**STATE FIRE COMMISSION**

**CORPORATE PLAN**

Prepared by the State Fire Commission

for the Financial Years 2011-2012 to 2013-2014

**STATE FIRE COMMISSION**

CORPORATE PLAN

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# 1. EXECUTIVE SUMMARY

The State Fire Commission’s (SFC) Statement of Corporate Intent has been prepared in accordance with Section 73G of the *Fire Service Act 1979* and summarises the Commission’s objectives for the period covered by the corporate plan.

Business Definition

The Commission’s primary purpose is to minimise the social, economic and environmental impact of fire on the Tasmanian community. This will be achieved through Tasmania Fire Service (TFS) implementing strategies to develop community self reliance to prevent and prepare for fires, supported by a timely and effective response to emergencies.

The TFS is also responsible for road accident rescue in assigned areas, managing incidents involving hazardous materials, undertaking urban search and rescue (USAR), and providing a response to terrorist incidents involving chemical, biological and radiological agents.

Strategic Direction

The Commission has a number of long term goals and objectives. The major emphasis is:

* **Building community capacity to prevent, prepare for and respond to fires safely when they occur.**

The Commission seeks to deliver fire safety programs that support and encourage community self reliance.

* **Delivery of a safe, timely and effective response to fires, hazardous materials incidents and other emergencies.**

Timely emergency response continues to be a major responsibility.

* **Ensuring that the Commission and TFS both operate responsibly with regard to the community, our people and the environment.**

As a leading organisation with a physical presence in most Tasmanian communities, the SFC recognises and acts upon its corporate and community responsibilities.

* **Supporting our people in a safe, fair and productive working environment.**

The Commission recognises the importance of its people in the successful achievement of its organisational goals.

* **Managing our financial, information and physical resources in a planned, consistent and cost effective way.**

Significant emphasis is placed on the development, maintenance and protection of the Commission’s resources.

**Other Business Issues**

The Commission is a non-profit statutory authority and as such is not required to make provision for income tax, dividends or returns to the State Government.

The pricing policies of the Commission are primarily determined by external market forces and the ability of users to pay for services other than emergency response.

The major sources of revenue to the Commission are contributions from landowners (fire service contribution), insurance companies (insurance fire levy), motor vehicle owners (motor vehicle fire levy) and the State Government. In addition the Commission raises revenue through the sale and maintenance of fire equipment, the provision of training services to both the public and private sector, alarm monitoring fees, plan approval fees, avoidable false alarm charges and fire investigation reports.

Pensioners and health card holders receive discounts on the fire service contribution and motor vehicle fire levy from the Commission.

**Major Goals and Expected Outcomes**

|  |  |
| --- | --- |
| **Major Goals** | **Expected Outcomes** |
| To assist the Tasmanian community to manage fire risks and respond safely to fire. | Fewer fire fatalities and injuries and less fire-related damage in a community that is prepared to respond appropriately when threatened by fire. |
| To respond to and manage fire and other emergencies efficiently and effectively. | Minimal social, economic and environmental cost to the community arising from fire and other emergencies. |
| To ensure the organisation operates responsibly with regard to the community, our people and the environment. | A capable, resilient, responsible and legally compliant organisation. |
| To support our people in a safe, fair and productive work environment. | A safe, fair and productive work environment. |
| To manage our financial, information and physical resources efficiently and effectively. | The provision of adequate and sustainable resources to enable the Commission to discharge its statutory duties*.* |

**Key Performance Indicators**

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

* The rate of fire fatalities and injuries (number of fatalities and injuries/100,000 residents).
* The rate of structural fires (number of structural fires reported to TFS/100,000 structures).
* The value of building stock lost in fires as a proportion of the total building stock.

The Commission’s strategic direction aligns with the achievement of the following *Tasmania* *Together* goals;

* *Confident, friendly and safe communities.*
* *High quality education and training for lifelong learning and a skilled workforce.*
* *Vibrant, inclusive and growing communities where people feel valued and connected.*

# 2. VISION AND ROLE

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; and
* providing an effective response to emergencies.

**Our Values**

The services we provide are driven by the needs of the community. In order to meet these 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

# 3. MAIN UNDERTAKINGS

The main undertakings of the Commission, put into effect by the TFS, are:

* to assist the community to reduce the incidence and impact of unwanted fires and to empower people to act safely when fire threatens; and
* to provide an effective emergency response.

The TFS undertakes emergency response through its career brigades in Hobart, Launceston, Devonport and Burnie and an additional 233 volunteer brigades throughout the State. Receipt of emergency calls and dispatch of brigades are centrally managed by FireComm which is located in Hobart. Training is provided to both career and volunteer firefighters, enabling them to be safe and effective members of TFS. Training is delivered both on-station, in local venues and at TFS’ hot-fire training facilities at Cambridge, Launceston and Burnie.

The other major role of TFS is to assist the community to reduce the incidence and impact of unwanted fires, and to empower people to act safely when fire threatens. TFS pursues these goals through publicity, training and education programs, through the sale and maintenance of fire protection equipment, and through monitoring and administering the application of fire safety legislation, codes and standards.

The delivery of our main undertakings is supported by the Corporate Services and Human Services functional areas.

Corporate Services provides administrative, financial, communications, information management and engineering services. As part of Corporate Services, Communication Services manages the efficient operation of TFS communications networks through the purchasing, programming, distribution and maintenance of communication equipment. Engineering Services maintains the TFS fleet of firefighting appliances state-wide and fabricates fire tankers and other appliances.

Human Services provides strategic human resources policy, systems and advice. Services include volunteer support, occupational health and safety (including worker's compensation), learning and development systems, recruitment and remuneration, employee relations, and leadership and performance systems.

# 4. OPERATING ENVIRONMENT

**Legislative Environment**

The Commission is a statutory authority created by the *Fire Service Act 1979*. The TFS is the operational arm of the Commission, delivering services to the community through career and volunteer brigades and Community Fire Safety.

The functions of the Commission are:

1. to formulate the policy in respect of the administration and operation of the Fire Service;
2. to coordinate and direct the development of all fire services throughout the State;
3. to develop effective fire prevention and protection measures throughout the State;
4. to develop and promulgate a State Fire Protection Plan;
5. to standardise, as far as is practicable, fire brigade equipment throughout the State;
6. to establish and maintain training facilities for brigades;
7. to conduct such investigations into fires as it considers necessary, and to prepare reports and recommendations to the Minister arising from those investigations;
8. to 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;
9. to 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
10. to 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.

**Technological Environment** – The Commission monitors technological advances in areas such as communications, vehicles, information technology, buildings and training systems and adopts new technologies that add value to its services.

**Social Environment** – The Commission contributes significantly to communities through the transfer of knowledge from local brigades into the community and via wide representation through 233 volunteer brigades across the State, contributing significant social capital of rural communities. Interaction with the community also occurs through community access to TFS facilities and services. Tasmanian communities have input into local fire management through local government representatives on Fire Management Area Committees. TFS contributes and responds to leading social research into human behaviour in bushfires and volunteerism.

**Environmental Setting** – Community interest and concern for their environment has led the Commission to become involved in a variety of projects and forums aimed at minimising damage to the environment. These include providing advice on smoke management and air quality, assisting in planning for construction in bushfire prone areas as well as adapting TFS practices to reduce our environmental footprint.

**Economic Environment** – The Commission is acutely aware of the current economic environment and its potential impact of delivery of TFS services. The Commission continues to follow a conservative and prudent approach to financial management. In setting its budget objectives the Commission has been cognisant of the performance and projections for the Tasmanian economy and has tailored its investment and debt reduction program accordingly.

**Political Environment** – The Commission is made up of representatives from major stakeholder groups including local government, union and volunteer associations. A number of committees within TFS give further opportunities for involvement by stakeholders including participation from the Parks and Wildlife Service, Forestry Tasmania, Tasmanian Farmers and Graziers Association, Ambulance Tasmania, Tasmania Police, Local Government Association of Tasmania and State Emergency Service.

**Emergency Response Environment** – As part of the Commission’s contribution to the State’s counter-terrorism capability, the Commission has through TFS acquired advanced technological equipment and undertaken extensive training to ensure that its brigades can respond to terrorist initiated incidents as well as other incidents involving hazardous materials, urban search and rescue and road accident rescue in assigned areas.

**National Environment** – TFS has a strong commitment to the Australasian Fire and Emergency Service Authorities Council (AFAC), which provides many opportunities for information sharing and the development of nationally consistent positions and collaborative arrangements in operational and business areas. TFS, as a stakeholder of the Bushfire Cooperative Research Centre, participates in and influences the national bushfire research agenda.

# 5. KEY RISKS

**Workplace Health and Safety** – Health and safety issues are always a paramount concern for any emergency service due to the inherently dangerous nature of emergency management. This said, the TFS spends considerable time and effort in minimising these risks for its personnel. The development of ongoing safety systems, investment in personal protective equipment, training and promotion of a culture of safe behaviour, are ongoing processes aimed at ensuring continuous improvement in member health and safety.

**Recruitment and Retention of Volunteers** – Ninety-five per cent of TFS operational personnel are volunteers. Research is being undertaken into recruitment issues and further research is to be conducted on the retention of volunteers. The Commission has invested significant resources into volunteer support and is providing input into Bushfire Co-operative Research Centre research on volunteer retention.

**Discrimination and Harassment** – TFS has a diverse range of members with a wide range of views, backgrounds and perceptions. From time to time, these lead to conflicts and allegations of harassment, bullying and discrimination. TFS is legally obligated to ensure our workplaces and services are free from harassment, bullying and discrimination. Accordingly, TFS is implementing systems and training programs to support the development of an environment that meets these objectives.

**Preservation of Capital Works Program** – The preservation of a capital works program is vital to the continued effectiveness of TFS. Without sufficient funding the Commission will not be able to continue its current fire appliance replacement program and it will be unable to replace, in an acceptable period of time, a significant number of fire appliances that either do not provide the necessary crew protection or are costly and difficult to maintain.

**Communications Infrastructure** – Advanced communications systems and information technology are vital to TFS to deliver an effective emergency response. In addition, other agencies such as the Tasmanian Ambulance Service and the State Emergency Service, access and use TFS networks, so reducing duplication and minimising costs. Reliance on such technology means that a failure of any of these systems is a significant risk for TFS.

# Key Risk Register – Ongoing maintenance and review of the Key Risk Register remains a major priority of the Commission. The Register assists the Commission to manage its risks and enables it to plan and allocate resources to areas considered vulnerable or under resourced. In addition the Key Risk Register provides the basis for the development of business continuity plans and the subsequent testing of these plans.

# 6. STRATEGIC DIRECTION

**Introduction**

In reviewing and developing the strategic direction of the Commission, a consultative process was undertaken involving a large group of people from TFS. The Commission continues to consult in developing the Corporate Plan.

The Commission actively supports the continual close working relationship with other agencies and will be seeking, wherever possible, to eliminate duplication and maximise the use of the State’s resources.

**Key Result Areas**

The five Key Result Areas are detailed below:

1. *A Fire Safe Community;*
2. *Emergency Response*;
3. *Our Organisation;*
4. *Our People*; and
5. *Our Resources*.

Each Key Result Area has a goal statement and a number of objectives, key performance indicators and priorities for 2011-12.

**KEY RESULT AREA 1**

# *A FIRE SAFE COMMUNITY*

**GOAL STATEMENT:**

To assist the Tasmanian community to manage fire risks and respond safely to fire.

**OBJECTIVES:**

1. **Build community capacity to reduce fire risks and act safely when fire occurs.**
2. **Deliver community safety strategies that are based on research and standards of best practice.**
3. **Engage with and influence government and industry in order to improve workplace fire safety.**

**Key Performance Indicators:**

* The rate of accidental fire fatalities and injuries (number of accidental fatalities and injuries/100,000 residents).
* The rate of accidental house fires (number of accidental house fires reported to TFS/100,000 homes).
* The rate of accidental structural fires in the government and business sector (number of accidental structure fires reported to TFS/100,000 businesses).

The rate of occupied buildings substantially damaged by bushfire (number of occupied buildings substantially damaged by bushfire/100,000 homes).

**Priorities and targets for 2011-12:**

* + Continue to implement and evaluate the 2010-11 to 2012-13 bushfire safety campaign.
  + Continue to pilot a bushfire safety community development strategy.
  + Support the development of Community Protection Plans for communities at risk from bushfire.
  + Continue to implement and evaluate the 2011 to 2013 home fire safety campaign.
  + Develop and trial a range of evidence-based collaborative strategies to improve home fire safety for elderly people, people with disabilities and other identified high risk groups.
  + Trial inspection and reporting under the *Building Act 2000* on fire safety features and measures in buildings*.*
  + Inform the community of its obligations under the *General Fire Regulations 2010*.
  + Implement an electronic business management and contract management system for TasFire Equipment.
  + Continue to implement opportunities to maintain TasFire Equipment’s market position.
* Continue to implement opportunities to maintain TasFire Training’s market position.

**KEY RESULT AREA 2**

# *EMERGENCY RESPONSE*

GOAL STATEMENT:

To respond to and manage fire and other emergencies efficiently and effectively.

OBJECTIVES:

* **To maintain the capability of brigades to safely and effectively understand and manage their emergency risks.**
* **To provide a timely response to emergencies with appropriate resources that results in positive outcomes.**
* **To continually seek to improve our emergency response performance.**
* **To foster the establishment and maintenance of emergency management arrangements between the TFS, other organisations and the community.**
* **To influence the community to respond safely during emergencies.**

**Key Performance Indicators:**

* Response times of brigades to incidents, where time is a crucial factor to outcomes.
* Percentage of brigades capable of managing their community risk.
* Percentage of structural fires confined to room of origin.
* Percentage of volunteer firefighters with basic skills.
* Percentage of fires with undetermined causes.
* False alarm rate (number of false alarms/number of monitored premises).

Priorities for 2011-12:

* Analyse and prioritise recommendations of reviews into FireComm, Emergency Response, Lessons Learnt, the Myer Coronial and Victorian fires and develop appropriate implementation strategies.
* Develop a plan to implement the profiling of community risk.
* Ensure the knowledge and skills of brigades and members are aligned with their respective community risk.
* Develop and continually review a resource distribution model based on community risk.
* Enhance fire fighter safety and operational decision making through the provision of spatial information (GIS/AVL) and incident data.
* Continually review brigade assignment areas, mobilisation, and response times in consultation with stakeholders.
* Develop communication strategies that inform and influence the community to act appropriately during emergencies.
* Identify and action strategies to reduce unwanted alarms and unnecessary false calls.
* Review, enhance and expand multi-agency emergency response, management and investigation arrangements.
* Foster cooperative arrangements between TFS and other agencies to ensure the effective management and resolution of all emergency incidents under a common incident management system.
* Review and further develop task force planning and deployment arrangements.

**KEY RESULT AREA 3**

# *OUR ORGANISATION*

GOAL STATEMENT:

To ensure the organisation operates responsibly with regard to the community, our people and the environment.

OBJECTIVES:

* **To meet the corporate governance responsibilities of organisation management (including requirements of other legislation) to ensure that all compliance obligations are being met.**
* **To develop formal planning and reporting processes that aligns unit outcomes with corporate objectives.**
* **To develop and test plans and protocols to effectively manage major organisational disruptions.**
* **To manage our business in an environmentally responsible and sustainable manner.**

**Key Performance Indicators:**

* Adherence to compliance obligations.
* Unit plans approved.
* Business continuity plans developed and tested.
* Environmental plan developed and implemented.

Priorities for 2011-12:

* Continue to develop and exercise business continuity plans.
* Develop and implement unit plans.
* Develop and implement an environmental policy and implementation plan.
* Analyse and prioritise our corporate governance responsibilities.
* Promote a culture of environmental responsibility at an individual, unit and organisational level.

**KEY RESULT AREA 4**

# *OUR PEOPLE*

**GOAL STATEMENT:**

To support our people in a safe, fair and productive work environment.

**OBJECTIVES**

* **To attract and retain the right people.**
* **To shape our workforce and performance.**
* **To lead and manage for the future.**
* **To develop and recognise our people’s capability.**
* **To create and maintain an environment where members are well informed, valued and feel they belong.**

**Key Performance Indicators:**

* Lost Time Injury Frequency Rate for career members (the number of lost time occurrences in relation to the number of hours worked by career members).
* Lost Time Accident Rate (the number of new occurrences of injury in relation to the number of members).
* Average Time Lost Rate (the severity of the occurrences of injury).
* Absence Rate (the average number of days absence per employee).
* Absence Frequency (the number of occasions on which absence occurs per employee).
* TFS Gender and Age Diversity levels.

Priorities for 2011 - 2012:

* Finalise the implementation of the Supportive Brigade Practices program within volunteer brigades.
* Continue to implement the leadership strategy for all members.
* Ensure that the systems, processes, skill development and support are provided to maintain the health, safety and wellbeing of all members with a focus on safe driving, and health and wellbeing systems.
* Review the career member recruitment processes to support recruitment, selection and promotion.
* Develop and implement learning and development strategies including quality management systems, improving supervisory qualifications, and the development of learning and assessment resources.
* Encourage and support values, attitudes and behaviours which create a cohesive organisation committed to achieving organisational goals.
* Describe and foster an organisational culture which establishes appropriate workloads, work practices and attitudes.

**KEY RESULT AREA 5**

# *OUR RESOURCES*

GOAL STATEMENT:

To manage our financial, information and physical resources efficiently and effectively.

OBJECTIVES:

* **Provide effective management of critical assets that meets the needs of the organisation.**
* **Provide adequate funding to ensure the Commission is able to achieve its corporate objectives.**
* **Develop a comprehensive resource allocation model to assist business units to achieve organisational outcomes.**
* **Identify and pursue all funding options for projects and programs that would assist the Commission to achieve its objectives.**

**Key Performance Indicators:**

* The number of planned and unplanned outage hours that impact on service delivery.
* The inability of a fire appliance to respond to an incident.
* Adherence to customer service charter objectives.
* Percentage of accounts paid outside established timeframes.
* Percentage variance of budgets to actuals.

Priorities for 2011-12:

* Continue with enhancements to the new financial system.
* Continue to assess and report on budget performance against set targets.
* Continue to update and implement five year capital rolling build programs for fire appliances and buildings.
* Continue to develop intranet and internet services.
* Continue to identify and seek funding for future projects including skill development and capability, and environmental responsibilities.
* Continue to review current resource allocation models and their appropriateness.

# 7. PRICING ISSUES

The pricing and costing policies of the Commission are expected to be determined primarily by outside market forces and the ability of the user to pay for services. Generally the Commission bases its price increases on changes to the Consumer Price Index (CPI).

Outside market forces determine the pricing policy for the TasFire Equipment and TasFire Training units. Both are required to recover costs and operate as independent financial units. Both provide valuable fire safety services and education to the community. To date the indirect benefit to the Commission and the community has not been measured. Pricing for both units is commercially based.

Whilst it may be considered that the Commission operates in a monopoly environment, the Act ensures accountability as the Budget is required to be approved by the Minister following consultation with the Treasurer. The only area which the Commission has flexibility to increase its revenue relates to the fire service contribution on land.

# 8. COMMUNITY SERVICE REQUIREMENT

The Commission is required under the *Fire Service Act 1979* to provide pensioner rebates. This is considered to be a community service legislative requirement. The cost of this service, of which the Commission has no control, is reflected in the financial statements of the Commission.

# 9. ACCOUNTING POLICIES

**9.1 Statement of Accounting Policies**

**a) Basis of Financial Statements**

The financial report is a general purpose financial report which has been prepared in accordance with Accounting Standards, Urgent Issues, Group Consensus Views, and other authoritative pronouncements of the Australian Accounting Standards Board. 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.

**b) System of Accounting**

The statements are prepared in accordance with the accrual basis of accounting which brings to account known assets and liabilities at balance date. All amounts shown in the financial statements are in thousands of dollars. The system of accounting complies with the requirements of the *Fire Service Act 1979*.

**c) Inventories**

Consumable stores are expensed at time of purchase. Stock on hand is valued at average cost.

**d) Receivables**

Trade receivables are generally settled within 60 days and are carried at amounts due. The collectability of debts is assessed at year-end and a specific provision is made for any doubtful accounts. The collectability of debts is assessed at year-end and a specific provision is made for any doubtful debts. The carrying amount of trade receivables approximates net fair value.

**e) Work in Progress**

Capital Work in Progress is valued at the cost of material, labour and labour on costs for work to date.

1. **Land and Buildings**

Freehold land and buildings are valued at fair value. Cost is considered to be the best measure of fair value for recently purchased property. Where available, in years subsequent to acquisition, the Valuer-General’s valuation or a commercial valuation is used. The Valuer-General progressively revalues land and buildings in a systematic manner, which is both independent and consistent.

On revaluation, the Provision for 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.

1. **Fire Appliances 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 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 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.

Costs incurred in relation to plant and equipment subsequent to initial acquisitions are 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.

1. **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 Income Statement in *Financial and Other Expenses (or Sundry Revenue)* 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.

1. **Assets Held for Sale**

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 resale are transferred to Current Assets and are not depreciated.

1. **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. Estimated future accrued leave has been discounted using the rates applied to national government securities at balance date, which best match the terms of maturity of the related liabilities.

The current provision is the sum of the present entitlements to leave (i.e. the liability relating to employees with 10 or more years’ service) and the balance of the provision is treated as the non-current provision.

**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.

**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.

1. **Superannuation**

The Commission up until 30 April 2006, by virtue of the *State Fire Commission Superannuation Scheme Act 1994*, operated the State Fire Commission Superannuation Scheme for employees of the State Fire Commission classified under the *Tasmanian Fire Fighting Industry Employees Award*. This scheme was closed to new members on 30 June 2005. Effective 1 May 2006 the *State Fire Commission Superannuation Scheme Act 1994* was repealed by the *Retirement Benefits (State Fire Commission Superannuation Scheme) Act 2005.* The Scheme is now administered by the Retirement Benefits Board and the defined benefits component of the Scheme is now a subfund of the Retirement Benefits Fund. The accumulation benefits component was transferred to the Tasmanian Accumulation Scheme and forms part of the Retirement Benefits Fund. The Commission remains responsible for ensuring adequate funding of 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 SFC Superannuation Fund Net Asset if it is an asset and net movement in the obligation is recorded in the Statement of Recognised Income and Expense. Actuarial gains and losses in relation to this fund are recognised 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.

Prior to 1 July 1986 the State Fire Commission maintained its own fully funded superannuation scheme for Commission employees who contributed to the Retirement Benefits Fund. As at 30 June 1986 the provision had accumulated to $2,447,447 and this amount was recorded in the Commission's accounts. As at 1 July 1986 accounting for Retirement Benefits Fund Superannuation entitlements was transferred to the State Treasury. A payment representing the provision as at 30 June 1986 of $2,447,447 was made to the State Treasury on the condition that the Government would fund the existing and future superannuation liability of Commission employees.

1. **Investments**

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

Investments are carried at the face value of the amounts deposited. The carrying value of investments approximates the net fair value. Interest revenue is accrued at the market or contracted rate.

1. **Interest Bearing Liabilities**

Loans and bank overdrafts are carried at fair (face) value. Where appropriate, interest expense is accrued at the contractual rate and included in Accrued Expenses.

1. **Cash and Short Term Deposits**

All cash transactions are recorded through the Commission’s bank account.

Cash and short-term deposits are carried at fair (face) value. Interest revenue is accrued at the market or contractual rate.

1. **Payables, Accrued Expenses and Commitments**

Liabilities are recognised for amounts to be paid for goods and services received, whether or not billed to the Commission. Payables, accrued expenses and commitments are carried at fair value.

1. **Provision for Depreciation**

Items of property, plant and equipment, including buildings but excluding freehold land, are depreciated over their estimated useful lives.

All items are depreciated using the straight line method of depreciation at the following rates:

|  |  |
| --- | --- |
| Buildings | 1.0% -3.3% |
| Motor Vehicles | 4% - 20% |
| Fire Appliances | 4% - 5% |
| Plant and Equipment | 6.6% - 33.3% |

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.

1. **Cash, Short Term Deposits and Bank Overdrafts**

The Commission operates its own bank account and all cash transactions relating to divisions and brigades are recorded through this account.

Cash, short-term deposits and bank overdrafts are carried at face value of the amounts deposited or drawn. The carrying amount of cash, short-term deposits and bank overdrafts approximates net fair value. Interest revenue is accrued at the market or contractual rate.

**9.2 Work in Progress/Capital Works Commitments**

Work in progress represents capital expenditure to date plus Capital Works Commitments.

**9.3 Non-Current Assets**

Plant and Equipment comprises the following major categories of assets: Fire Fighting Equipment, Workshop and Other Equipment, Radio and Communications Equipment, Office Furniture and Equipment and Computer Equipment.

**9.4 Bank Overdraft**

The bank overdraft of the Commission is unsecured and subject to annual review.

**9.5 Loans**

Since 1986, all loans raised have 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 not due within one year.

**9.6 Credit Risk Exposures**

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

The credit risk on financial assets excluding investments, of the Commission, which has been recognised on the Balance Sheet, is the carrying amount, net of any provision for doubtful debts.

**9.7 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. The first two rates were established in November 1986 and the last was increased from 14% in October 1990.

**9.8 Fire Service Contribution**

Contributions are collected by Councils through a fire contribution raised on properties. The Commission pays Councils a four per cent collection fee. A minimum levy of $25 has applied since 1990-91 in order to provide additional funds to re-equip volunteer brigades. A legislative change to the Act in 1999 resulted in the indexation of the minimum fire service contribution in line with movements in the consumer price index. The change to the Act, effective from 1 July 2001, will result in the minimum fire service contribution being increased to $35 for 2011-2012.

**9.9 Payments from State and Commonwealth Governments**

Under Section 101 of the *Fire Service Act 1979* the Treasurer is required to pay out of moneys appropriated by Parliament, such amounts as the Treasurer determines is appropriate towards defraying the operating costs of the Commission.

The Commonwealth Government pays to the Commission an annual contribution towards the operating cost of brigades.

**9.10 Motor Vehicle Fire Levy**

The Commission receives income raised through a fire levy applied to all registered vehicles. This is collected by the Department of Infrastructure Energy and Resources as part of the vehicle registration fee and forwarded to the Commission. For 2011-12 the Motor Vehicle Fire Levy will increase from $15 to $16 per vehicle.

The levy is subject to movements in the Consumer Price Index.

**9.11 Fire Prevention Charges**

Revenue is raised by the Commission's Service Division and Brigades through the sale, inspection, recharging and repair of fire safety equipment throughout the State.

**9.12 Remuneration of Commissioner Members**

Commissioner Members not employed by the *State Service Act 2000* are paid a sitting fee and are reimbursed for travel costs.

**9.13 Remuneration of Auditors**

The audit of the Commission is undertaken by the Tasmanian Audit Office on a fee for service basis.

# 10. DISTRIBUTION POLICY AND TARGETS

The Commission retains any surpluses and uses these funds to assist with its capital development program. The Commission is not required to distribute any surpluses to government.

# 11. FINANCIAL PLAN

The financial plan for the Commission includes a 3.0 per cent increase for the Fire Service Contribution for 2011-12 with the same proposed increase for the following two financial years.

*The Income Statement, Balance Sheet and Cash Flow Statements are detailed at Annex A, B and C respectively.*

# 12. CAPITAL EXPENDITURE PLAN

**General**

Each year the Commission allocates its capital budget on a priority basis. With some 233 brigades and 5,208 personnel to cater for, a set of criteria has been developed to support consistent and rational decisions relating to the siting and building of fire stations and the allocation of fire appliances and equipment. A five tier risk based brigade classification ranging from category one rural volunteer brigades to category five city brigades staffed by career firefighters has been developed. A brigade’s category assists in determining its fire station type and configuration and its allocation of fire appliances. The siting of fire stations is crucial and consideration is given to a number of factors including the risk profile of the brigade, response times, callout patterns, population distribution and demographics as well as its staffing status (career or volunteer). After taking these factors into consideration the Commission then prioritises and allocates funds accordingly.

The provision of fire stations with appropriate facilities both for the brigade members and for garaging fire appliances has been a high priority for many years. This priority has nearly been satisfied although there is likely to always be a need to progressively upgrade or replace fire stations over time. This easing in requirement for building funds has enabled an increased proportion of capital expenditure to the replacement of fire appliances.

**Fire Fighting Truck Replacement Program**

The Commission is committed to providing its fire fighters with safe and operationally effective fire trucks, allocated on a ‘fitness for purpose’ basis. Through economies of scale it has been possible to scope, design and fabricate on average, 29 operational fit for purpose fire fighting trucks per annum.  Assisted by a higher volume of trucks per annum through mass production, the Commission has been able to develop a rolling and sustainable fire truck replacement program that will ultimately result in a decline in the maximum age of its trucks from in excess of 25 years, to below 20 years of age.

With a backlog of work likely to take approximately two years to complete, no additional funding has been provided in 2011-12 or 2012-13 for fire truck fabrication and replacement. An allocation of $0.615 million has been allocated for the purchase of a new pumper to be stationed in the North of the State. Funding of $0.15 million has been provided in 2012-13 to upgrade existing heavy pumpers. Total funding for the next five years of $9.8 million, excluding capital funds to be carried forward, has been allocated to the Fire Fighting Truck Replacement Program.

New trucks are allocated to brigades on a priority basis, matched to criteria including risks such as terrain, vegetation, topography and zoning. Older, still serviceable trucks that are replaced are upgraded and reallocated to brigades using the same rationale for allocation. The commissioning of one new fire truck has a flow on effect, with the potential to increase the resourcing and capability of several brigades state wide. This process ensures that brigades are provided with the most suitable fire trucks having regard to their need and the level and type of risk in their area. Funding has also been allocated to upgrade the fleet of front line heavy pumper appliances, stationed within the career brigade’s state-wide. Since the formulation of the heavy pumper appliance replacement plan in 2003, a total of six heavy pumpers have been purchased and commissioned at a cost of $3.36 million.

Provision is also made for passenger vehicle replacements with replacements being determined by the passenger vehicle replacement policy and the Commission’s ability to provide funding.

**Plant and Equipment Replacement Program**

Four major communications projects are planned for 2011-12, three of which will be ongoing through the next five years. In 2012-13 the aging paging system infrastructure (paging transmitters and associated links) across the state will be replaced ensuring that critical systems maintain high availability and serviceability. The vehicle radio replacement program enabling the installation of automatic vehicle location hardware in all operational TFS vehicles will be completed. The base radio replacement project will continue, the second year of a five year program, this project replaces radio network equipment across the state ensuring that critical systems maintain high availability and serviceability.

The annual desktop and laptop replacement program is a significant proportion of the information technology budget. The life cycle of the desktops is being extended to four years to reduce this expenditure. The major expenditure for desktops will occur in 2013-14 and 2014-15 whilst the annual expenditure for laptops is fairly constant over the next 5 years. The installation and replacement of the network infrastructure is an important project and will occur progressively over the next five years. Changes to the network with a focus of improving business continuity will be undertaken over 2011-12 and 2012-13. Replacement of the local area network infrastructure at State Headquarters in Hobart is due to occur in 2013-14 and the remaining network infrastructure will be upgraded in 2014-15. Unix servers and load balances for the TFS website are planned to be replaced in 2015-16.

*The Capital Expenditure Plan is detailed at Annex D.*

# 13. DEBT REDUCTION STRATEGY

Where opportunities arise the Commission is committed to reducing its debt of $4.7 million. In seeking to reduce its debt the Commission has been mindful not to compromise its fire appliance replacement program.

# 14. KEY PERFORMANCE TARGETS

*Key performance targets are detailed at Annex E.*

# 15. MARKETING PLAN

To date a marketing plan has not been completed, however, the Commission continues to undertake reviews aimed at identifying the fire safety needs and expectations of the community.

# 16. HUMAN RESOURCE PLAN

The strategic Human Resource priorities for the Commission are outlined in Key Result Area *Our People*.

As an emergency service, the performance of the TFS is heavily reliant on the effective performance of its people. Effective performance requires the TFS to have the right people in the organisation, to have systems that enable them to perform effectively and to have a working environment that supports its people and enables safe and effective service delivery.

To this end, it is the Commission’s aim to support its people in a safe, fair and productive work environment. As a workplace within the Tasmanian State Service, the Commission will be continuing the process of ensuring TFS workplaces reflect the State Service Principles as contained within the *State Service Act* 2000. The objectives outlined in this plan relating to our people are consistent with the objectives of the State Service People Directions Framework.

The achievement of this plan will require significant consultation with stakeholders, the development of key policies and systems, and ongoing cultural and behavioural change.

The major areas of focus are :

#### Attracting and Retaining the Right People

The Commission recognises a key factor in effective service delivery is attracting the right people to work in the TFS. To achieve this aim, the TFS needs:

* appropriate recruitment strategies and systems to enable TFS to appoint the right people;
* sound career development strategies to provide future leaders, and assist TFS to retain its people; and
* to attract people from as diverse a range of the community as possible so that TFS can continue to improve its workplace performance and behaviour, and use the diversity of the community that it serves.

Key projects that will be undertaken during the life of this plan include:

* reviewing the career member recruitment processes to support recruitment, selection and promotion.

#### Shaping our Workforce and Performance

The Commission will continue to plan for our future workforce needs and provide workplace systems that enable our people being productive. Key features of this workplace will be:

* ensuring that our workforce planning models are aligned with our strategic needs given changing demographics and risk profiles;
* providing a safe working environment supported by safe systems of work and safe work behaviours;
* having training systems that provide members with the skills and knowledge required to effectively perform their work; and
* clear, concise and constructive feedback together with recognition for desired performance.

Key projects that will be undertaken during the life of this plan include:

* ensuring that the systems, processes, skill development and support are provided to maintain the health, safety and wellbeing of all members with a focus on the safe driving, and the development of a health and wellbeing program.
* ensuring the knowledge and skills of brigades and members are aligned with their respective community risk.

#### Leading and Managing for the Future

The Commission needs to have people capable of leading and managing for the future challenges in a changing environment. This objective will be achieved by:

* having programs and systems that encourage and recognise effective leadership and management capabilities.
* a strategic approach to learning and development that clearly integrates with the corporate plan and ensures learning is an integral part of the organisation’s operations; and

Key projects in this area that will be undertaken during the life of this plan include:

* implementing a leadership strategy for all members.
* developing and implementing learning and development strategies including quality management systems, improved supervisory qualifications, and the development of learning and assessment resources.

#### Creating and maintaining an environment where members are well informed, valued and feel they belong

The Commission understands that an inclusive and informed workplace is integral to the achievement of its corporate objectives. The characteristics of a workplace of this nature include:

* having effective and safe working relationships that enable a team approach to be taken to service delivery;
* having a workplace that accepts the value of diversity and actively encourages increasing the diversity of TFS workforce;
* effective communication systems that encourage organisational participation, understanding and belonging;

Key projects in this area that will be undertaken during the life of this plan include:

* encouraging and supporting values, attitudes and behaviours which create a cohesive organisation committed to achieving organisational goals.
* describing and fostering an organisational culture which establishes appropriate workloads, work practices and attitudes.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **STATE FIRE COMMISSION** | | | | | | | |
| **FINANCIAL PLAN - INCOME STATEMENT** | | | | | | | |
|  | **Actual** | **Base - Budget** | **Revised Year 1** | **Revised Year 2** | **Revised Year 3** | **Year 4** | **Year 5** |
|  | **2009-10** | **2010-11** | **2011-12** | **2012-13** | **2013-14** | **2014-15** | **2015-16** |
|  | **$' 000** | **$' 000** | **$' 000** | **$' 000** | **$' 000** | **$' 000** | **$' 000** |
| **REVENUE** | #REF! | 105.0% | 105.0% | 107.0% | 109.1% |  |  |
| Fire Service Contribution | 29,856 | 31,343 | 32,283 | 33,251 | 34,249 | 35,276 | 36,334 |
| Insurance Fire Levy | 17,016 | 15,700 | 16,000 | 16,200 | 16,400 | 16,600 | 16,800 |
| State Government | 6,349 | 3,575 | 2,575 | 2,313 | 2,050 | 2,050 | 2,050 |
| Motor Vehicle Fire Levy | 6,457 | 6,000 | 6,400 | 6,400 | 6,400 | 6,800 | 6,800 |
| Fire Prevention Charges | 8,523 | 5,300 | 5,580 | 5,689 | 5,880 | 5,966 | 6,055 |
| Sundry Income | 2,839 | 809 | 838 | 868 | 898 | 928 | 958 |
| Interest | 99 | 43 | 180 | 140 | 120 | 120 | 120 |
| Commonwealth Government | 855 | 660 | 745 | 680 | 680 | 680 | 680 |
| **Total Revenue from Ordinary Activities** | **71,994** | **63,430** | **64,601** | **65,541** | **66,677** | **68,420** | **69,797** |
|  |  |  | -800 | -1,973 | -2,627 |  |  |
| **EXPENSES:** |  |  |  | -74 | -59 |  |  |
| Salaries, Wages and Related Expenses | 40,538 | 41,038 | 42,570 | 43,768 | 44,851 | 46,097 | 47,380 |
| Community Awareness, Subscriptions and Professional Fees | 1,150 | 1,397 | 1,398 | 1,483 | 1,573 | 1,603 | 1,588 |
| Learning and Development | 487 | 820 | 808 | 898 | 936 | 960 | 990 |
| Operations | 9,210 | 6,496 | 6,729 | 6,932 | 7,093 | 7,300 | 7,540 |
| Protective Clothing and Uniforms | 712 | 1,000 | 850 | 850 | 850 | 900 | 900 |
| Accounting and Finance | 7,985 | 4,730 | 5,225 | 5,390 | 5,560 | 5,730 | 5,900 |
| Repairs and Maintenance | 1,551 | 1,603 | 1,550 | 1,601 | 1,646 | 1,700 | 1,750 |
| Equipment under $2,000 | 900 | 680 | 697 | 720 | 733 | 750 | 800 |
| Interest | 336 | 430 | 350 | 440 | 450 | 460 | 470 |
| Depreciation | 4,688 | 5,113 | 5,132 | 5,326 | 5,484 | 5,645 | 5,645 |
| **Total Expenses from Ordinary Activities** | **67,557** | **63,307** | **65,309** | **67,408** | **69,176** | **71,145** | **72,963** |
|  |  |  |  |  |  |  |  |
| **Net Surplus/(Deficit)** | **4,437** | **123** | **-708** | **-1,867** | **-2,499** | **-2,725** | **-3,166** |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **STATE FIRE COMMISSION** | | | | | | | | | | | | | | |
| **FINANCIAL PLAN - BALANCE SHEET** | | | | | | | | | | | | | | |
|  | **Actual** | | **Base** | | **Year 1** | | **Year 2** | | **Year 3** | | **Year 4** | | **Year 5** | |
|  | **2009-10** | | **2010-11** | | **2011-12** | | **2012-13** | | **2013-14** | | **2014-15** | | **2015-16** | |
|  | **$' 000** | | **$' 000** | | **$' 000** | | **$' 000** | | **$' 000** | | **$' 000** | | **$' 000** | |
| **CURRENT ASSETS** |  | |  | |  | | **1** | | **1** | |  | |  | |
| Investments | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | |
| Inventories | 1,672 | | 2,452 | | 1,700 | | 1,800 | | 1,950 | | 2,171 | | 2,281 | |
| Receivables | 1,960 | | 1,919 | | 1,960 | | 2,050 | | 2,050 | | 2,250 | | 2,260 | |
| Cash Assets | 8,938 | | 6,628 | | 8,087 | | 6,628 | | 4,867 | | 2,464 | | 43 | |
| Other Assets | 2,886 | | 1,760 | | 1,917 | | 1,705 | | 2,001 | | 2,050 | | 2,400 | |
| **Total Current Assets** | 15,456 | | 12,759 | | 13,664 | | 12,183 | | 10,868 | | 8,935 | | 6,984 | |
|  |  | |  | |  | |  | |  | |  | |  | |
| **NON-CURRENT ASSETS** | | |  | |  | |  | |  | |  | |  | |
| Work in Progress | 5,686 | | 4,343 | | 6,000 | | 6,100 | | 3,800 | | 3,700 | | 1,900 | |
| Land & Buildings | 52,888 | | 51,457 | | 52,513 | | 52,339 | | 52,125 | | 52,347 | | 52,174 | |
| Motor Vehicles | 31,115 | | 29,370 | | 31,636 | | 31,157 | | 33,028 | | 33,000 | | 34,672 | |
| Plant & Equipment | 4,870 | | 5,104 | | 4,762 | | 4,907 | | 4,812 | | 4,396 | | 3,952 | |
| **Total Non-Current Assets** | 94,559 | | 90,274 | | 94,911 | | 94,503 | | 93,765 | | 93,443 | | 92,698 | |
|  |  | |  | |  | |  | |  | |  | |  | |
| **TOTAL ASSETS** | **110,015** | | **103,033** | | **108,575** | | **106,686** | | **104,633** | | **102,378** | | **99,682** | |
|  |  | |  | |  | |  | |  | |  | |  | |
| **CURRENT LIABILITIES** |  | |  | |  | |  | |  | |  | |  | |
| Payables | 4,413 | | 2,649 | | 3,006 | | 2,554 | | 2,560 | | 2,580 | | 2,600 | |
| Provision for Employee Entitlements | 9,907 | | 9,894 | | 10,257 | | 10,607 | | 10,957 | | 11,307 | | 11,657 | |
| Interest Bearing Liabilities | 1,368 | | 1,830 | | 1,368 | | 1,368 | | 1,368 | | 1,368 | | 1,368 | |
| **Total Current Liabilities** | 15,688 | | 14,373 | | 14,631 | | 14,529 | | 14,885 | | 15,255 | | 15,625 | |
|  |  | |  | |  | |  | |  | |  | |  | |
| **NON CURRENT LIABILITIES** |  | |  | |  | |  | |  | |  | |  | |
| Provision for Employee Entitlements | 870 | | 1,157 | | 986 | | 1,066 | | 1,156 | | 1,256 | | 1,356 | |
| Interest Bearing Liabilities | 3,330 | | 2,868 | | 3,330 | | 3,330 | | 3,330 | | 3,330 | | 3,330 | |
| SFC Superannuation Fund Net Liability | 5,529 | | 10,741 | | 5,529 | | 5,529 | | 5,529 | | 5,529 | | 5,529 | |
| **Total Non-Current Liabilities** | 9,729 | | 14,766 | | 9,845 | | 9,925 | | 10,015 | | 10,115 | | 10,215 | |
|  |  | |  | |  | |  | |  | |  | |  | |
| **TOTAL LIABILITIES** | 25,417 | | 29,139 | | 24,476 | | 24,454 | | 24,900 | | 25,370 | | 25,840 | |
|  |  | |  | |  | |  | |  | |  | |  | |
| **NET ASSETS** | **84,598** | | **73,894** | | **84,099** | | **82,232** | | **79,733** | | **77,008** | | **73,842** | |
|  |  | |  | |  | |  | |  | |  | |  | |
| **EQUITY** |  | |  | |  | |  | |  | |  | |  | |
| Retained Operating Surpluses | 70,308 | | 60,401 | | 69,809 | | 67,942 | | 65,443 | | 62,718 | | 59,552 | |
| Reserves | 14,290 | | 13,493 | | 14,290 | | 14,290 | | 14,290 | | 14,290 | | 14,290 | |
|  |  | |  | |  | |  | |  | |  | |  | |
| **TOTAL EQUITY** | **84,598** | | **73,894** | | **84,099** | | **82,232** | | **79,733** | | **77,008** | | **73,842** | |
| **STATE FIRE COMMISSION** | | | | | | | | | | | | | | | |
| **FINANCIAL PLAN - CASH FLOW STATEMENT** | | | | | | | | | | | | | | | |
|  | | **0** | | **Original** | | **Revised** | | **Revised** | | **Revised** | | **Revised** | | **Revised** | |
|  | | **Actual** | | **Base Budget** | | **Year 1** | | **Year 2** | | **Year 3** | | **Year 4** | | **Year 5** | |
|  | | **2009-10** | | **2010-11** | | **2011-12** | | **2012-13** | | **2013-14** | | **2014-15** | | **2015-16** | |
|  | | **$' 000** | | **$' 000** | | **$' 000** | | **$' 000** | | **$' 000** | | **$' 000** | | **$' 000** | |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | |  | |  | |  | |  | |  | |  | |  | |
| Cash Receipts in the course of Operations | | 69,176 | | 63,387 | | 64,421 | | 65,401 | | 66,557 | | 68,300 | | 69,677 | |
| Cash Payments in the course of Operations | | -60,713 | | -57,764 | | -59,827 | | -61,642 | | -63,242 | | -65,040 | | -66,848 | |
| Interest Paid | | -336 | | -430 | | -350 | | -440 | | -450 | | -460 | | -470 | |
| Interest Received | | 99 | | 43 | | 180 | | 140 | | 120 | | 120 | | 120 | |
|  | |  | |  | |  | |  | |  | |  | |  | |
| **Net Cash Flows from Operating Activities** | | **8,226** | | **5,236** | | **4,424** | | **3,459** | | **2,985** | | **2,920** | | **2,479** | |
|  | |  | |  | |  | |  | |  | |  | |  | |
| **Cash Flows from Investing Activities** | |  | |  | |  | |  | |  | |  | |  | |
| Payments for Investments | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | |
| Proceeds from Sale of Equipment | | 412 | | 800 | | 800 | | 800 | | 800 | | 800 | | 800 | |
| Payments for Property, Plant and Equipment | | -6,584 | | -5,803 | | -5,835 | | -5,718 | | -5,546 | | -6,123 | | -5,700 | |
|  | |  | |  | |  | |  | |  | |  | |  | |
| **Net Cash used in Investing Activities** | | **-6,172** | | **-5,003** | | **-5,035** | | **-4,918** | | **-4,746** | | **-5,323** | | **-4,900** | |
|  | |  | |  | |  | |  | |  | |  | |  | |
| **Cash Flows from Financing Activities** | |  | |  | |  | |  | |  | |  | |  | |
| Repayment of Borrowings | | -1,368 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | |
| Proceeds from Loan | | 1,368 | |  | |  | |  | |  | |  | |  | |
|  | |  | |  | |  | |  | |  | |  | |  | |
| **Net Cash used in Financing Activities** | | **0** | | **0** | | **0** | | **0** | | **0** | | **0** | | **0** | |
|  | |  | |  | |  | |  | |  | |  | |  | |
| Net Increase /(Decrease) in Cash Held | | 2,054 | | 233 | | -611 | | -1,459 | | -1,761 | | -2,403 | | -2,421 | |
|  | |  | |  | |  | |  | |  | |  | |  | |
| **Cash at the Beginning of the Financial Period** | | **6,884** | | **6,395** | | **8,698** | | **8,087** | | **6,628** | | **4,867** | | **2,464** | |
|  | |  | |  | |  | |  | |  | |  | |  | |
| **Cash at the end of the Financial Period** | | **8,938** | | **6,628** | | **8,087** | | **6,628** | | **4,867** | | **2,464** | | **43** | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **STATE FIRE COMMISSION** | | | | | | | |
| **FINANCIAL PLAN - CAPITAL EXPENDITURE** | | | | | | | |
|  |  |  |  |  |  |  |  |
|  | **Actual** | **Base - Budget** | **Revised** | **Revised** | **Revised** | **Revised** | **Revised** |
|  | **2009-10** | **2010-11** | **2011-12** | **2012-13** | **2013-14** | **2014-15** | **2015-16** |
|  | **$' 000** | **$' 000** | **$' 000** | **$' 000** | **$' 000** | **$' 000** | **$' 000** |
| **CAPITAL EXPENDITURE** |  |  |  |  |  |  |  |
| **Land and Buildings** | 640 | 640 | 775 | 740 | 715 | 1,165 | 770 |
| **Motor Vehicles and Fire Trucks** | 4,400 | 3,700 | 1,415 | 950 | 3,600 | 4,000 | 4,000 |
| **Plant and Equipment** | 750 | 1,223 | 1,045 | 1,428 | 1,231 | 958 | 930 |
| **TOTAL** | 5,790 | 5,563 | 3,235 | 3,118 | 5,546 | 6,123 | 5,700 |
|  |  |  |  |  |  |  |  |
| **SOURCE OF FUNDS:  Internal** | 5,790 | 5,563 | 3,235 | 3,118 | 5,546 | 6,123 | 5,700 |

**STATE FIRE COMMISSION**

# KEY PERFORMANCE TARGETS

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Performance Targets** | **2009-10**  **Actual** | **2010-11**  **Target** | **2011-12**  **Target** | **2012-13**  **Target** | **2013-14**  **Target** |
| **Operational** |  |  |  |  |  |
| Number of preventable house fires per 100,000 households | 163 | 175 | 160 | 155 | 150 |
| Number of false alarms (DBA) \* | 3,619 | 3,100 | 3,100 | 3,000 | 2,900 |
| Percentage of fire causes undetermined | 21.0% | 20.0% | 20.0% | 19.0% | 18. 0% |
| Percentage of fires in structures confined to room of origin | 73.1% | 75.0% | 75.0% | 75.0% | 76.0% |
| **Financial** |  |  |  |  |  |
| Operating surplus after abnormal items | $4.4m | $0.1m | ($0.7m) | ($1.9m) | ($2.5m) |
| Return on assets | 4.4% | 0.5% | (0.3%) | (1.3%) | (1.9%) |
| Return on equity | 5.6% | 0.2% | (0.9%) | (2.2%) | (3.1%) |
| Debt to equity | 5.6% | 6.4% | 5.6% | 5.7% | 5.9% |
| Current ratio | 98.5% | 88.8% | 93.4% | 83.9% | 73.0% |
| **Human Resource** |  |  |  |  |  |
| Absence Rate | 5.8 | 4.6 | 4.7 | 4.6 | 4.5 |
| Workers compensation claims | 58 | <50 | <50 | <50 | <50 |

**\* Note:**

* This indicator only includes false alarms generated by fire detection and alarm systems in buildings. It replaces the broader ‘false alarms’ indicator, which also included good-intent but false calls from members of the public reporting controlled burning, smoke scares and the like. While efforts are made to reduce system-initiated false calls, good-intent calls are not discouraged.