Standards have been issued by the AASB and are yet to be applied.

AASB 9 Financial Instruments and 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) –

The objective of these Standards is to establish principles for the financial reporting of financial assets and financial liabilities that will present relevant information to users of financial statements for their assessment of the amounts, timing, uncertainty of an entity's future cash flows, and to make amendments to various accounting standards as a consequence of the issuance of AASB 9. These standards apply to annual reporting periods beginning on or after 1 January 2018. The future impact is likely to be more disclosure in relation to financial instruments. It is not expected to have a financial impact.

AASB 15 Revenue from Contracts with Customers – The objective of this Standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, an uncertainty of revenue and cash flows arising from a contract with a customer. In accordance with 2015-8 Amendments to Australian Accounting Standards – Effective Date of AAS 15, this Standard applies to annual reporting periods beginning on or after 1 January 2018. Where an entity applies the Standard to an earlier annual reporting period, it shall disclose that fact. The future impact is likely to be more disclosure in relation to revenue from contracts with customers. It is not expected to have a financial impact.

2014-5 Amendments to Australian Accounting Standards arising from AASB 15 – The objective of this Standard is to make amendments to Australian Accounting Standards and Interpretations arising from the issuance of AASB 15 *Revenue from Contracts with Customers*. This Standard applies when AASB 15 is applied, except that the amendments to AASB 9 (December 2009) and AASB 9 (December 2010) apply to annual reporting periods beginning on or after 1 January 2018. This Standard shall be applied when AASB 15 is applied. It is not expected to have a financial impact.

2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15 – The objective of this Standard is to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. This Standard applies to annual periods beginning on or after 1 January 2018. The impact is enhanced disclosure in relation to revenue. It is not expected to have a financial impact.

AASB 16 Leases – The objective of this Standard is to introduce a single lessee accounting model and require a lessee to recognise assets and liabilities. This Standard applies to annual reporting periods beginning on or after 1 January 2019. The standard will result in most of the Department's operating leases being brought onto the Statement of Financial Position and additional note disclosures. The calculation of the lease liability will take into account appropriate discount rates, assumptions about the lease term, and required lease payments. A corresponding right to use assets will be recognised, which will be amortised over the term of the lease. There are limited exceptions relating to low-value assets and short-term leases with a term at commencement of less than 12 months. Operating lease costs will no longer be shown. The Statement of Comprehensive Income impact of the leases will be through amortisation and interest charges. In the Statement of Cash Flows lease payments will be shown as cash flows from financing activities instead of operating activities. The financial impact of this Standard has not yet been assessed.

AASB 1058 Income of Not-for-Profit Entities – The objective of this Standard is to establish principles for not-for-profit entities that apply to transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives, and the receipt of volunteer services. This Standard applies to annual reporting periods beginning on or after 1 January 2019. The impact is enhanced disclosure in relation to income of not-for-profit entities. The financial impact of this Standard has not yet been assessed.

AASB 1059 Service Concession Arrangements: Grantors – The objective of this Standard is to prescribe the accounting for a service concession arrangement by a grantor that is a public sector entity. This Standard applies on or after 1 January 2019. The impact of this Standard is enhanced disclosure in relation to service concession arrangements for grantors that are public sector entities. The financial impact has not yet been assessed.

Glossary

ABS	Australian Bureau of Statistics	ICS	Incident Control System
AFAC	Australasian Fire and Emergency Service Authorities Council	IMT	Incident Management Team
AIIMS	Australasian Inter-service Incident Management System	JFLIP	Juvenile Fire Lighter Intervention Program
AIRS	Australian Incident Reporting System	L&D	Learning and Development
ANTCTC	Australia-New Zealand Counter-Terrorism Committee	LGAT	Local Government Association of Tasmania
ARRO	Australasian Road Rescue Organisation	MAC	Multi Agency Coordination Group
AT	Ambulance Tasmania	MoU	Memorandum of Understanding
BA	Breathing Apparatus	MVA	Motor Vehicle Accident
BNHCRC	Bushfire and Natural Hazards Cooperative Research Centre	NAFC	National Aerial Firefighting Centre
BCRC	Bushfire Cooperative Research Centre	PIFSA	Pacific Islands Fire Services Association
BRN	Bushfire-Ready Neighbourhoods	PIP	Pre-incident plan
BRS	Bushfire-Ready Schools	PSTP	Public Safety Training Package
CAFS	Compressed Air Foam System	PWS	Parks and Wildlife Service
CALD	Culturally and Linguistically Diverse	RAP	Road Accident Prevention
CBRN	Chemical Biological Radiological Nuclear	RAT	Remote Area Team
DBA	Direct Brigade Alarm	RCR	Road Crash Rescue
DHHS	Department of Health and Human Services	ROC	Regional Operations Centre
DoE	Department of Education	RTO	Registered Training Organisation
DPAC	Department of Premier and Cabinet	SES	State Emergency Service
DPFEM	Department of Police, Fire and Emergency Management	SFEP	School Fire Education Program
DPIPWE	Department of Primary Industry, Parks, Water and Environment	SFMC	State Fire Management Council
ELT	Executive Leadership Team	SOC	State Operations Centre
FIAT	Forest Industries Association of Tasmania	TasPol	Tasmania Police
FireComm	State Operations Call Receipt, Dispatch and Communications Centre	TFB	Total Fire Ban
FMAC	Fire Management Area Committee	TFE	TasFire Equipment
FRNSW	Fire and Rescue New South Wales	TFS	Tasmania Fire Service
FT	Forestry Tasmania	TFT	TasFire Training
Hazmat	Hazardous Materials	The Commission	State Fire Commission
		TRVFA	Tasmanian Retained Volunteer Firefighters Association
		TVFBA	Tasmanian Volunteer Fire Brigades Association
		USAR	Urban Search and Rescue
		WebEOC	Web Emergency Operations Centre
		WHS	Work Health and Safety

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