



Annual Report

2022–23

OUR COMMUNITY • OUR CFA



cfa.vic.gov.au

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Cover photo by Blair Dellelijn

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Foreword

Chair

Reflecting on another year of activity, I am proud of the accomplishments of our CFA members and acknowledge their continued professionalism and commitment, as demonstrated by the outstanding response to the flood crisis which gripped Victoria in 2022.

It is testament to the versatility of CFA as an emergency service that we were able to support the statewide response over a period of many weeks and, in some cases, months while communities recovered from this serious event.

As a Board, we are focused on maximising the use of the resources available to ensure the best support is provided for our volunteers, and we have a clear set of priorities going forward.

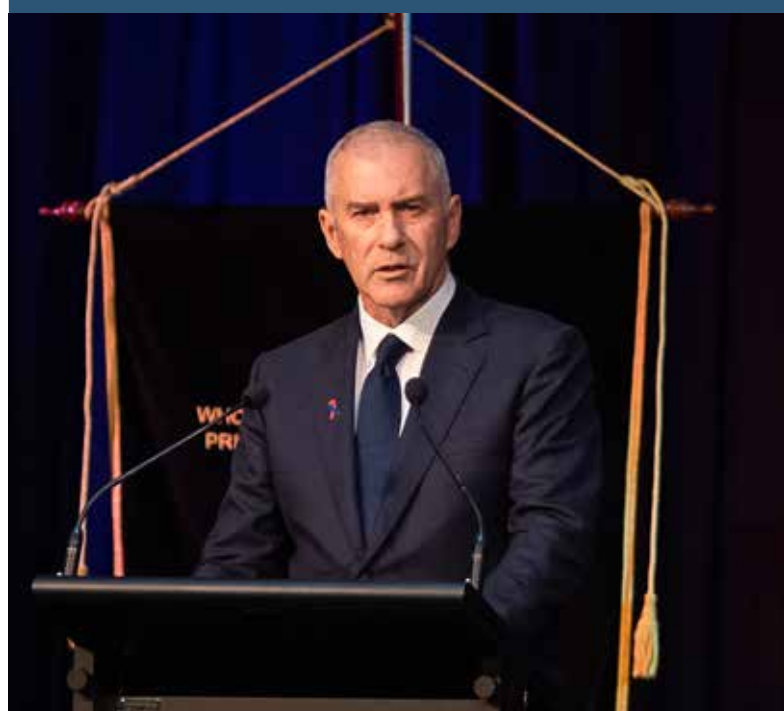
We continue to be focused on strengthening our CFA culture following the landmark external review in 2022. The Board is closely monitoring progress against the Culture Review Implementation Plan, which sets out a roadmap for delivering on the recommendations for improving our diversity and inclusion and ensuring CFA is a great place to volunteer and work.

It's pleasing to note the considerable work underway which is already generating positive outcomes to address CFA's culture. This includes improvements in leadership development, the continued rollout of behavioural standards and plans to broaden and expand membership diversity.

The delivery of improvements to stations, infrastructure and vehicles is continuing, bolstering our firefighting response capability, and the rollout of our first standardised workwear passed the 10,000 mark during the past year.

The Board is strongly focused on the timely provision of training for our members throughout the state, ensuring robust governance around the rollout of programs which meet the needs of those on the frontline. In 2022-23 more than 14,000 volunteers received training through CFA programs and this remains a key area of improvement for us.

One of the key activities for the next financial year will be shaping CFA's response to the initial determination of the Fire District Review Panel. This process to regularly review fire district boundaries was introduced by the Victorian Government under Fire Services Reform and this will be the first time CFA will be going through this process. Our response will be informed by a solid program of engagement with brigades in the impacted areas and districts to ensure our response addresses community risk and our capacity to deal with that.



The health and wellbeing of our people remains important and we continue to deliver a range of programs to support our members. CFA also welcomed the introduction of the Government's Fiskville Redress Scheme, overseen by the Department of Justice and Community Safety, to support current and former members impacted by activities at the former Fiskville Training College.

As part of a broader emergency services network, we continue to engage with our emergency sector partners and our community-based stakeholders to support community preparedness through updating community engagement and behaviour change programs, including ways to reach people who may be at higher risk.

Over the year Board members attended more than 70 brigade events, where a variety of awards and honours were presented. In addition, two Board meetings were held in regional areas – at Portarlington Fire Brigade and District 22 HQ in Shepparton, after which Board members attended the State Firefighter Championships. There were also 20 National Emergency Medal ceremonies for our members across the state, recognising their significant contributions to the 2019-20 fire season.

In closing, I extend a warm thanks to all our volunteers and staff for their passionate commitment to Victoria. Their efforts are what make CFA a trusted and respected community organisation.

Greg Wilson

Chief Executive Officer

This year marked the 40th anniversary of one of Victoria's most significant fires, with a statewide service to remember the events of Ash Wednesday.

The commemoration, at the Ash Wednesday Bushfire Education Centre, was a moving tribute to those who fought and those whose lives were lost on that terrible day. It is so important that we at CFA take these moments to reflect on the past and what our members have contributed and those we have lost.

Community members, our emergency services partners and firefighters past and present joined hundreds of people viewing the event online. Since the event the video recording has been viewed thousands of times.

The anniversary was also a time to reflect on how far Victoria's fire services have come, with improvements in safety, including emergency warnings, vehicle design, training, planning, resources and welfare support.

Preparing communities for fire underpins much of the work we do as the state's largest emergency service.

This year, we launched our community engagement guidelines, which outline how we are supporting people at risk with new programs, and it was great to see the rollout of our Mobile Engagement Units across the state. They are in high demand and have been well used.

The next generation of wildfire personal protective clothing was finalised and is being delivered in the coming year. The garments have been developed with lighter, fire-resistant material and will provide enhanced protection on the fireground. We have also trialled new respiratory masks to ensure our volunteers are well-equipped for the potential dangers of wildfire.

Five replacement fire stations were completed with construction underway at six more, and station modifications at a further three. Our infrastructure program also saw 13 other new stations or modifications progressing through procurement or design phases, with land acquired for six more.

We replaced 17 heavy tankers, with a further 34 to be delivered by the end of next financial year. Our new ultra heavy tankers also began rolling off the production line providing greater capacity and capability to combat grass and scrub fires in remote areas of Victoria.

We were pleased with the engagement of our members in the development of the CFA Diversity and Inclusion Strategy which was launched during the year, and we have continued to focus on ways to support diversity in our membership. The Women's and Young Adults Advisory Committees continued to provide a critical avenue for generating ideas and understanding issues and challenges for these cohorts of our volunteers.

We continued to work collaboratively with Volunteer Fire Brigades Victoria through joint committees which have been refreshed to ensure they focus on addressing the most important topics for our volunteers, including training, equipment and infrastructure, operational performance and community safety. These joint forums are a very important part of our commitment to the volunteer charter to ensure we design our organisation to meet the needs of CFA members and our community.

As we close on another successful year, I want to acknowledge our wonderful volunteers and staff for their commitment in being there for their communities, day and night, all year around. Their close connection with, and service to, fellow Victorians, are what makes CFA a great organisation.

Natalie MacDonald



Chief Officer

In a year which was primarily marked by flood, as opposed to fire, our members have demonstrated yet again why CFA is the state's most relied-on emergency service. Drenching rains pushed the state's rivers and tributary systems to extremes not seen for decades in some areas, with whole towns inundated for weeks.

CFA's volunteer workforce mobilised in extraordinary numbers, undertaking response and recovery, alongside our partner agencies, for an extended period during late 2022. In many cases, CFA members' own homes were significantly impacted by flood waters, but they continued to turn out to support their neighbours, local communities and communities afar. The sheer effort and commitment of CFA members, both volunteers and staff, embody the true spirit of mateship and sacrifice, and highlight why we are a respected and trusted emergency service.

On the fire front milder conditions resulted in less fire activity within Victoria, although CFA still responded to almost 32,000 incidents. These included some complex road crash and technical rescue operations, including two underground at mine sites on separate sides of the state, as well as a number of residential, industrial and large grassfires.

This demonstrates CFA's value, not only through our expertise in bushfires, but as an all-hazards emergency service, responding to a range of hazards and incidents day or night, all year round.

CFA members were deployed to other firegrounds – across Australia and, internationally, to Canada – which is a positive reflection on the diversity of our members' skills and the high regard for our organisation.

To ensure we continue to attract new volunteers, particularly young people, daytime responders, women and those from diverse backgrounds which reflect the communities we serve, CFA has launched a new statewide volunteer recruitment campaign called "Give us a Hand" which will support brigades in areas where membership may be declining.

The number of people expressing an interest to join CFA exceeded 5,700 in the past year and we are now assessing these applications for their suitability and availability as volunteers. Pleasingly, over recent years we have witnessed a substantial improvement in the percentage of operational volunteers turning out to incidents.

Our capability for the forthcoming year has been bolstered by additions to our fleet, including the introduction of our new ultra-heavy tankers and the addition of other heavy tankers across the state. Volunteers will benefit from the next generation of personal protective clothing which will be distributed before the 2023-24 summer fire season.

We continued to ensure our members were skilled and ready for operations, with our eight training campuses



delivering more than 950 training sessions, with over 12,000 participants undertaking a range of training opportunities.

With the assistance of Volunteer Fire Brigades Victoria and our broader membership, new or revised training programs were created, or are in development, in the areas of Urban Fire Operations, Crew Leadership, Strike Team Leadership, Incident Controller, Fire Investigation and Off-Road driver training.

The launch of the Baseline Capability Profiling Application (BCPA) provides important information about brigade capability including member training and response, prevention activities, vehicles and infrastructure. For the first time, this tool provides brigades, groups, and districts with an advanced technological platform to make informed, evidence-based decisions. This data will be used to support CFA's response to the Fire District Review Panel's initial findings, as we work with our brigades to determine if potential future risk can continue to be mitigated or addressed.

We continue to play a leading role in innovation in the sector, with 40 research projects underway in areas such as climate modelling, grass curing mapping, suppression techniques and public information which will help improve decision-making during fire incidents.

Our development of guidelines on renewable energies and fire prevention and suppression have received international acclaim for their ground-breaking work.

We are committed to engaging with our volunteers and providing forums and channels where they can have interactive conversations with CFA leaders. Over the past year, forums have been held across the state, including Springhurst, Dimboola, Drouin, Hamilton, Echuca and Shepparton. We are proud of this sector-leading initiative, which has regularly seen thousands of views of the monthly forums via our YouTube channel.

As the Chair and CEO have outlined, we are continuing our cultural journey, delivering new initiatives and embedding important reforms into how we operate.

I remain proud of the everyday efforts of the tens of thousands of CFA members who answer the call from their communities in a time of need and thank them for their ongoing commitment.

Jason Heffernan

CFA Victoria

Who we are

We respond to a range of hazards, support our communities to be fire ready and work as one with our emergency services partners. Our people's skills, experience and expertise in fire prevention, preparedness and response makes us unique in the emergency services sector. Building on our proud history in one of the world's most bushfire-prone environments, we know how to adapt to meet the challenges of a changing climate.

We are a dedicated and skilled team, performing roles beyond fire suppression – we also educate and engage the community to help them become more resilient. We're focused on increasing our diversity, our flexibility and our inclusiveness and providing a range of opportunities and skill development. CFA will continue to evolve, improve and innovate to provide a world-class fire and emergency service.

CFA Vision



Victorian communities are prepared for and safe from fire

This is our ultimate end state, and our mission and strategy are how we will deliver on this vision. It reflects our broad reach across the state and our focus on empowering communities to understand and address their fire risk.

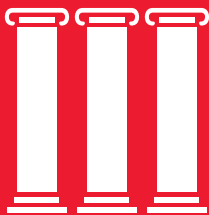
CFA Mission



To protect lives and property

Our mission has been constant for decades. It drives how our members operate and it underpins all their work in fire prevention and preparedness activities and responding to fire and other emergencies.

Our core strengths



We are a trusted authority because of our three core strengths:

Fire safety – Our people's experience and expertise across a range of landscapes makes us unique within the emergency sector. We are a centre of excellence for bushfire response, while responding to residential fires across Victoria where CFA is the lead agency. We also skilfully perform a wide range of roles from community engagement and education to hazard reduction and broader emergency response.

Community connectedness – Our members come from and serve Victoria's unique communities. Our brigades strengthen the social fabric of their communities and make a positive contribution beyond emergency response. Through strong local partnerships we empower communities to prepare for fire.

Volunteering – We are one of the world's largest volunteer fire services, ready and willing to mobilise quickly and in great numbers.

Where CFA operates

We protect large parts of Victoria, including the state's urban growth areas in North West and North East regions which are part of metropolitan Melbourne. CFA volunteers are also responsible for protecting residents in large regional towns such as Bairnsdale, Horsham, Echuca and Sale, tourist destinations such as Mount Hotham, the Great Ocean Road and Yarra Valley, as well as many of our more isolated communities across the state such as West Wimmera and East Gippsland.

CFA's 1,210 brigades are grouped into 21 districts and five regions, and cover country Victoria as well as parts of the Melbourne metropolitan area.

South West Region

Led by Deputy Chief Officer Rohan Luke, the South West Region covers districts 4, 5, 6, 7 and stretches from the west side of Port Phillip Bay to the western edge of Victoria. It includes Geelong, Colac, Hamilton, Warrnambool, Portland and Casterton plus the Otways and the Great Ocean Road. The region's high summer bushfire risk is increased by a large influx of tourists.

West Region

Led by Deputy Chief Officer Brett Boatman, the West Region covers districts 15, 16, 17 and stretches from the western edge of metropolitan Melbourne to the western border with South Australia. It includes the key regional centres of Ballarat, Ararat and Horsham as well as the Grampians and the Little Desert, where hot and dry conditions fan its bushfire risk. It is the least populated CFA region and faces unique challenges related to rural decline.

North West Region

Led by Deputy Chief Officer Gavin Thompson, the North West Region covers districts 2, 14, 18, 20 and stretches from the edge of Port Phillip Bay in Melbourne's western suburbs to the NSW and South Australian borders. It includes metropolitan Melbourne's northern and western suburbs, the key regional centres of Bendigo, Kerang, Swan Hill and Mildura, as well as the high bushfire risk areas of Big Desert and the Macedon Ranges. Across the region, risks range from campaign bushfires to urban, residential, industrial and hazardous materials fires

North East Region

Led by Deputy Chief Officer Ross Sullivan, the North East Region includes districts 12, 13, 22, 23, 24 and stretches from the north-eastern Melbourne suburb of Lilydale to the northern border. It includes the key regional centres of Seymour, Shepparton, Wangaratta and Wodonga, and the urban, residential, industrial and hazardous materials fire risks associated with the north-eastern suburbs of Melbourne. It also covers the unique challenges of the Alpine Region, which include a low permanent population, high tourism, old and high-capacity commercial buildings, and challenging weather and natural events including avalanches.

South East Region

Led by Deputy Chief Officer Trevor Owen, the South East Region covers districts 8, 9, 10, 11, 27 and stretches from the Mornington Peninsula to the eastern corner of Victoria including the south-eastern suburbs of Melbourne, and the key regional centres of Warragul, Morwell, Moe, Sale and Bairnsdale. It also covers the high bushfire risk area of Gippsland plus four open-cut brown coal mines in the Latrobe Valley, which pose unique fire and hazardous materials risks.

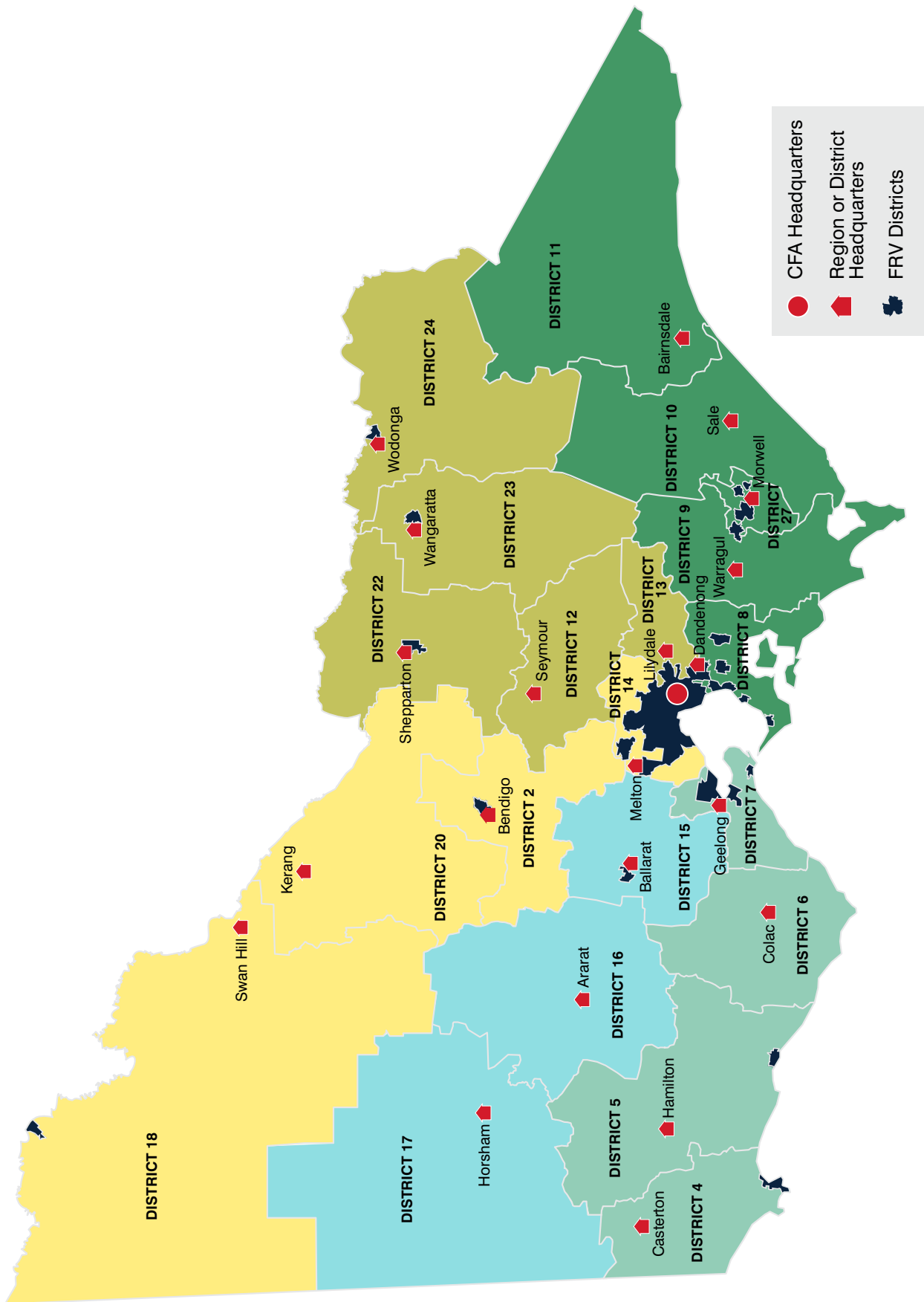


Figure 1: The districts and regions CFA covers in Victoria



Ash Wednesday remembered 40 years on

On 16 February 1983, Victoria was subjected to one of its most devastating fire emergencies – Ash Wednesday. These tragic events are permanently etched in the minds of several generations of Victorians and for many people the effects are ongoing.

More than 16,000 firefighters from agencies including CFA, Forests Commission Victoria (now known as Forest Fire Management Victoria), and the Metropolitan Fire Brigade (now called Fire Rescue Victoria) battled more than 180 fires on that day, working tirelessly to protect their communities. They were supported by Victoria Police, VICSES, Ambulance Victoria and our other emergency services partners, as well as countless local agencies.

Tragically 47 Victorians lost their lives, including 14 CFA firefighters from Panton Hill, Nar Nar Goon, Narre Warren and Wallacedale brigades. The loss of life may have been far greater had it not been for the commitment of those on the ground and behind the scenes.

As one of the most bushfire prone areas in the world, Victoria is used to the challenges of fire. However, stories of Ash Wednesday tell of the extreme and unprecedented nature of the weather conditions. No amount of effort to fight or control the fire could have succeeded until conditions moderated.

On Sunday 12 February 2023, CFA hosted a state-based service at the Ash Wednesday Bushfire Education Centre in Cockatoo to mark the 40th anniversary of these fires. The event allowed CFA to honour and remember those lost, acknowledge all those who served, and reflect on their experiences, resilience and the road to recovery after that devastating day. Hundreds of CFA members joined CFA Board and Executive members, families, emergency services sector partners and local community members.

CFA thanks all those who fought the Ash Wednesday fires for their sacrifice and commitment. We will continue to remember and honour those who fought and those who were lost.

There were many lessons from Ash Wednesday which led to important changes including improvements in planning, procedures, research, training, resources and welfare support. Protective equipment for firefighters, vehicle design and safety, communications systems, and community warnings and education were also updated and improved. We continue to learn and improve with every incident and fire.



Our Strategic Goals

We put the community at the centre of everything we do



CFA is not just the Country Fire Authority; we are the community's fire authority. We have almost 52,000 volunteers dedicated to protecting the life and property of more than two million people in our primary response areas. We also support Fire Rescue Victoria and Forest Fire Management Victoria in many of their primary areas. To effectively serve the community, we must put the community at the centre of our planning, of our decision-making and of our service delivery. The reach of our network of brigades across Victoria is our strength. CFA is recognised and present from outer suburbs to remote townships. Our people know and care for their communities like no other service. Our members are key to the success of CFA because they are deeply connected to their local area and have a unique understanding of their community risk. We aid others in times of great need and create a sense of belonging, connecting people within the community.

We deliver programs and services that make a positive difference



Whether delivering community education programs to prevent fires or responding effectively to fires that have occurred, the services we deliver seek to achieve a common vision – Victorian communities that are prepared for and safe from fire. We need to make sure that the programs and services we deliver make a positive difference towards achieving our vision. We have an obligation to the community and our people to invest in meaningful service delivery that maximises benefits and minimises risks.

We provide a great place to volunteer and work



CFA relies on volunteers to deliver its programs and services. These dedicated volunteers are supported by hundreds of staff who work at the local and state level to build capability and support service delivery. Our people, whether volunteer or staff, are committed to CFA and its vision. To have a sustainable workforce we need to be an organisation of choice, making CFA a great place to volunteer and work. We need to provide every one of our volunteers and staff with a safe and supportive environment to ensure they continue to be part of CFA into the future.

We are a progressive emergency service



Much has changed since our establishment more than 70 years ago, including the community we serve, their expectations, the environment and the government's regulation of our activity. Our operating environment has changed and we must change with it. Being a progressive emergency service means we embrace change and innovate to continuously improve our service delivery and corporate performance. Being progressive means making the best decisions we can to maximise the benefits of the services delivered to the community. Every day our people make decisions that affect the lives of Victorians and have the potential to save lives and property.

Our year in review

Progress to meet objectives and outcomes

We put the community at the centre of everything we do



Supporting the community through updating community engagement/behaviour change programs (including people at higher risk)

This financial year, CFA delivered hundreds of new smoke alarms into 1,059 households. Through this program, CFA engages with people most at risk of residential fire in their home, to provide and install working smoke alarms or check existing smoke alarms in the home. The program also covers a home fire safety inspection and discussion with the resident about actions they can take to prepare for residential fire. In some regions, the program has been delivered jointly through collaborative partnerships with local community groups such as Lions Clubs and Bush Nursing Centres.

CFA also updated one of its capstone programs, the Fire Safety Planning (FSP) Program. Based on behavioural insights research, workshops were delivered face-to-face or facilitated online to assist people living or working in high fire risk areas to develop their bushfire or grassfire survival plan.

Additionally, CFA created a new e-learning module (Prevent-Detect-Escape) especially designed for people at higher risk of house fire fatality and injury. The training module includes valuable input from people with lived experience of a disability, as well as input from the National Disability Services, Gippsland Disability Advocacy and Fire Rescue Victoria. CFA also expanded its Emergency Planning Advice Service (EPAS) to an additional five local government areas. EPAS home visits support elderly people and those with disability to plan their safety in the event of a home fire and other emergencies. The program uses a person-centred emergency preparedness framework and is co-delivered with Red Cross.

Launch of mobile engagement units

CFA has delivered eight mobile engagement units (MEUs) which were funded through donations received from the public during the 2019-20 fire season. The MEUs are dedicated assets for community members. They are custom-fitted Ford Transit vans that can be driven with a regular licence. They are dedicated assets for brigade members to deliver community engagement programs and products. The MEUs can be used to engage community members about a range of topics including fire safety, recruitment and fundraising, and information about upcoming fuel reduction works or an emergency that is occurring locally. With the solar system equipment plugged in and the equipment on standby ready to go, the MEUs can be set up and packed away in minutes. The vehicles have already been

used extensively across communities, to support school visits, community activities, CFA open days, information points for tourists and flood recovery assistance in the north-west.

Launch of Community Engagement Guidelines

CFA's Community Engagement Framework was released including guidelines for use by members. The guidelines are structured so that any CFA member can plan and deliver effective community engagement activities. Such activities play an important role in getting key fire safety information to communities directly, building community connection and fostering a positive and lasting relationship with CFA. The guidelines include practical checklists, templates and contacts to empower members in every part of CFA to deliver effective community engagement services to the right people, in the right place and at the right time. The guidelines were developed through extensive internal consultation. Since the launch of the guidelines, regional staff and volunteers have championed and promoted them across regions and districts to encourage their adoption in community engagement activities.

Deliver residential safety campaign

CFA's smoke alarm campaign, delivered in collaboration with FRV, continued to reinforce the importance of installing smoke alarms in all bedrooms and living rooms. The campaign draws on research showing that fires which begin when people are asleep are the deadliest. Despite this, just 17 per cent of households have smoke alarms in their bedrooms. The campaign highlights the relatively small cost of a smoke alarm which will ensure family members are alerted in the event of a fire. Victorians are encouraged to install interconnected alarms which will all sound, regardless of the location of the fire, giving people time to evacuate safely.





\$1.6m
raised for
Good Friday Appeal, and
\$37m
since the appeal
began

Deliver summer fire safety campaign

CFA supported the Department of Justice and Community Safety's 'How Well Do You Know Fire?' summer bushfire campaign, with targeted media activity addressing localised risks, such as haystacks and harvester fires. This year's campaign included a focus on the introduction of the new Australian Fire Danger Rating System, which came into operation in late 2022. CFA promoted the changes through an extensive program of communication and engagement with brigades and the community.

Support major community events

CFA is synonymous with the Royal Children's Hospital Good Friday Appeal, with members in their distinctive yellow uniforms rattling tins across the state to raise money. Through more than seven decades of involvement with the Appeal, CFA has raised more than \$37 million for the hospital, with members contributing \$1.6 million in 2023. CFA also participated in the Good Friday Appeal Kids Day Out event, providing a range of fun activities for families.

Other events and activities which highlighted CFA's support for the community and our commitment to diversity and inclusion included International Women's Day, the AFL Emergency Services Round, Firefighter Stair Climb, Red Cross Lifeblood Emergency Services Blood Drive, International Day Against Homophobia, Biphobia and Transphobia (IDAHOBIT) and Movember.

Introduction of Fiskville Redress scheme

CFA welcomed the introduction of the Victorian Government's Fiskville Redress scheme to ensure support is provided to those impacted by activities at the former Fiskville Training College over a number of years.

The scheme, administered by the Department of Justice and Community Safety, opened in September 2022 with people who worked or trained at Fiskville, lived at or in the vicinity of the facility or attended the Fiskville State School eligible to apply. The scheme provides access to financial and non-financial support, including mental health and medical support, case management and counselling to eligible participants.

At the time of the scheme's announcement CFA issued a statement that acknowledged the significant issues of the past in relation to the management of Fiskville Training College and apologised for the potential harm to volunteers, staff and other attendees at the time, and the many people from the local community who supported CFA at Fiskville.

Since the scheme opened CFA has supported 506 applicants to the scheme by providing access to requested documents that evidence their time at Fiskville and encouraged members affected by their time at Fiskville to apply.

We deliver programs and services that make a positive difference



Continue vegetation management and planned burn activity

CFA completed more than 50 per cent of the vegetation management program approved through the Joint Fuel Management Program (JFMP), which is a publicly-available document and interactive map on Forest Fire Management Victoria's (FFMVic) website. Fuel treatments which had a risk reduction benefit were identified as a mitigation option by a community or brigade. CFA delivered 123 planned burns (fuel reduction, ecological and traditional owner) and 60 non-burn fuel treatments (mechanical treatments including slashing and mulching). In total, 3,406 hectares were treated.

These fuel treatments were delivered by our volunteers, supported by CFA staff in the regions and the state Vegetation Management team. Regular training occurred to support vegetation management program planning and delivery.

Many of the planned burns were carried out by CFA's volunteer Planned Burn Taskforce, which delivered 36 burns (a third of the total burns) and involved 146 members. Throughout the planning and delivery of the vegetation management program, CFA built and maintained relationships with external stakeholders such as community organisations, traditional owners and First Nations communities, sector partners and other government organisations.

Operational readiness and response to major incidents

CFA commenced the final phase of its rollout to deliver 48 new replacement heavy tankers to brigades across Victoria, bolstering the state's response capability. The new tanker features a 15-tonne crew cab chassis with a 4,000-litre water tank, and the four wheel drive capability and automatic transmission will help crews to access fires in difficult terrain. In addition to this rollout, CFA continues to expand its fleet of compressed air foam systems (CAFS) across the state. CAFS appliances reduce the use of water through foam application and increase the efficiency of physical firefighting efforts. CFA has also commenced rolling out the first round of its 29 ultra heavy tankers. This truck has been designed to carry 10,000 litres of water and is ideal for deployment to incidents in isolated areas where there is limited access to water.

Victoria experienced its third consecutive year under the influence of a La Nina weather system triggering its wettest month on record during October 2022. The floods inundated 63 local government areas across regional Victoria and Melbourne including Echuca, Kerang, Mooroopna, Rochester, Shepparton, and Maribyrnong. CFA worked alongside VICSES, the Australian Defence Force and emergency services partners to keep communities safe by deploying 567 brigades and 3,165 members both on the ground and to perform critical functions in incident control centres. CFA had a crucial role in the response and recovery efforts of this devastating event, with CFA members contributing a total of 16,000 days of assistance.



3,165
volunteers from
567 brigades
helped with the
flood response





Continue to implement the CFA Research Strategy and research projects

CFA has made substantial contributions to science, innovation and development. We have more than 40 research projects underway, including projects of both state and national significance. Some notable examples include:

- **Suppression effectiveness** – this project combines incident data from CFA and FFMVic to allow better insight into initial and extended attack success factors. Outcomes will be used to enhance statewide risk modelling and to increase capability across the sector. This will increase the efficiency, safety and effectiveness of our operations.
- **Climate change** – this project is using sophisticated modelling approaches to determine how bushfire fuels will change in the coming decades across Victoria due to climate change. These maps of future fuels will be used to evaluate how risk patterns, resource needs and opportunities for risk reduction will change to support long-term planning.
- **Public information** – the first stage of this project delivered evidence related to the comprehension and use of products used for community warnings. This work is continuing to create national evidence-based principles for design and dissemination of public information and warnings.
- **Satellite grass curing mapping** – CFA has provided national leadership in the development of a new grass curing process that will ensure maps continue to be available as the previously relied upon satellites are retired from use.

- **Ignitability of eucalypt forests** – CFA supported live-fire experiments to gain insights into the factors that determine when forests will and will not burn. These will allow us to better identify opportunities for fuel treatment and ensure bushfire readiness levels are appropriately set.

CFA's investment in research has also ensured systems, tools and products meet the needs of our members and communities. Examples where CFA has played key evaluation or development roles include the new national fire simulator (SPARK), remotely-sensed fuel mapping products and, most significantly, the new Australian Fire Danger Rating System (AFDRS).

We continue to develop in-house solutions to unmet needs, including developing custom information dashboards and products to support decision-making in relation to aviation resourcing and preparedness decision-making. CFA has also been instrumental in the acquisition of new weather stations across the state. These have been deployed to fill gaps in the current network and portable stations are being made available for rapid deployment to provide intelligence during the fire season and support safe and effective prescribed burning.

The influence of CFA's research outcomes is demonstrated by the production of numerous publications, representation on state and national committees and through the large number of presentations provided at brigades, workshops, forums, national meetings and conferences.

We provide a great place to volunteer and work

Continue the rollout of CFA workwear



The workwear project continues to provide fit-for-purpose workwear to volunteer members. The evolution of workwear continues, with improvements being made to enhance their fit and expand the range of sizes. The patriot blue workwear is becoming visible across the state particularly at brigade events such as truck handovers and new station openings. More than 12,000 sets have been issued.

During the past year, more than 10,000 members attended field-based, face-to-face sizing sessions before placing their order. The 10,000th member to receive workwear, Janelle Beach from Wodonga West, said “the introduction of workwear was a fantastic step forward in acknowledging how valuable our volunteers are”.

Health, safety and wellbeing initiatives

Achievements in 2022-23 arising from CFA's Health, Safety and Wellbeing Strategy included:

- Alignment of the CFA OHS Management System to ISO 45001.
- Initial development of the medical components of CFA's Medical Standard and Guidelines.
- Development of a Mental Health Literacy program for all members and leaders.
- Ongoing refinement of health, safety and wellbeing performance data and reporting.
- Cumulative trauma awareness and prevention activity.
- Development of a member Injury Recovery Framework and Rehabilitation Program.
- Assessment and validation of control measures for hazards arising in operational activities that present a risk of death.
- Development and delivery of member recovery programs relating to the 2019-20 bushfire season and the flood emergency in October 2022.

The flood emergency impacted CFA members in a number of ways. Some are living in flooded areas where homes, livelihoods and brigades have been directly impacted. Others led the operational response or worked with neighbouring brigades and strike teams that were central to the response and recovery efforts. CFA received government funding to invest in recovery programs for sustainable and positive outcomes, addressing immediate and long-term mental health impacts.

CFA developed a three-year flood recovery plan which supports recovery for members personally and supports future proofing wellbeing response capability for future

large scale emergencies. Aligned to CFA's value of safety and an early intervention approach to sustainable health and wellbeing, the wellbeing flood recovery plan will:

- meet the immediate and longer-term psychological needs of members who were directly impacted by the floods by increasing service provision and actively enabling social support and connection
- increase the capacity of leaders to identify and respond to emerging trauma responses or other mental health concerns which will assist in response to future large scale emergencies
- ensure our people have the right information to provide to members about other available government support
- ensure our local operational leaders have the skills to provide psychological first-aid to impacted members, to provide the means to reduce the initial stress response and mitigate longer-term mental health impacts
- ensure a coordinated approach with other local support organisations, particularly in remote areas
- enable members to better respond in high-risk situations where a member is at risk of self-harm (a known risk following large scale emergencies)
- build systems and resources that will enable better tracking, monitoring and response to cumulative and vicarious trauma experienced by members.

Launch the Child Safety and Wellbeing Policy

CFA members interact with children and young people in their brigades and in the community to deliver programs and services that make a positive difference. As a trusted community service organisation, CFA is committed to providing a safe and supportive environment for all children and young people. CFA has a zero tolerance approach to all forms of child abuse. Children and young people have the right to always be, and feel, safe.

This year CFA launched the new Child Safety and Wellbeing Policy which is aligned to the revised Victorian Child Safe Standards. The policy, which is publicly available on the CFA website, outlines the following:

- What CFA is doing to prioritise child safety
- CFA's expectations of all CFA members and the wider CFA community
- How CFA leadership is championing a positive and proactive child-safe culture that values the engagement and contributions of children and young people.

CFA will continue to implement initiatives across the state with a focus on exceeding the minimum requirements of Child Safe Standards.



CFA's Volunteer Recruitment Campaign

A new campaign 'Give Us a Hand' has been developed to encourage people to consider joining their local CFA brigade. The campaign is aimed at recruiting volunteers in areas where factors such as declining populations and competing priorities have resulted in challenges for brigades in attracting new members. The campaign highlights the broad range of roles in CFA, beyond firefighting, and highlights the skills development and leadership opportunities available to those who join the organisation. It focuses on attracting daytime responders and people from a range of backgrounds with diverse skills. The campaign was expanded in 2023 to include paid advertising, with a successful launch during National Volunteer Week in May 2023 which resulted in extensive media coverage across the state.

Strengthen the training pathways for young members

In 2022-23, we started to scope a youth pathway to map out the journey of a young person who joins CFA between the ages of 11 and 24 years. We also continued to strengthen the existing programs for young members and improved training and learning opportunities within them.

In the Juniors (11 to 15-year-olds) CFA has scoped a merit system so that our youngest members progress through a series of core skills that help them transition more successfully into the senior brigade. This work will continue in 2023-24.

Following a successful pilot, the Cadet Program has continued in 2022-23 with our 16 and 17-year-old members engaging in weekend training camps that have provided opportunities to build confidence, make new friends and develop skills that will enable them to become leaders in their community and fire brigade. This program has helped our young members find their feet as they make the transition to being operational brigade members.

A new Youth and Child Safety catalogue has been created in CFA's online Learning Hub to make it easy for our 16 and 17-year-old members to learn from information targeted at their age group. This catalogue will continue to build to reflect their needs.

Volunteer Leadership Development Program

The CFA Volunteer Leadership Development Program is an interconnected program of leadership development that includes formal (training), semi-formal (mentoring) and informal (development tools/leadership library) leadership development interventions at CFA. During the financial year CFA added leadership development programs, such as Women in Leadership Mentoring Program, which is currently supporting 42 mentors and mentees. More than 500 volunteers obtained leadership development opportunities throughout 2022-23. CFA is in the process of developing a leadership behaviour framework, which will provide the foundation for further leadership development programs next financial year.



We are a progressive emergency service



Launch the Diversity and Inclusion Strategy

CFA's Diversity and Inclusion Strategy was launched in March 2023 to coincide with Harmony Day. The strategy outlines key actions and activities that will shape our culture and ensure we are well placed to meet the Victorian community's expectations and needs into the future. The strategy builds on the development of our first Gender Equality Action Plan and the positive steps taken over the past few years to improve organisational culture and achieve our vision of a diverse, inclusive, and respectful organisation that embraces difference. The strategy is key to delivering on the recommendations in the External Review of Culture and Issues Management, and we will focus on improving education and awareness, supporting leadership accountability, embedding and normalising diversity and inclusion practices, supporting diversity and understanding our people, and measuring cultural change.

Achievements to date include:

- development of an Inclusive Language Guide
- distributing concept plans for our awareness days
- reviewing existing programs.

CFA continues to provide opportunities for women to expand their capability through programs including:

- Women's Challenge Camps to build operational skills and develop peer learning networks
- Women's Burn Days which enable hands-on skills in the planning and management of roadside burns to be practised
- a Women in Leadership Mentoring Program to build confidence and capability and create a pipeline of future women volunteer leaders.

Women's Advisory Committee

The Women's Advisory Committee was established to provide a forum for representatives of CFA women to directly engage with the CEO, Chief Officer and other senior CFA representatives about opportunities to support diversity and inclusion in the organisation. The committee includes volunteers from all 21 districts, representing a range of roles.

Committee initiatives during this financial year included:

- \$9 million to build gender-appropriate changing facilities at three training campuses and 40 CFA stations. This funding commitment was a direct result of the work of the committee
- CFA Women of CFA Facebook page
- Input into the design and rollout of the feminine hygiene packs on all vehicles

- The deployment of portable toilets to firegrounds early in a response to ensure all fireground personnel can access facilities
- Supported the development of the volunteer recruitment campaign ('Give us a Hand')
- Assisted in establishing Women's Networks across the state
- Led a number of significant CFA activities for International Women's Day.

The Young Adults Advisory Committee

The Young Adults Advisory Committee (YAAC), which includes 18 to 30-year-old members, has continued to meet and discuss relevant issues with the Chief Officer and CEO. This committee has played an important part in mapping out where opportunities exist during the youth journey at CFA, particularly within the senior brigade, and exploring wider opportunities in districts, regions and statewide. Several YAAC members have stepped into leadership roles within the Cadet Program, helping deliver camps and acting as role models and mentors to those a little younger than themselves.

Progress the Fire Services Implementation Monitor recommendations

CFA continues to work with Fire Rescue Victoria (FRV), the Department of Justice and Community Safety (DJCS) and the broader emergency management sector to embed the reform of fire services implemented in 2020.

During 2022-23, CFA completed a number of key actions from the Year Two to Five Fire Services Reform Implementation Plan, including:

- developing a volunteer recruitment and retention plan
- completing capital works (Morwell station) on behalf of FRV
- collaborating with FRV to support nominations for national awards, and establishing CFA service awards for FRV secondees to recognise service and contribution to CFA
- completing Phase 1 of the CFA Operating Model Program and developing a roadmap of various initiatives to strengthen CFA (to be delivered over a five-year period).

CFA remains committed to working with DJCS and others to progress actions in the Implementation Plan and strengthen Victorian fire services to ensure a sustainable fire services system to keep Victorians safe. CFA is also working collaboratively to implement relevant recommendations of the Fire Services Implementation Monitor's Annual Report 2021-22.



Implement the new Australian Fire Danger Rating System

The Australian Fire Danger Rating System (AFDRS) is a new national system designed to improve the way fire danger is both derived and communicated to the public. In Victoria, the implementation of the AFDRS has been led by Emergency Management Victoria (EMV) in collaboration with the fire agencies. The system went live nationally on 1 September 2022. CFA was a significant partner, leading many components of the implementation.

CFA developed new tools and updated existing tools and products for Victorian agency partners and our members to facilitate the smooth transition and understanding of AFDRS, supported by training. CFA reviewed the new fire behaviour models and system design and provided regular feedback and advice to the national program to make further improvements. CFA also managed the change of manual and electronic roadside signage and ran extensive community awareness and engagement campaigns through media, community engagement activities, updating existing materials and community-facing elearning modules. CFA continues to be involved in evaluating the system at both the national and state level. The findings from these evaluations will be used to further improve the system.

Purchase electric vehicles for CFA fleet

CFA has continued to transition its transport vehicle fleet to a greener operating platform. The installation of 17 electric vehicle charging stations in both metropolitan and regional locations has supported the commissioning of eight fully-electric transport fleet vehicles. CFA's transport vehicle fleet of hybrid technology fuel-efficient vehicles now totals 121, with an additional 29 hybrid vehicles placed into service during 2022-23.

CFA's response to the Fire District Review Panel initial determination

The Fire District Review Panel released its initial determination in March 2023. Ahead of this report being published, CFA provided information to its members about the Panel's role and method, and the steps that will occur until the Panel makes its formal recommendations to the Minister for Emergency Services in mid-2024. CFA has commenced work on its formal response to the Panel's initial determination, which is due to be submitted in January 2024. The response will be informed by district-level plans being developed with direct input from potentially-affected brigades.

Progress against the Culture Review Implementation Plan

CFA's External Review of Culture and Issues Management, undertaken in the previous financial year focused on developing an implementation plan to respond to the recommendations and making progress with some early foundational actions.

Following the release of the full report in June 2022, our focus has been on engaging with stakeholders to develop a comprehensive action and implementation plan to address the report's 10 recommendations, which were accepted in their entirety by the CFA Board.

A draft Implementation Plan was developed drawing on the detail contained in the report and the focus of the 41 sub-recommendations within it and in consultation with departments and senior leaders responsible for implementation. The draft Plan was released to members for comment and feedback in December 2022, and the final Implementation Plan released in June 2023.

The final Implementation Plan charts a course over the next five years for making CFA a great place to volunteer and work, with 134 discrete but inter-related actions, with accountability and responsibility clearly assigned and agreed with relevant departments and at the Executive level.

Ongoing governance oversight of progress against the Implementation Plan will be through CFA's Executive Committee and through the People, Culture and Remuneration Committee of the CFA Board. A formal Progress Report will be published twice-yearly in January and June.

In parallel to the development and finalisation of the Implementation Plan the following actions were delivered in response to the Report's recommendations:

- 'Lead cultural and organisational reform' embedded in Chief Officer's Annual Expectations of Districts as well as targets for gender diversity to increase the number of active operational women members (response to Recommendation 2.5 – 'working with Assistant Chief Fire Officers and Commanders to set clear priorities')



- In consultation with VFBV, we reviewed the terms of reference for the CFA-VFBV Joint Consultative Committees (response to Recommendation 2.8 – 'formalised and regular engagement opportunities at senior levels of CFA with the VFBV')
- Commenced development of comprehensive frameworks technical capability and another for leadership capability (response to Recommendation 3.5)
- Developed and published a new Issues Management and Resolution Support Dashboard providing greater transparency and accountability of complaints (numbers, types of issues and outcomes) through reporting (in response to Recommendation 4.1).
- Finalised all legacy complaint matters (response to Recommendation 4.4)
- Finalised and launched our Diversity & Inclusion Strategy 2023 – 2026 and developed diversity and inclusion KPIs that will be included in the performance development plans for people managers (response to Recommendation 7.1 – 'build a strategic approach to diversity and inclusion')
- Continued to deliver Captains Mentoring, Women's Challenge Camps, Women's Captain Forum and Women's Leadership Mentoring Programs (in response to Recommendation 7.3)

The External Review of Culture and Issues Management, the Implementation Plan and the first Progress Report is available on CFA's website <https://www.cfa.vic.gov.au/about-us/our-values-and-behaviours/external-review-of-culture-and-issues-management>



Operational training packages delivered

CFA's eight training campuses have continued to deliver hot fire and theory training. More than 8,500 CFA volunteers have participated in 933 training sessions. First-aid training commenced delivery in August 2022 and has provided a total of 495 courses (both blended and face-to-face training) for 4,171 members. Courses included CPR, first-aid and advanced first-aid.

Our training campuses have continued to evolve with the development and commissioning of state-of-the-art fire investigation training facilities at Huntly, 'safe working from heights' props at Central Highlands and a further four to be built at Sunraysia, West Sale, Longerenong and Peshurst. Thanks to the new facility at Huntly, we recommenced training for structure fire and vehicle fire investigation which leads to an Advanced Diploma in Fire Investigation.

We have continued to support our volunteers with the deployment of mobile training props to remote brigades, acknowledging that our volunteers have to maintain skills in a hot fire environment across all classes of brigades. In the past 12 months, we have delivered 1,006 mobile prop training sessions, reaching more than 6,300 volunteers in all parts of the state.

Pilot virtual reality training

Virtual reality (VR) training has been well received this financial year. Our 11 kits were used to train 2,411 members, through 453 volunteer facilitators across the state. Participants have been overwhelmingly positive about the VR training, which allows members to simulate firefighting scenarios and develop their skills in a safe and controlled setting. The immersive training experience replicates real-world conditions, enabling volunteers to practise critical decision-making, improve their response times and enhance situational awareness. The use of VR training designed to provide skills maintenance in structural and non-structural incidents has also been well received, with seven sessions training more than 100 people. These sessions focus on command and control decision-making which allows participants to make tactical decisions in a safe, yet high pressure environment. It also has the benefit that trained facilitators can respond to the inputs of the student.



Develop the Finance Reform Program and Finance Sustainability Program

The Finance Reform Program is a current CFA Board Priority focused on strengthening the financial foundations of CFA. Work is underway to review and update a range of finance and procurement policies and procedures and to strengthen the financial compliance and assurance framework. Across the year, a significant number of policies and procedures have been developed, consulted on, and are now in place. In addition, a business case has been developed to upgrade the CFA's financial management system. A project to implement this new system has now commenced.

The Financial Sustainability Program is also a CFA Board Priority. It will ensure CFA's financial basis is sustainable into the long-term with sufficient funding for necessary equipment, assets, training and other relevant support for CFA volunteers. The Program comprises four interconnected areas of work:

- The development of a long-term funding plan built on a 10-year estimate of funding requirements to support service delivery
- Development of a whole-of-life asset plan for the coming 10 years
- The implementation of a new budget model to more effectively align annual budgeting and business planning
- A strengthened forward estimates model.

New Policy Framework/Compliance Framework/Risk Management Framework

In August 2022, CFA released a new Policy Framework supported by a new online Policy Management System and library. This framework is intended to establish a best-practice, clear and aligned document hierarchy across both operational and non-operational functions. The new framework launched a prioritised CFA-wide policy redevelopment and revitalisation project that is aimed at simplifying and streamlining policy to better support and empower volunteers. Since this time, CFA has published 39 new policy-related documents and has a further 68 in active development.

In July 2022 CFA implemented a new Compliance Framework that aims to ensure CFA's compliance with relevant legislation, regulations and standards. The framework aims to promote a culture where legislative compliance is regarded as an enabler of CFA's vision and activities, rather than as an inhibitor. CFA members are empowered through the framework and encouraged to demonstrate leadership and proactivity in compliance matters. As part of the framework, CFA conducted a proactive assessment across its compliance obligations, education of responsible officers, and implemented active monitoring for legislative changes and breaches.

CFA has developed the Risk Management Framework with a focus on moving to a contemporary model. New risk appetite statements and tolerance settings have been endorsed for CFA in line with the requirements of the Victorian Government Risk Management Framework. The approved framework will help to ensure risks are appropriately identified and managed, allowing management to both comply with CFA's regulatory requirements and manage risk while keeping its focus on operational response and welfare.

Honours for our members during 2022-23

5,700
CFA members
awarded the National
Emergency Medal

Seven CFA members were recognised for their commitment to fire services with the awarding of the Australian Fire Service Medal. This year's recipients were: Mark Cartledge, Paul Denham, Dawn Hartog (pictured), Neil Marshall, Michael Rowe, Robert Small and Kenneth Stuart.

More than 5,700 CFA members are being honoured with the National Emergency Medal (NEM) for their efforts in the 2019-20 Australian bushfire crisis. The NEM is part of Australia's honours and awards system and recognises significant or sustained service to others in a nationally significant Australian emergency. CFA continued to distribute the medals during 2022-23.



Other awards

Special Recognition Award: two brigades; Outstanding Service Medal: 11 members; Commendation for Service: 4 members; Unit Citation for Service: 2 units; Chief Officer's Commendation; 7 people and 2 units; Citizen's Commendation; 2 people

Cybersecurity strategy

CFA has developed and is refining a cybersecurity framework and strategy to proactively protect its information assets from continually evolving cyber threats. This will ensure the security of the data and the operational capability of CFA. The strategy will also improve our compliance and provide operational capability by providing business critical data where it is needed in a secure way. The strategy has five elements: identify; protect; detect; respond; and recover.

A key component supporting this strategy was the implementation of our Managed Detection & Response service, which provides a 24/7 monitoring, alerting and response capability. We have invested in improved security tooling, including endpoint protection and multi factor authentication, and run user awareness programs on phishing and other cyber scams. This work is ongoing and will continue to evolve as cybersecurity threats increase and evolve.

CFA/VFBV Joint Consultative Committees

The purpose of the CFA-VFBV Joint Consultative Committees is to provide a forum for CFA and VFBV members to consult and work collaboratively within the spirit of the Volunteer Charter enshrined under section 6G of the Country Fire Authority Act 1958. In February 2023, CFA and VFBV agreed to refine the arrangements by establishing a consistent Terms of Reference to be adopted by each Joint Consultative Committee.

The Committee for Equipment and Infrastructure continues to provide feedback and suggestions on ways for CFA to implement alternative technologies leading to establishing more sustainable and effective solutions, while the Committee for Joint Operational Capability has a strong focus on safety initiatives, delivering improvements to fire and incident grounds through the provision of additional tabards for incident controllers, breathing apparatus control officers and helmet-based skills stickers for new structural helmets. The Committee for People, Culture and Safety continues to review the volunteer exit survey process, to give CFA a better understanding of why some members from time to time leave the organisation, and look for opportunities to improve member experiences.

Diamond Creek's proactive leaders



Diversity in brigade leadership is bringing fresh perspectives, skills, knowledge and experiences to Diamond Creek Fire Brigade.

Diamond Creek members Fiona Macken, Belinda Harris and Antoinette Ribchester believe what benefits CFA members ultimately benefits the communities they serve and the organisation more broadly.

The three women hold lieutenant roles in their brigade management team (BMT) and, like their fellow BMT members, they are committed to supporting the brigade's efforts to build a safe, inclusive, friendly and encouraging culture.

While they know having three women lieutenants in a BMT is rare, they see it as an opportunity to highlight the benefits of stepping up into leadership positions at CFA.

A brigade member for 15 years and lieutenant for five, Fiona said diversity in brigade management meant that decisions were more likely to reflect the broader brigade membership.

"While I love that we have strong women representation among our operational leaders, I am happy that three skilled, knowledgeable, passionate people stood up and took on these leadership roles as I know that ultimately our brigade is better off as a result," Fiona said.

"Encouraging diversity in our leadership means a broader range of experiences, views and values are brought to BMT discussions, and it also gives confidence to members that they will be represented.

"Greater diversity also means the brigade is likely to have and/or build strengths in a number of areas, making a well-rounded, healthy brigade with something for everyone."

Antoinette has been a member of Diamond Creek for five-and-a-half years and its Junior leader for five.

"I'm glad I can contribute in some way to what is a strong brigade with an amazing culture where everyone is made to feel welcome and part of a team," she said.

"The three of us contribute to that culture in different ways with varied skills, knowledge and experience which is priceless to not only the brigade, but to CFA."

Belinda, who has a background in paramedicine, put her hand up to be a member of the BMT after being a member for five years.

"My goal is ensuring we have a functional brigade with a focus on member welfare," Belinda said. "As the brigade's new personnel manager, I also assist with the mentoring and recruitment of new members."

"Some of the initiatives we've seen include an increased focus on welfare such as ensuring there are sanitary items at the station and in our trucks, stronger use of social media to engage our community, and increased local partnerships and events," Fiona said.

Update on CFA Capability Measures Program

In June 2020, the Victorian Government provided a funding package over five years for CFA to undertake critical training and procure vital assets and equipment to support ongoing capability management.

New wildfire personal protective clothing (PPC)

The next generation PPC, consisting of overcoat and trousers, has been ergonomically designed for men and women. The clothing is lighter in weight because of improved fabric technology, with inherent fire-resistant properties, which means it will reduce fatigue and heat stress. The first batch of approximately 4,700 garments was delivered to CFA at the end of June. All CFA districts have received a full sizing set and firefighters are able to try it on and submit an order via an online system. By the end of the rollout next financial year, 30,000 sets will have been delivered.

Crew and strike team leader training

The Crew and Strike Team Leader Development Project updated its scope to meet the current needs of CFA's fireground leaders. As a result, new versions of the crew training course and strike team leaders training course have been released. Planning is underway for a sector commander course which will benchmark our course against equivalent courses in other states.

A professional development program is being designed, covering the use of operational doctrine in practice, leadership skills, and using case studies of previous incidents to improve learning. The professional development programs will be made available as a mix of online self-paced courses, brigade or group-based training and using industry-leading training providers.

Safety Compliance Project

The Safety Compliance Project consists of Low Voltage Fuse Removal (LVFR), Safe Work at Heights (SWH) and Alternative Power Systems (APS). The project continues to roll out LVFR and SWH training, issue new equipment, introduce new training props and complete vehicle modifications at identified brigades across the state. This financial year, the project has trained over 900 members from 90 brigades in LVFR and more than 180 members from 30 brigades in SWH. Since the project commenced in 2019, more than 2,400 members from over 500 brigades have been trained collectively in both LVFR and SWH. LVFR skills maintenance material has also been released. In addition, the first of five new SWH training props was built at VEMTC Central Highlands training ground.

Tanker Replacement Program

The delivery of 50 new crew cab tankers is well underway with 17 completed by June 2023. These vehicles are replacing single cab tankers which will eliminate the need for crew to be on the back while travelling to and from an incident. The remaining tankers should be completed by May 2024.

Enable Connected Brigades Project

The Connected Brigades program has delivered internet connectivity to 1,152 brigades across the state, with a further 115 brigades and satellite stations currently also receiving connectivity through the provision of 4G modems. This connectivity and internet access provides brigades the ability to access CFA systems such as:

- Members Online
- the online Learning Hub
- Volunteer Recruitment Hub
- FIRS Online to report incident turnouts
- CFA Microsoft 365 including CFA email

This connectivity also better enables the brigades to conduct their general business and communications online at the station.



Enhanced training capability for new volunteers

The General Firefighter (GFF) program has trained more than 1,800 operational volunteers since its introduction in October 2020. They have been provided with the personal protective clothing and essential knowledge and skills required to effectively participate in their first turnout.

We are continuing to review the GFF program to further support our brigades to obtain the necessary skills to allow our members to safely respond to incidents. This includes research into a variety of delivery methods to suit volunteer availability and brigades' needs. To accomplish this, further observations, feedback and consultation workshops were established to provide more information to ensure we have a high quality program for our new members. Future development will focus on high quality video production, online learning content, improved learning materials, and further development of our trainers and assessors to support our members.

Station Replacement Program

During 2022-23, replacement stations were completed for Modewarre, Dimboola, Warracknabeal, Molka and Phillip Island fire brigades. Station construction commenced at St Leonards, Truganina, Mt Macedon, Moe, Golden Square and Clifton Creek, and construction of station modifications commenced at Doreen, Strathfieldsaye and the Ballarat City temporary facility.

Beaufort, Pyalong, Wyndham Vale, Newborough, Kalkallo satellite station, Dundonnell, Chirnside Park modifications and Irymple progressed through the procurement stage. The Basin, Hoddles Creek, Natte Yallock and station modifications at Cockatoo and Mt Martha progressed through the design phase.

Land was acquired at Newborough and Charlton, with settlements underway for Baxter and Riddells Creek. Work progressed for new site acquisitions for Clyde and Dartmoor.

Wildfire respiratory protection trial

A trial involving 300 CFA members and 600 full-face and half-face P3 respiratory masks commenced this year. The volunteers will use the equipment during incidents and planned burning programs. Feedback from trial participants about wearability and functionality was received through an online survey each time the masks were used. This feedback will help determine future requirements for respiratory protection in a wildfire setting in addition to the current P2 method.

Develop the CFA Pocketbook App

With doctrine always expanding, plus new safety and compliance expectations on members, it is becoming harder for our volunteers to keep the hundreds of detailed checklists, procedures and approaches front of mind. The CFA Pocketbook App will be a mobile application that allows members to access essential operational tools and information in real-time via smart devices. This will include policies, standard operating procedures, safety briefs, contact search, as well as various calculators and converters for operational use.

The App will work offline, allowing our regional members to enjoy quick access to condensed field guides about hundreds of operational topics. While some members will still require the printed version for the coming years, the ease of use and dynamic functions of the app are expected to entice many across to the digital version, especially as more features are added to meet their needs both in the field and at the brigade.

This year, CFA set up a steering committee and working groups to gather information about the app requirements. Alternative solutions are being considered and a proof of concept is in progress to answer key design questions before the project goes to tender next financial year. A review of the 2014 and 2018 Pocketbook Guides has been completed. About 800 topics will form the content of the Pocketbook App on launch day.

Launch the Baseline Capability Profiling Application

In April 2023, the Baseline Capability Profiling Application (BCPA) was released to volunteers who hold a role on a brigade management team (including 1st to 4th lieutenants), group management team or a district planning committee. This enhancement allows brigades to see data relevant to capability, such as their members' training and response activities, as well as their community profile, prevention activities, assets and infrastructure.

The BCPA brings together more than 60 million pieces of data which interact to show a capability profile of each brigade. This data can be rolled up through groups, districts and regions to state level. Data is drawn from multiple CFA platforms as well as Victorian Government sites such as the Australian Bureau of Statistics. The rollout was supported by digital learning units enabling members to learn how to use the application, at their own pace and in their own time.

This application, which can be used on any device using a CFA member login, contributes directly to providing effective and efficient emergency services that meet community expectations.

Mobile engagement units launched



From Phillip Island to the Murray River and many places in between, CFA's new fleet of eight Mobile Engagement Units (MEUs) have been busy helping CFA members connect with the community. Assisting with flood recovery in the north-west and informing tourists about fire safety along the Great Ocean Road, CFA members have immediately put the MEUs into action.

Having eight MEUs across all our regions means more members will be able to attend more local events, in more places.

The MEU is designed to stand out at a community event or field day. The design is intentionally different to our fire trucks and corporate vehicles because the MEU has a different role.

The MEUs can be used to engage community members about a range of topics including recruitment, fundraising, information about upcoming fuel reduction works or fire safety.

The vans have an independent power source, so can operate just about anywhere.

Koondrook Fire Brigade held a community 'thank you' day in response to the recent flood events, and Koondrook brigade Captain Ben Watts was pleased to use one of the MEUs.

"We were lucky enough to secure the North West MEU for its first public outing and it proved to be a drawcard at getting the attention of members of the public," Ben said. "We had lots of positive conversations and gave out community information.

"I especially liked the facility to play our own tailored media and recruitment video through the TV. Also, the power is fully self-contained which meant we could park it where we would get the best volume of passing traffic – we weren't constrained by where we could plug into 240 volts."

With the solar system equipment plugged in and the equipment on standby ready to go, the MEUs can be set up and packed away in minutes. There is no need to carry fuel, no setting up a generator and, importantly, for conversations with people, there is no noise.

Community generosity after the 2019-20 Black Summer fire campaign provided CFA with the funds to develop and maintain these eight new resources.

Whittlesea welcomes young members

Young people are an important part of a healthy brigade. Josh Corps is 18 years old and studying agriculture at TAFE while working as a farm contractor. He regularly turns out with Whittlesea Fire Brigade along with his dad Simon.

Simon is a strong advocate of Josh's participation in the brigade. "It will allow him to continue to build his community spirit while learning new skills and working with a great team," Simon said. "He will have experiences that people his age may never have, both positive and challenging. And we have been very impressed with the support he has already been given from the brigade and CFA."

Josh enjoys turning out and recently helped to rescue a horse.

"I am currently doing a Certificate II in Agriculture and love working with cattle, so I felt right at home supporting the animal as we prepared to rescue it on a steep incline," Josh said. "The crew worked well together and we all learned new skills with Arthurs Creek brigade members who are experienced in large animal rescue."

One of Josh's reasons for volunteering was to feel a part of his local community, a sentiment that's echoed by his dad.

"Youth his age need as much encouragement as they can get, and be given opportunities to show them they are valued as part of the team and the community."

Whittlesea brigade Captain Richard Gardiner got involved in CFA when his dad took him to the station when he was 16 years old and hasn't looked back. He reflects on this action by his dad as a 'sliding doors' moment in his life, having subsequently had a career in emergency management working with CFA, Ambulance Victoria, FRV and Emergency Management Victoria.

Joining CFA at such an early age was life-changing for Richard and why he has remained passionate about giving young people the opportunity to be operational.

"It was quite formative for me and opened my whole world to the idea of helping other people," Richard said.

He stressed that brigade management teams play an important role.



"BMTs need to develop really strong relationships with the young members and their families. If you build a relationship with their families and guardians, you open the door to get to know the young members' capabilities, strengths and skills."

CFA performance reporting

CFA is formally monitored by the Department of Justice and Community Safety and held to account by quarterly reports on government-set key performance indicators.

Table 1 shows CFA's actual performance together with measures reported in Budget Paper No. 3. CFA adheres to the national requirements for counting rules.

Table 1: Emergency management capability (BP3)

| Major outputs/deliverables | Unit of measure | 2022-23 Target | 2022-23 Actual |
|---|-----------------|----------------|----------------|
| Performance measures | | | |
| Quantity | | | |
| 1. Permanent operational staff | number | 10 | 9 |
| 2. Permanent support staff | number | 884 | 862 |
| 3. Volunteers – operational | number | 35,000-37,400 | 28,785 |
| 4. Volunteers – support | number | 22,000-23,000 | 23,022 |
| Quality | | | |
| 5. Road accident rescue accredited brigades/units | number | 21 | 21 |
| 6. Level 3 Incident Controller trained staff and volunteers | number | 18 | 20 |
| 7. Structural fire confined to room of origin | per cent | 70 | 72 |
| Timelines | | | |
| 8. Emergency response times meeting benchmarks – structural fires | per cent | 90 | 80.4 |
| 9. Emergency response times meeting benchmarks – road accident rescue | per cent | 90 | 92.4 |



Our profile

Table 2: CFA workforce

| Type | Number |
|---------------------------------|---------------------|
| Volunteers | |
| Operational | 28,785 |
| Support | 23,022 ¹ |
| Total volunteers | 51,807 |
| Staff | 1,019 ² |
| Fire Rescue Victoria secondees: | 262 |
| Total staff/secondees: | 1,281 |

¹Including 1,076 Junior members ²Headcount

Table 3: Volunteer profile breakdown by role and gender

| JUNE 2023 | | | |
|-------------------|---------------|---------------------|---------------|
| | Operational | Support | Total |
| Gender | | | |
| Male | 24,397 | 14,584 ¹ | 38,981 |
| Female | 4,384 | 7,355 ² | 11,739 |
| Prefer not to say | 1 | 3 ³ | 4 |
| Self described | 3 | 4 ⁴ | 7 |
| Total | 28,785 | 21,946 | 50,731 |

¹Not including 663 Juniors ²Not including 408 Juniors ³Not including 1 Junior ⁴Not including 4 Juniors

Table 4: Employee profile breakdown by age and gender

| JUNE 2023 | | | |
|-------------------|--------------------|-------------|---------------------------|
| | Number (headcount) | Ongoing FTE | Fixed term and casual FTE |
| Gender | | | |
| Male | 392 | 302.72 | 65.671 |
| Female | 626 | 484.76 | 80.61 |
| Prefer not to say | 1 | 1 | |
| Age | | | |
| Under 25 | 29 | 17.8 | 5.74 |
| 25 to 34 | 148 | 103 | 38.97 |
| 35 to 44 | 220 | 171.01 | 35.73 |
| 45 to 54 | 280 | 228.77 | 33.91 |
| 55 to 64 | 256 | 216.12 | 22.22 |
| 65 and over | 86 | 51.78 | 9.71 |

Swan Hill brigade embraces its changing community



CFA's Diversity and Inclusion Strategy was launched in March 2023. The strategy outlines key actions and activities that will shape our culture, including focusing on improving education and awareness, supporting diversity and understanding our people. One example of this in action is Swan Hill Fire Brigade.

When a group of Fijians arrived in the Swan Hill area in February 2022 to work in a local abattoir, they never imagined they would become CFA firefighters. However, 12 months later, six Fijians are now qualified firefighters and members of Swan Hill Fire Brigade and four more are members of the neighbouring Woorinen South brigade.

"After eight months we got them on our books and onto the General Firefighter course," Swan Hill Captain Mick Howard said, "and by the end of June this year they qualified as firefighters."

The group of men had to apply for Working with Children Checks and international police checks and, because English isn't their first language, they were helped through the process by brigade members.

"We're really lucky they hung on during this time despite being frustrated. They stayed around and kept coming to the station on Tuesday nights. I'm really thankful for their effort," Mick said.

"This group of men are always positive and happy, always have a smile on their faces and are always happy to help when asked. They love taking selfies on the truck and they send the photos to their families in Fiji.

"All our firefighters get on really well with them and they fit into the brigade well."

Despite being newly-qualified firefighters, they are already talking about doing further training such as the low structure and breathing apparatus courses.

Josateki Vunimasi, nicknamed Josh, was the first Fijian to join Swan Hill.

"Back at home I was applying to be a paid firefighter, but because of COVID-19 I couldn't do it," Josh said.

"During the 2009 Black Saturday fires I saw on the TV all the animals and houses burning and so when I came to Australia I wanted to join a brigade. Back home, we like helping our communities.

"I told the other Fijians where I work that with our visa we can have only one paid job, and I suggested to them that in their spare time they could help the community by joining CFA. And they did.

"Captain Mick and the rest at Swan Hill made us feel comfortable; I love Mick."

Josh has already helped support the community and wants to get more involved.

"I helped the brigade set up at a carnival and enjoyed helping children to squirt water from one of our hoses. Also, during the floods last year I helped SES to fill sand bags."

Mick believes that increasing the cultural diversity in the brigade is important.

"It makes sense with the increasing diversity in the Australian population that we increase diversity in brigades. And brigades need to be proactive to engage a wide range of people."

Table 5: Employee profile breakdown

| JUNE 2023 | | | |
|------------------------------|-----------------------|----------------|------------------------------|
| | Number (headcount) | Ongoing FTE | Fixed term and casual FTE |
| PTA 1 | 27 | 3.86 | 7.33 |
| PTA 2 | 110 | 69.5 | 20.13 |
| PTA 3 | 212 | 150.59 | 28.04 |
| PTA 4 | 242 | 201.74 | 32.0 |
| PTA 5 | 162 | 128.09 | 30.38 |
| PTA 6 | 116 | 94.3 | 19.6 |
| PTA 7 | 46 | 42.4 | 2.8 |
| Tower overseers | 5 | 5 | 0 |
| District mechanical officers | 68 | 62 | 6 |
| Executives | 31 | 31 | 0 |
| Total | 1019 | 788.48 | 146.28 |

Table 6: Executive Officer breakdown by gender and classification

| JUNE 2023 | | | |
|---------------------|-----------|-----------|-----------|
| | Male | Female | Total |
| Executive Officer 1 | 3 | 10 | 13 |
| Executive Officer 2 | 12 | 4 | 16 |
| Executive Officer 3 | 1 | 1 | 2 |
| Total | 16 | 15 | 31 |

Table 7: Services in 2022–23

| Type of service | Number | People directly engaged |
|---|--------|-------------------------|
| Bushfire-focused programs, including Fire Safety Essentials | 220 | 3,582 |
| Property Advice Visit Service visits | 3,631 | 5,093 |
| E-modules completed, including Bushfire Safety for Workers | 3,630 | 3,630 |
| Residential/structure fire-focused programs including home visits | 540 | 5,503 |
| Programs for children and young people including Fire Safe Kids | 314 | 11,922 |
| Events and informal engagement including CFA Open Days | 2,179 | 141,382 |
| Indirect engagement including letterbox drops and local media | 918 | N/A |

Table 8: Brigades

| Type of brigade | Number |
|--------------------------|--------------|
| CFA – Brigade Class 1 | 536 |
| CFA – Brigade Class 2 | 301 |
| CFA – Brigade Class 3 | 131 |
| CFA – Brigade Class 4 | 122 |
| CFA – Brigade Class 5 | 62 |
| CFA – Other (Oscar 1) | 1 |
| Forest industry brigades | 20 |
| Coast Guard brigades | 18 |
| Headquarters brigades | 19 |
| Total | 1,210 |

Table 9: Buildings

| Buildings | Number |
|---|--------|
| Fire stations ¹ | 1,199 |
| Regional, district and HQ offices | 42 |
| Mechanical workshops | 13 |
| Training grounds | 8 |
| Support facilities including residences | 18 |
| ¹ Includes satellite sites | |

Table 10: Vehicles

| Vehicles | Number |
|---------------------|--------|
| Tankers | 1,941 |
| Pumpers | 221 |
| Pumper tankers | 38 |
| Specialist response | 509 |
| Specialist support | 51 |
| General transport | 284 |

Science and innovation at CFA



At CFA, we recognise that Victorian communities and our natural and built environments are changing rapidly. Associated with this are rapid changes in the nature and occurrences of fires and other emergencies.

To remain effective at protecting lives and property, CFA must adapt to ensure that programs and services meet these new challenges. To do this, CFA requires evidence to help us understand our risks, the needs of CFA members and other members of Victorian communities. We also need evidence about the effectiveness of our programs to achieve organisational objectives and evidence that ensures the safety of our operations.

To achieve this, we need to work collaboratively with our industry, academic and sector partners, as well as work with Victorian communities to better understand their future needs and expectations.

The CFA Research and Development (R&D) team works across the sector to identify our challenges and develop, conduct and commission scientific projects to ensure these challenges can be met. To ensure that decisions made are supported and informed by the best available evidence, CFA has one of the strongest R&D teams in the Australian emergency management sector.

Having internal scientific capabilities and capacities in CFA means we can:

- be effective and informative when communicating within CFA and with communities
- develop an ability to anticipate and manage the risks of fires and other emergencies under changing climates in dynamic landscapes and emerging residential settings
- develop, deliver and assess innovative fire prevention, preparedness, response and recovery strategies and products in increasingly complex circumstances
- increase our knowledge to improve performance, services and outcomes for communities and CFA.

The R&D team consists of scientific and technical professionals who conduct and manage high-quality research, develop products and innovate to improve operational and strategic bushfire management. The team works with other fire agencies and research organisations and provides scientific advice to inform CFA policy and procedures as well as communicating findings internally and externally. The team works closely with field staff when designing research and when adopting the findings and products, to ensure outputs and outcomes are fit for purpose.

Buzzing after first turnout



Sisters Morgan and Montanna Maud have always understood the importance of volunteering. Growing up with a community-focused mindset instilled in them by their parents, the pair joined Mosquito Creek Rural Fire Brigade together last year.

“We like to give back to the community. We’ve grown up knowing the value of volunteering, so we thought joining CFA was the perfect opportunity to give back,” Morgan said.

Undertaking their General Firefighter training side-by-side has benefitted both sisters.

“I love having Morgan on this journey with me, because it’s been really valuable to have someone go through the exact same thing,” Montanna said. “We’ve been able to bounce off each other and learn with each other at the same time.”

Both Morgan, now the brigade’s community safety coordinator, and Montanna, 4th lieutenant, recall their first turnouts. Morgan attended a motor vehicle collision, while Montanna was paged to a grass and scrub fire.

“Going on our first turnout was a very daunting experience to begin with,” Morgan said. “There’s so much hype about going out to an incident, and you don’t really know what to expect.

“When we got there Victoria Police and our brigade’s other tanker were already there. Having a role that was important was a great way to get rid of the nerves of the

initial turnout. You realise it’s a controlled environment and you’ve got people there who will support you.”

Montanna agreed that nerves were definitely present after hearing her pager for the first time.

“I attended a grass and scrub fire and I was so nervous heading to the incident. You’ve trained for and visualised it, but it’s so different when it’s actually happening. It was really intense, because you get on the fireground and a lot happens very quickly, but it’s amazing how your training kicks into gear and everything becomes second nature.

“I think we’re very lucky in our brigade that we have such a supportive crew, and I felt really comfortable being where I was on the truck. It made it a very comforting and easy experience.”

Both Morgan and Montanna agreed that the General Firefighter course left them well-prepared to attend incidents, and that the mentorship they have received from other members has been of great value.

“We definitely walked away from General Firefighter training better off for completing it. We met some incredible people who gave so much time and energy to us. We’re forever grateful for those people and think very highly of them,” Morgan said.

Tree-changers become firefighters



A couple who made the tree-change from the northern suburbs of Melbourne to Monbulk were welcomed by the local brigade – and are now qualified firefighters.

In the wake of the COVID-19 pandemic, Richard and Kathryn Ferguson decided to move away from the hustle and bustle of the CBD for a more well-rounded lifestyle, one that took them both back to their rural roots and the sense of community they had known growing up.

“Moving to a new area, we wanted to be part of the community and make connections right away,” Richard said.

“We both had a history of volunteering through sporting clubs and coaching, but wanted to volunteer for a community-focused organisation.

“As soon as we signed the papers for our new home, we contacted Monbulk brigade to join as volunteers.”

Becoming operational firefighters wasn’t the plan for Richard and Kathryn, at least not right away, but the opportunity to join an upcoming General Firefighter course was too good to pass up.

“Initially I didn’t see myself becoming an operational member,” Kathryn said. “I didn’t know how I would go being involved at a fire or incident, but I knew I wanted to volunteer and be involved with the brigade.

“The brigade encouraged me to do the operational training to see how I went. If I decided it still wasn’t the right fit for me, the background knowledge from the training would support other aspects of volunteering.

“Despite my early reservations, I’m so glad I jumped in as my confidence has grown and I love being an operational member.”

With support from the brigade and assessors, Richard and Kathryn passed the General Firefighter assessments and are now operational members.

Completing General Firefighter has opened the doors to future training for the pair, who are keen to continue their learning and development.

“There are so many training opportunities at CFA, I wish I had the opportunity to join 20 years ago,” Kathryn said.

“Next we are looking to expand on low structure, general rescue and first aid this year and plan to go on to complete road rescue and ropes rescue.”

Richard said joining CFA gave purpose and meaning to being part of the Monbulk community.

“We’re both so thankful for our brigade’s encouragement and support, Richard said. “We’ve already done things we could never have imagined doing. We’ve learned a lot about ourselves and what we’re capable of.”

“It’s hard to believe only a short time ago we were living in the city,” Kathryn said. “Now we’re part of a community, we’re firefighters, we’re learning new skills and giving back.”

Major incidents 2022-23

Overview



CFA volunteers and staff made a significant contribution to the interagency flood response in Victoria which began in October 2022. Our people filled vital roles on the frontline in northern Victoria as well as working in incident management teams across the state. Following the wettest August since 2010 and above-average rainfall in northern Victoria in September, the ground was saturated. We then had the wettest October on record.

Communities around the areas of Rochester, Shepparton, Echuca, Wangaratta, Seymour, Bendigo, Charlton, Kerang and Skipton were heavily impacted.

The response from our members to the flood crisis was phenomenal. Side-by-side with VICSES, the Australian Defence Force and community members, thousands of CFA volunteers carried out a wide range of roles including sandbagging, constructing levees, using tankers and pumpers to pump water away from homes, helping wash out and clean houses, and assisting with rescues and evacuations.

Unfortunately, the homes of many of our members in the flood-affected areas were impacted by floodwater. Some members couldn't prepare their own homes in time because they were helping their community. In Rochester, 43 of the 48 brigade members' houses were flooded. A number of fire stations and fire trucks were also affected by floodwater.

In Echuca, emergency services had to act fast before the expected high tide mark hit. A 2.5-kilometre mineral earth levee was built in two days using excavators and bulldozers, and a similar-length sandbag levee was built along the Campaspe River to protect houses.

The major fire during the summer occurred in Flowerdale. Hundreds of firefighters from across the state battled the aggressive grass and bushfire for 13 days in late February. The fire, which burnt more than 1,000 hectares (700 hectares of private land and 300 hectares of state parks), was believed to have been started by sparks from an angle grinder. The fire started in open farmland and quickly spread into inaccessible terrain making initial containment for responding crews extremely difficult. Firefighting aircraft were deployed to support ground operations.

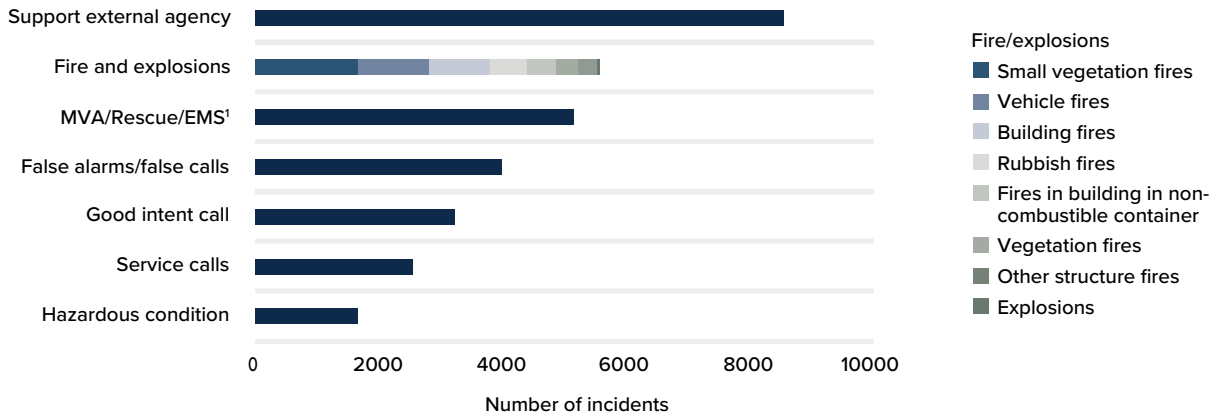
Table 11: Summary of major incidents 2022-23

| Date | Incident location | Description |
|----------------------------|--------------------------------------|---|
| October 2022 | Statewide | Extensive flooding throughout Victoria. Significant impacts around Echuca, Kerang, Bendigo, Shepparton, Seymour, Benalla, Rochester, Charlton, Quambatook, Appin South, Orbost, Marlo and other localities. SES received more than 11,000 requests for assistance throughout October. |
| October 2022 to April 2023 | Bogong High Plains Road | Significant rainfall caused a large, complex landslip between Mt Beauty and Falls Creek estimated at 70m high and 100m wide. Impacted access to and from Falls Creek for months, with four-hour diversion for community to access essential services. CFA emergency services remained operational. Road opened with single lane April 2023. Major Road Projects Victoria managed the incident and repair of the road. |
| 2/12/2022 | Warrnambool | Stubble fire that quickly entered the Annuello Reserve. 100 hectares. |
| 20/12/2022 | Rich Avon East | Crop fire. 20 tankers and aircraft attended. |
| January 2023 | Western Australia | 19 CFA members including three volunteers deployed to assist Western Australia with significant flooding. Undertook roles such as logistics, ground and air operations support, media liaison, supply and catering officer. |
| 17/1/2023 | Powers Creek | Grass and scrub fire. Fast-running fire impacted bluegum plantations. Aircraft and FFMVic crews responded. Two agricultural sheds impacted. |
| 4/2/2023 | Dunach-Eddington Road, Mount Glasgow | Grass and scrub fire threatened three properties. Early escalation to Make Tankers 20. All structures saved. 95 hectares. |
| 18/2/2023 | Cowles Road, Northwood | Grass and scrub fire. Requested Tankers 20 and Emergency Warning issued. Air support. Department of Defence involved. Houses under threat. Ambulance Victoria attended for two firefighters with minor injuries and members of the public with smoke inhalation. |
| 22/2/2023 | Glenmore | Grass and scrub fire. Early escalation with 20 tankers and air support requested. Five strike teams deployed. Three machinery sheds and one hay shed lost, but nine houses and 16 sheds saved. |
| 26/2/2023 | Hillside Road, Buangor | Grass and scrub fire. Air support requested. Two strike teams deployed. Some livestock losses. |
| 6/3/2023 | Flowerdale | 1000-hectare grassfire. CFA and FFMVic crews undertook a long and complex battle with a fast-growing grass and scrub fire. Alexandra ICC activated. Support from aircraft. Fire grew to 787 hectares after one day, with a 25km perimeter. |
| 7/3/2023 | Puckapunyal | Grass and scrub Fire. 500 hectares. CFA supported Department of Defence within Department of Defence area. |
| 7/3/2023 | Stoney Creek Road, Maintongoon | Grass and scrub Fire. Six-day duration. |
| 17/5/2023 | Eynesbury | School bus and truck collision. Nine children trapped. 18 children transported to hospital, some with life-threatening and serious injuries. |
| May/June 2023 | Canada | Eight CFA staff members travelled to Canada on 35-day rolling deployments to help fight the devastating fires that started in March 2023. They worked in public information, fire behaviour analysis, resources, logistics and supply. |

2022-23 total incidents

There were 31,903 incidents and 59,792 total brigade turnouts.

Figure 2: 2022-23 incident response by type



Total Fire Ban days

CFA's Chief Officer has the critical role of declaring Total Fire Bans in districts across the state. Total Fire Bans are declared on days that are considered to be extreme fire risk to the community, and therefore CFA enforces restrictions on what people can and can't do on these days to keep our communities safe.

Table 12: Days of total fire ban 2022-23

| Date | Total Fire Ban district(s) |
|------------|---|
| 02/01/2023 | Mallee |
| 17/2/2023 | North Central and Central (includes Melbourne and Geelong) |
| 24/02/2023 | Wimmera and South West |
| 18/03/2023 | Mallee, Wimmera, South West, Northern Country, North Central and Central (includes Melbourne and Geelong) |

Table 13: Number of Total Fire Ban Days declared 2018-2023

| Declaration | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|----------------|-----------|-----------|----------|----------|----------|
| Whole of state | 5 | 3 | 0 | 0 | 0 |
| Partial | 12 | 15 | 9 | 4 | 4 |
| Total | 17 | 18 | 9 | 4 | 4 |

Developing good succession plans



Succession planning is a vital aspect for any brigade, especially as communities across the state grow and change. Officer Fire Brigade Captain Robert McCandless said this has been particularly true for his brigade as the once rural area has become more residential in recent years.

“Officer’s community is becoming more and more diverse,” Robert said, “and with new members come new skill sets. I think it’s important to acknowledge these and use them to support brigade activities.”

After attending the Succession Planning Framework training as part of his mentor program, Robert said he had been largely focused on the retention and recruitment aspects of succession planning.

“I noticed that each year we would gain about three new members, but two years later only one would still be with the brigade if we were lucky,” he said.

“The focus is not only on increasing brigade numbers, but on increasing overall brigade morale and commitment. We’re building an office space so people who work from home have the opportunity to work from the station. This will improve the social aspect and help improve turnout times.

“And hopefully, we’ll soon have the Juniors program back up and running which will help introduce the next generation to firefighting and they’ll join a brigade in the future.”

Another change introduced by Robert is the way duty crews work. At Officer brigade the members are divided into groups and work with a lieutenant to assist with the tasks of that portfolio.

“These groups are rotated on a regular basis so that all brigade members get a taste of each portfolio,” he said. “This helps people identify an area they are interested in and maybe even a role they want to put their hand up for at the next election.

“It also gives members the ability to identify another member they think would be good in a position and encourage them to go for it.”

At Officer brigade it’s also important to encourage long-term members to remain involved.

“Our older members help deliver training sessions and drills and where possible more experienced members are teamed up with newer members when responding to an incident,” Robert said. “That way they can help build the confidence of new members and remind them that they know what they are doing.”

In the time Robert has been captain at Officer brigade and implementing these changes, there has been a significant increase in the number of brigade members as well positive changes in the brigade’s turnouts, training and involvement in community events.

Building the capability of women volunteers



Developing volunteer leaders is critical to CFA's success. By addressing barriers to progress for women volunteers, particularly those in operational roles, we can grow the future pipeline of women leaders and improve gender balance in brigade leadership roles.

Initiated by the Women's Advisory Committee and funded by the Volunteer Leadership Development project, the Women in Leadership Mentoring Program started in November 2022. From more than 100 expressions of interest, 44 CFA members (22 mentors and 22 mentees) were selected. Program participants come from all regions.

The 12-month program supports women volunteers who are currently in, new to, or wanting to step into, leadership roles. It provides support and guidance, shares knowledge, skills and experience across the state, and recognises people's existing capabilities.

The initial workshop in November was an opportunity for mentors and mentees to establish their partnership agreements, meet other participants and create connections with leaders.

Throughout the remainder of the program, mentees will be supported by their mentors to achieve their individual goals. In addition, all participants will have opportunities to attend development workshops, learn more about different areas of CFA and build networks across the group.

Individual check-in conversations with participants during February 2023 identified a range of initial benefits for both mentees and mentors including shadowing opportunities in incident control centres, visits to the State Control Centre, support to address and resolve outstanding issues of concern within brigades and learning about good practices in different brigades.

A second cohort of women members started the program in mid-2023.

This program is one of several initiatives to support improved gender equality in CFA, which will help to address recommendations from the External Review of Culture and Issues Management. Other initiatives include:

- Women's Challenge Camps to build operational skills and develop peer learning networks
- Women's Burn Days which enable hands-on skills in the planning and management of roadside burns to be practised
- pilot of a women-only General Firefighter course
- establishing the Women of CFA Facebook page which provides a safe space for women across CFA to ask questions, share ideas and celebrate successes.

Airbase specialist



For the past eight years, Bobbie-Lee Nelson has held the role of District 4 Air Base Manager for the Aviation Firefighting Fleet, as well as Portland Fire Brigade's community safety coordinator.

"When I was a member of Coastguard, all emergency services were called for a search and rescue of vehicle occupants who were thought to have driven off a cliff in Portland. CFA members on the cliff top tried to communicate with us in the water and I had no idea what language they were using," Bobbie-Lee said.

"CFA radio 'speak' was something I hadn't heard before, so I attended the fire station and asked for some training. When I realised that firefighters do so much more for the community than just putting the wet stuff on the red stuff, I signed up."

Of all the incidents that Bobbie-Lee has attended, the Charlton floods in 2011 have had a lasting impact on her.

"The floods left me with a lifelong memory of seeing a sheet of corrugated iron leaning up against a tree spray-painted with 'thank you' and a piece of cardboard with 'thank you, you are angels' written in lipstick. It hits home to see the compassion and spirit of people who've lost everything and reminds us of why we take that extra step to help."

Bobbie-Lee has many CFA highlights.

"My biggest highlight was having the opportunity to work with the LATS (large air tankers) at Avalon Airbase. The knowledge I gained from the pilots and crew about strategies, operation and tactics was invaluable. It was an honour to sit in the pilot's seat and be shown the internal workings of the aircraft.

"During the Black Summer fires, I was deployed to Corryong to run the airbase where the aerial incendiary firebombing operation from a helicopter was being run. This was a field of operation I had never experienced, but again the crews were more than willing to share their knowledge with me."

Governance

CFA Board

CFA is a statutory authority with a Board constituted under the Country Fire Authority Act 1958. The Board consists of nine Board members, appointed by the Governor-in-Council, who are accountable to the Minister for Emergency Services. Five members of the Board, including the Chair and Deputy Chair, are appointed on the recommendation of the Minister for Emergency Services. Four members are appointed by from a panel provided to the Minister by Volunteer Fire Brigades Victoria.

The Board's responsibilities include:

- approving the CFA's Strategic Plan and Outcomes Framework, which sets out CFA's goals for the medium to long-term and monitoring its implementation
- reviewing annual planning activities, including significant strategic initiatives, to meet the Statement of Expectations from the Minister, and monitoring implementation of these plans
- approving CFA's annual budget, including financial targets, and monitoring financial performance
- overseeing and ensuring a robust governance framework, including satisfying itself through appropriate assurance mechanisms and reporting that adequate internal control mechanisms are in place and are being implemented in accordance with regulatory requirements
- supervising CFA's risk management framework, including assessing and determining whether to accept risks beyond the discretion provided to management
- delegating appropriate powers to the CEO, management and committees to ensure the effective day-to-day management of CFA and monitoring the exercise of these powers
- ensuring the Minister is provided with any information relating to the activities of CFA that the Minister requires, and reporting to the Minister on the general conduct of CFA and any significant development in CFA activities

- overseeing the definition, embodiment and reporting on culture and behaviours within CFA, including how it is aligned to CFA purpose and strategy and contributes to the emergency management sector's focus on community, interoperability and public value
- overseeing the effective and sustainable recruitment, development, recognition and retention of volunteers, including those located in the Fire Rescue Victoria fire district, to deliver capability in the provision of CFA's services.

Board members for 2022-23 were:

- Mr Greg Wilson (Chair)
- Ms Michelle McLean (Deputy Chair)
- Mr Ross Coyle AFSM
- Ms Beth Davidson OAM
- Mr Kent Griffin (term expired 30 July 2022)
- Ms Dawn Hartog AFSM
- Mr Tony Peake OAM
- Mr Peter Shaw AFSM
- Ms Rachel Thomson
- Ms Pam White PSM

CFA Board committees

Our Board committee structure includes five committees that advise and make recommendations to the Board.

Audit and Finance Committee (AFC)

This Committee provides governance oversight and assurance to the Board in the areas of:

- Financial strategy, management and sustainability
- Internal and external financial audit
- Compliance with legislative, regulatory and other relevant obligations.

Health, Safety and Environment Committee (HSE)

This Committee provides oversight and assurance in the areas of:

- Safety strategy and policy
- Safety and environment compliance and risk
- Safety performance
- External reporting on HSE matters.

People, Culture and Remuneration Committee (PCR)

This Committee provides oversight and assurance in the areas of:

- PCR strategy and policy, including change management
- Executive remuneration
- Workplace relations
- Staff development, performance and succession.

Risk Committee (RC)

This Committee provides oversight and assurance in the areas of:

- Risk identification, mitigation and treatment
- Risk appetite and tolerance
- Risk transfer and insurance.

Honours, Awards and Remembrance Committee (HAR)

This Committee makes decisions in relation to:

- receiving, reviewing and endorsing nominations for honours and awards
- the carriage of tribute and preservation of history and remembrance
- providing a contemporary Honours, Awards and Remembrance system to reflect the contribution of the Authority's staff and volunteer contributions.

Table 14: Board member meeting attendance 2022-23

| Meeting* | BM | AFC | HSE | PCR | RC | HAR |
|---|----|-----|----------------|-----|----|-----|
| Number of meetings held (to 30 June 2023) | 14 | 5 | 4 | 4 | 3 | 6 |
| Greg Wilson | 14 | | 4 | | | |
| Michelle McLean | 13 | 5 | 1 ¹ | | 3 | |
| Ross Coyle | 13 | | 3 | 4 | | 5 |
| Beth Davidson | 13 | | 4 | 3 | | |
| Kent Griffin ² | 1 | | | | | |
| Dawn Hartog | 11 | | | 4 | | 4 |
| Tony Peake | 13 | 5 | | | 3 | |
| Peter Shaw | 13 | 5 | | | 3 | 6 |
| Rachel Thomson | 14 | 5 | | | 3 | |
| Pam White | 14 | | 3 | 3 | | |

* BM (Board meetings); AFC (Audit & Finance Committee); HSE (Health Safety and Environment Committee); PCR (People Culture & Remuneration Committee); RC (Risk Committee); HAR (Honours, Awards & Remembrance Committee).

¹Attendance prior to committee membership changes in 2022 ²Term expired 30 July 2022

Organisational structure

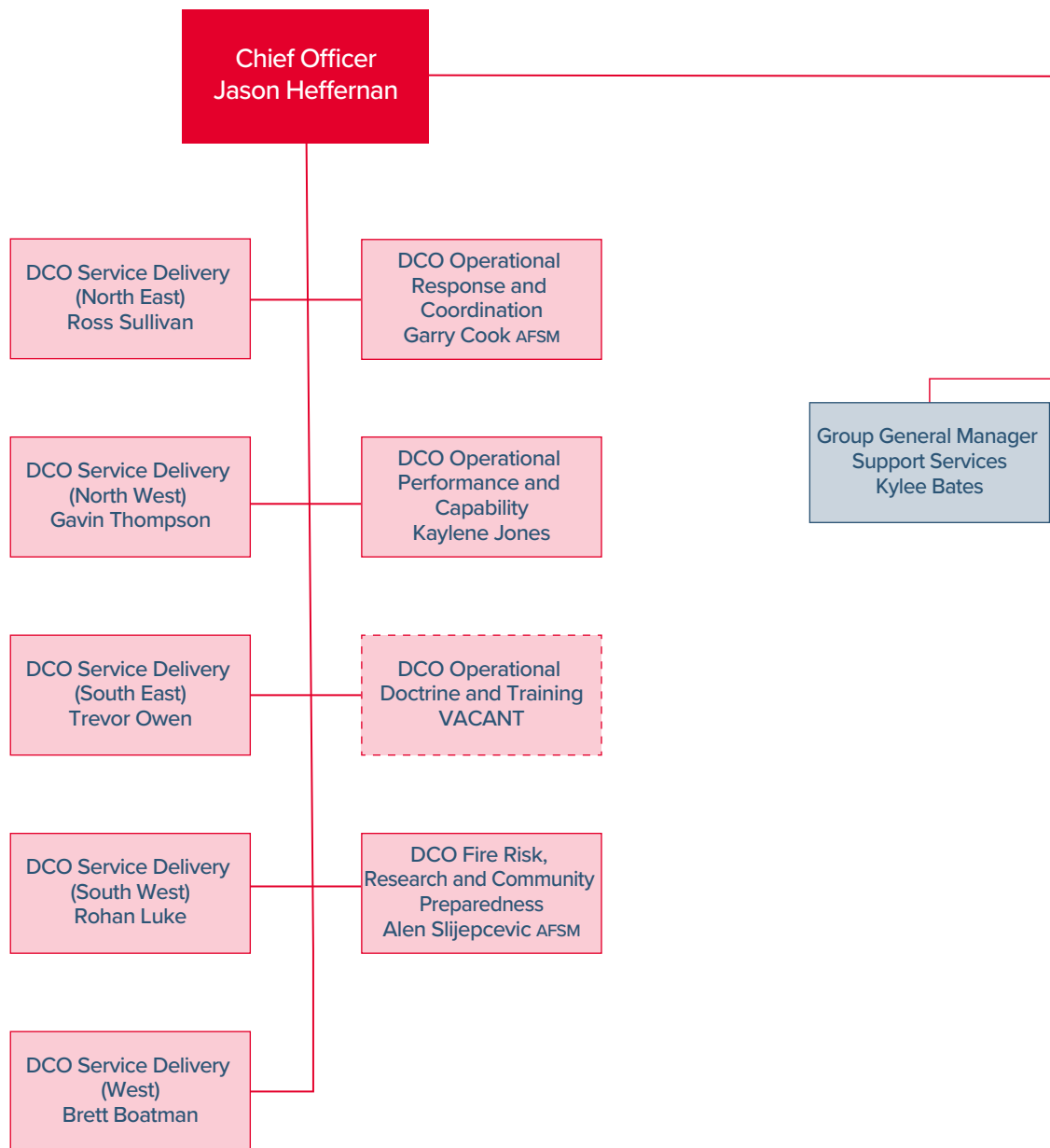


Figure 3: Structure and Executive as at 30 June 2023

BOARD

CEO
Natalie MacDonald

Group General Manager
Strategic Services
Robyn Harris

Chief Financial Officer
Greg Forck

General Manager
Governance, Legal
and Risk Services
Dr Paul Ramage

Chief Information
Officer
Brendan O’Kane

--- Dotted Reporting Line

districts across five regions

Attestation for Standing Directions



Attestation for the Standing Directions

2022-23 Attestation Statement

2022-23 Financial Year

Compliance with Standing Direction 5.1.4

CFA Financial Management Compliance Attestation Statement

I, Greg Wilson, on behalf of the Country Fire Authority (CFA) Board, certify that the CFA has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.

Greg Wilson
Chair

Date: 15 September 2023

Financial Statements

Financial Summary

Financial Summary 2022-23

| Five year financial summary | 2022-23 | 2021-22 | 2020-21 | \$'m | |
|--|---------|---------|---------|---------------------|---------|
| | | | | 2019-20 Restated | 2018-19 |
| Grant income | 341.7 | 347.0 | 351.6 | 807.4 | 622.2 |
| Total income | 436.1 | 430.6 | 456.3 | 865.1 | 656.7 |
| Total expenses* | (451.4) | (430.5) | (468.6) | (748.1) | (644.4) |
| Net result | (15.3) | 0.1 | (12.3) | 117.0 | 12.3 |
| Comprehensive result | 357.7 | 0.1 | 111.2 | 117.0 | 84.7 |
| Net cash flows from operating activities | 50.0 | 52.0 | 76.4 | 196.7 | 56.0 |
| Total Assets | 2,088.0 | 1,695.2 | 1,672.7 | 1,905.5 | 1,722.1 |
| Total Liabilities | (190.2) | (198.6) | (203.1) | (300.0) | (221.0) |
| Total Equity | 1,897.9 | 1,496.6 | 1,469.6 | 1,605.4 | 1,501.1 |

* includes other economic flows included in net result

Executive Summary

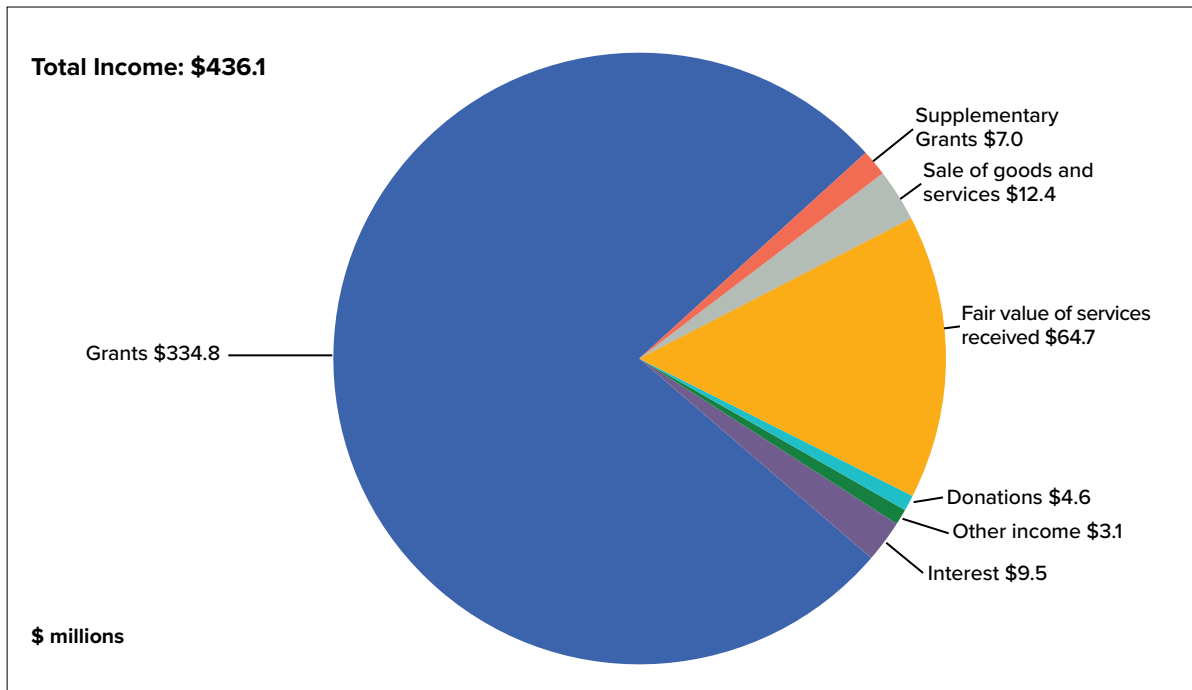
CFA's comprehensive operating result for 2022-23 was a surplus of \$357.7m, representing a significant increase to last year's surplus of \$0.1m. After considering the current year's physical asset revaluation surplus of \$373.0m, the net result for 2022-23 shows a decline of \$15.4m compared to the prior year.

Grant income has declined by \$5.3m from the previous year resulting from differences in timing of program funding and differences in funding for claims relating to major incidents. Expenditure has increased by \$20.9m from the previous year, mainly resulting from an increase in the expended fair value of services received free of charge or for nominal consideration from Fire Rescue Victoria (FRV), additional debt allowances, and increases to employee expenses.

CFA continues to maintain a strong balance sheet with net assets of \$1,897.9m, representing a \$401.3 increase from prior year following asset revaluations.

Comprehensive Operating Statement

INCOME



Income

In 2022-23, CFA received most of its income (78%) through Grants provided by the Department of Justice and Community Safety (DJCS) and the Department of Energy, Environment and Climate Action (DEECA). In addition, CFA recognised income of \$64.7m (15%) relating to services received free of charge from FRV, resulting from the Secondment Agreement in place, which commenced on October 2020, governing the provision of operational and management support to CFA through seconding FRV operational employees.

The total income for the 2022-23 year was \$436.1m, a net increase of \$5.5m from the prior year's total of \$430.6m. This was primarily attributable to net of several increases and decreases.

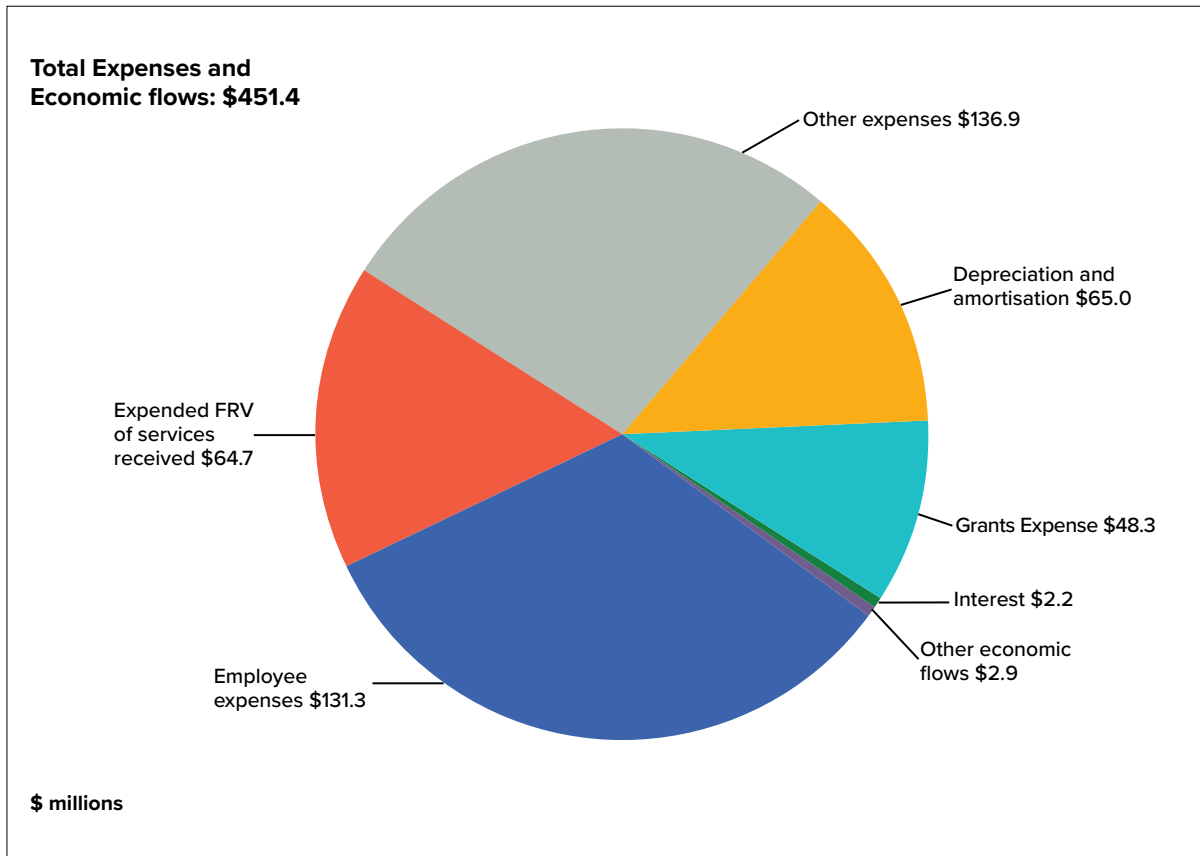
Increases:

- \$8.4m interest income due to higher average interest rates during the year.
- \$4.3m fair value of services received free of charge or for nominal consideration from FRV, mainly driven by increased allowances, overtime and oncost rates.

Decreases:

- \$5.3m grants due to timing of program funding and differences in funding for claims relating to major incidents.
- \$1.7m other income from lower donations received during the year and lower miscellaneous income related to insurance recoveries and funding for major incidents income from interstate flood events.

Expenses



Expenses

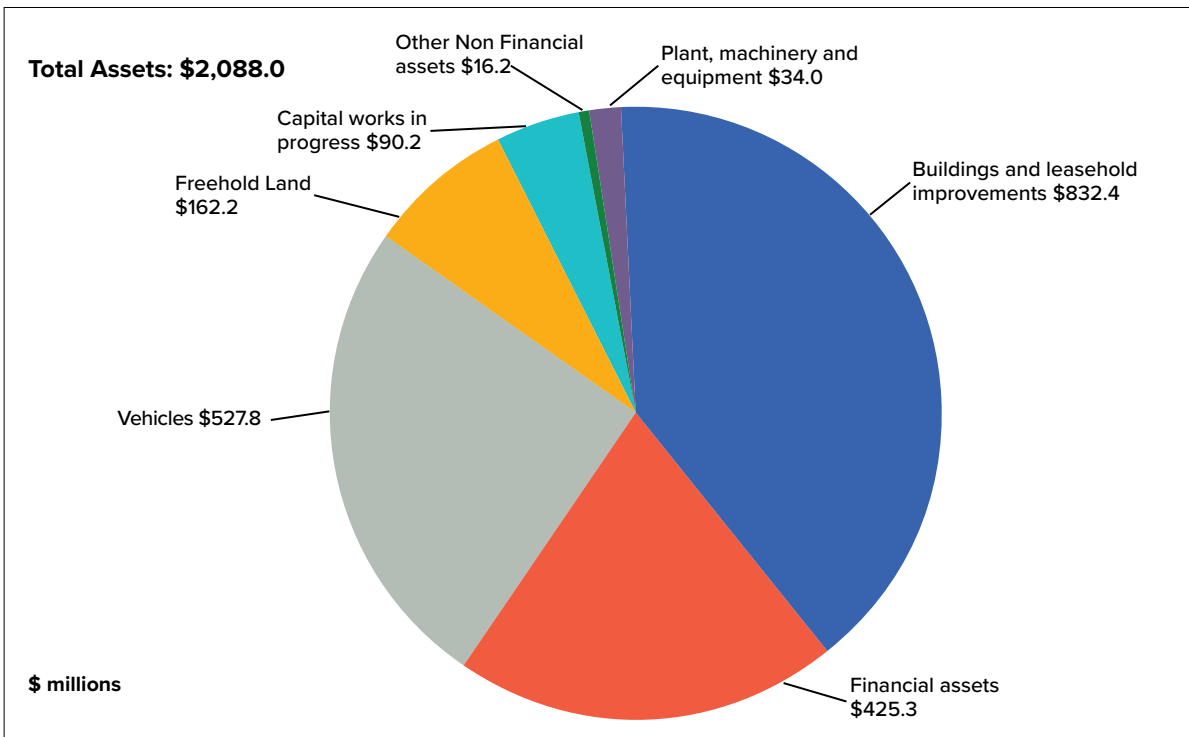
Total expenses excluding other economic flows for the 2022-23 year was \$448.5 (2022: \$433.9m). The increase of \$14.6m was primarily attributable to an increase in employee expenses of \$8.6m which is mainly driven by increased PTA rates and other on-costs including the new mental health surcharge levy.

The remaining increase is primarily due to increases of \$4.4m for the fair value of services received free of charge or for nominal consideration from FRV, mainly driven by increased allowances, overtime and other on-costs.

Net losses from other economic flows were \$2.9m for 2022-23 (2022: gain of \$3.4m). The net movement is primarily due to a \$6.1m loss on financial instruments from expected credit loss allowances made during the year and a decrease in other gains from disposals and impairment changes to non-financial assets. This was offset by a gain of \$2.3m in the long service leave revaluation due to changes in discount rates.

Balance Sheet

ASSETS



Total Assets

Total assets were \$2,088.0m at 30 June 2023 (2022: \$1,695.2m). The increase of \$392.8m in assets during the year was driven by the \$365.0m revaluation increment in non-financial assets, and a \$25.4m increase in cash and investments.

Financial assets

Financial assets totalled \$425.3m as at 30 June 2023 (2022: \$394.6m) and comprise \$324.8m cash at bank and deposits, \$60.9m investments, \$23.7m receivables and \$15.9m other assets.

Cash, deposits, and investments include Trust and brigades' cash and investment balances together with cash holdings held for local initiatives and funded programs. This amounted to \$95.87m at 30 June 2023. While these cash, deposits and investments are consolidated into CFA's Annual Financial Statements under Australian Accounting Standards, these balances are controlled by the individual Brigades.

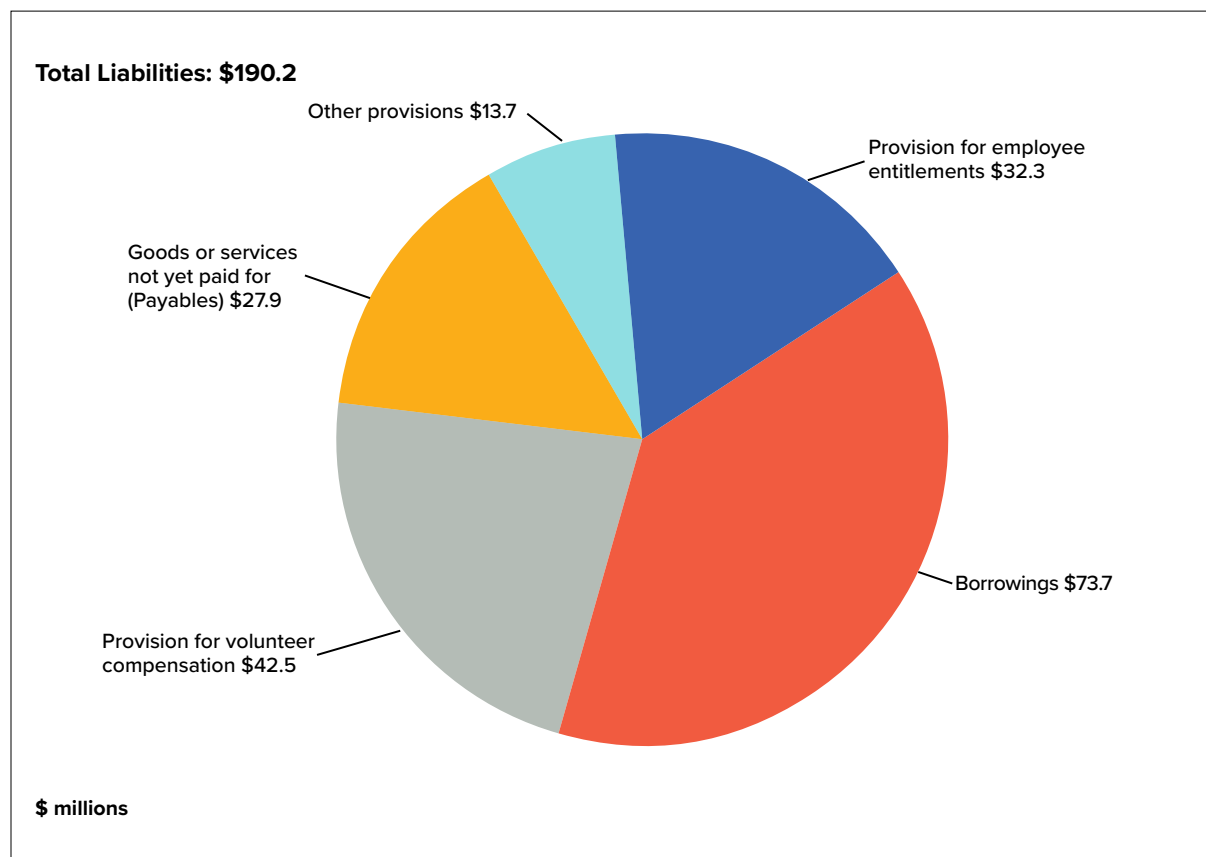
Other assets mainly comprise an advance payment asset of \$15.9m to the Community Safety Building Authority (CSBA) for station building projects it is managing on behalf of CFA under the Memorandum of Understanding entered into in September 2022. This has resulted in reduced capital funding for CFA during the year which is now withheld by DJCS and paid directly to CSBA.

Non-Financial assets

Non-Financial assets totalled \$1,662.7m as of 30 June 2023 (2022: \$1,300.6m) comprising \$1,646.5m property, plant and equipment, and other non-financial assets, \$8.6m inventories of goods held in store, \$6.3m prepayments and \$1.4m intangible assets.

At the end of the year, the value of expenditure on capital works such as land & buildings, fire stations, emergency response vehicles, and plant and equipment which were in progress, totalled \$90.2m (2022: \$87.5m).

LIABILITIES



Total Liabilities

Total liabilities amounted to \$190.2m as of 30 June 2023 (2022: 198.6m). The \$8.4m decrease in the current year was attributable to a decrease in payables of \$3.3m, a \$4.4m decrease in the volunteer compensation provision and \$3.1m decrease in other provisions. This was offset by an increase in lease liabilities of \$2.0m, increase in employee-related provisions of \$0.4m and increase in Fiskville offsite remediation provision of \$0.4m.

CFA AND BRIGADES DONATIONS FUND

In 2004, CFA established the CFA and Brigades Donations Fund (the Trust). The Trust is a public fund set up in line with the requirement of the *Income Tax Assessment Act 1997*, to allow people to make tax-deductible donations to support CFA brigades. Donations made meet the costs of purchasing and maintaining firefighting equipment and facilities, providing training and resources and to otherwise meet those administrative expenses of brigades which are associated with their firefighting functions.

The Trust is governed by its Deed, which sets out the purpose of the Trust and the purpose for which monies relating to the Trust can be raised and be used. All donations for brigades whether received by brigades, or the CFA on behalf of a brigade must be paid into the Trust. In line with the objects of the Trust the donated money received is subsequently released back to the brigade (known as distributions) for spending. The Trustees are responsible for the preparation of separate financial statements that are subject to independent audit.

The Trust is an entity controlled by CFA for accounting purposes as per the Australian Accounting Standards Board Standard on Consolidated Financial Statements (AASB 10). The financials of the Trust, therefore, were consolidated within the CFA's Annual Financial Statements as at 30 June 2023. As a result of this consolidation, cash and term-deposits amounting to \$4.7m have been recognised as financial assets in the books of CFA.

A total of 1,300 brigades and brigade groups were registered with the Trust as of 30 June 2023. The Trust received revenue from donations, bequests and grants of \$3.8m during the 2022-23 financial year (2022: \$3.6m). The donations received were consistent year on year and considered to be at an average level.

Trust bank and term-deposits balances for the 2022-23 financial year were \$0.5m (2022: \$1.0m) and \$4.2m (2022: \$4.1m).

Subsequent Events

There were no other subsequent events requiring adjustment or disclosure in CFA's Annual Financial Statements for the year ended 30 June 2023.

Financial Report

How this report is structured

Country Fire Authority (CFA) has presented its audited general purpose financial statements for the year ended 30 June 2023 in the following structure to provide users with the information about the CFA's stewardship of resources entrusted to it.

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Declaration in the Financial Statements

The attached financial statements for the Country Fire Authority have been prepared in accordance with *Direction 5.2 of the Standing Directions* of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2023 and financial position of the Country Fire Authority at 30 June 2023.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

In accordance with a resolution of the Board of the Country Fire Authority, we authorise the attached financial statements for issue on 30 October 2023.



.....
G Wilson

Chair
Country Fire Authority

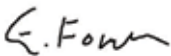
Melbourne
30 October 2023



.....
N MacDonald

Chief Executive Officer
Country Fire Authority

Melbourne
30 October 2023



.....
G Forck

Chief Financial Officer
Country Fire Authority

Melbourne
30 October 2023

Audit Report



Independent Auditor's Report

To the Board of the Country Fire Authority

| | |
|--|--|
| Opinion | <p>I have audited the financial report of the Country Fire Authority (the Authority) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2023• comprehensive operating statement for the year then ended• statement of changes in equity for the year then ended• cash flow statement for the year then ended• notes to the financial statements, including significant accounting policies• declaration in the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the Authority as at 30 June 2023 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p> |
| Basis for opinion | <p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants (including Independence Standards)</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p> |
| Board's responsibilities for the financial report | <p>The Board of the Authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the Authority'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 it is inappropriate to do so.</p> |

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit 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 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 Authority's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board's 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 Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am 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 conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Authority 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 Board 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.

MELBOURNE
31 October 2023



Timothy Maxfield
as delegate for the Auditor-General of Victoria

Comprehensive operating statement ^(a)

For the financial year ended 30 June 2023

| | | (\$ thousand) | |
|--|-------|-----------------|----------------|
| | Notes | 2023 | 2022 |
| Continuing operations | | | |
| Revenue and income from transactions | | | |
| Grants | 2.2.1 | 341,747 | 347,028 |
| Sale of goods and services | 2.2.2 | 12,413 | 12,768 |
| Fair value of services received free of charge or for nominal consideration | 2.2.3 | 64,719 | 60,359 |
| Other income | 2.2.4 | 7,728 | 9,444 |
| Interest income | 2.2.5 | 9,524 | 970 |
| Total revenue and income from transactions | | 436,131 | 430,569 |
| Expenses from transactions | | | |
| Employee expenses | 3.1.1 | 131,316 | 122,651 |
| Expended fair value of services received free of charge or for nominal consideration | 2.2.3 | 64,719 | 60,359 |
| Other operating expenses | 3.3 | 136,931 | 147,460 |
| Depreciation and amortisation | 4.1.2 | 64,966 | 63,985 |
| Grant and other transfers | 3.2 | 48,356 | 37,362 |
| Interest expense ^(e) | | 2,228 | 2,050 |
| Total expenses from transactions | | 448,516 | 433,867 |
| Net result from transactions/ (net operating balance) | | (12,385) | (3,298) |
| Other economic flows included in net result | | | |
| Net gain/ (loss) on non-financial assets ^(b) | | 2,729 | 217 |
| Net gain/ (loss) on financial instruments ^(c) | | (6,053) | 464 |
| Other gain/ (loss) from other economic flows ^(d) | | 396 | 2,669 |
| Total other economic flows included in net result | | (2,928) | 3,350 |
| Net result | | (15,313) | 52 |
| Other economic flows – other comprehensive income: | | | |
| Items that will not be reclassified to net result | | | |
| Changes in physical asset revaluation surplus | 8.4 | 373,026 | - |
| Total other economic flows – other comprehensive income | | 373,026 | - |
| Comprehensive result | | 357,713 | 52 |

The accompanying notes form part of these financial statements.

Notes

(a) This format is aligned to AASB 1049 Whole of Government and General Government Sector Financial Reporting.

(b) Net gain/ (loss) on non-financial assets includes unrealised and realised gains/ (losses) from revaluations, impairments, and disposals of all physical assets and intangible assets, except when these are taken through the asset revaluation surplus.

(c) Net gain/ (loss) on financial instruments includes changes in doubtful debts from other economic flows, unrealised and realised gains/ (losses) from revaluations, impairments and reversals of impairment and gains/ (losses) from disposals of financial instruments, except when these are taken through the financial assets at fair value through other comprehensive income revaluation surplus.

(d) Revaluation gain/ (loss) due to changes in the time value of money.

(e) Interest expense represents the interest component of lease repayments and is recognised in the period in which it is incurred.

Balance sheet ^(a)

As at 30 June 2023

| | | (\$ thousand) | |
|--|-------|------------------|------------------|
| | Notes | 2023 | 2022 |
| Assets | | | |
| Financial assets | | | |
| Cash and deposits | 6.1 | 324,797 | 303,873 |
| Receivables | 5.1 | 23,693 | 34,289 |
| Other Assets | 5.5 | 15,935 | - |
| Investments | 6.3 | 60,890 | 56,454 |
| Total financial assets | | 425,315 | 394,616 |
| Non-financial assets | | | |
| Inventories | 5.2 | 8,553 | 11,019 |
| Property, plant and equipment ^(b) | 4.1 | 1,646,500 | 1,281,475 |
| Intangible assets | 4.2 | 1,421 | 1,057 |
| Prepayments | | 6,252 | 7,031 |
| Total non-financial assets | | 1,662,726 | 1,300,582 |
| Total assets | | 2,088,041 | 1,695,198 |
| Liabilities | | | |
| Payables | 5.3 | 27,877 | 31,213 |
| Borrowings ^(c) | 6.4 | 73,741 | 71,752 |
| Employee related provisions | 3.1.2 | 32,301 | 31,919 |
| Other provisions | 5.4 | 56,268 | 63,711 |
| Total liabilities | | 190,187 | 198,595 |
| Net assets | | 1,897,854 | 1,496,602 |
| Equity | | | |
| Accumulated surplus | | 503,476 | 518,789 |
| Physical asset revaluation surplus | 8.4 | 1,049,478 | 676,452 |
| Contributed capital ^(d) | | 344,900 | 301,361 |
| Net worth | | 1,897,854 | 1,496,602 |

The accompanying notes form part of these financial statements.

Notes

(a) This format is aligned to AASB 1049 Whole of Government and General Government Sector Financial Reporting.

(b) Property, plant and equipment includes right-of-use lease assets as per Australian Accounting Standards Board: *AASB 16 Leases*.

(c) Borrowings are right-of-use lease liabilities as per *AASB 16 Leases*.

(d) Movement in contributed capital includes impact of the restructure of administrative arrangements arising from the Fire Services Reform. Refer Note 8.3 for further information.

Cash flow statement ^(a)

For the financial year ended 30 June 2023

| | Note | 2023 | 2022 |
|--|-------|------------------|------------------|
| (\$ thousand) | | | |
| Cash flows from operating activities | | | |
| Receipts | | | |
| Receipts from government | | 297,617 | 312,292 |
| Receipts from other entities | | 12,413 | 11,047 |
| Goods & services tax recovered from the ATO ^(b) | | 16,266 | 21,238 |
| Interest received | | 9,457 | 940 |
| Other receipts | | 10,705 | 9,444 |
| Total receipts | | 346,458 | 354,961 |
| Payments | | | |
| Payments of grant expenses | | (2,153) | (3,092) |
| Payments to suppliers and employees | | (292,150) | (297,841) |
| Interest paid | | (2,187) | (2,050) |
| Total payments | | (296,490) | (302,983) |
| Net cash flows from operating activities | 6.1.1 | 49,968 | 51,978 |
| Cash flows from investing activities | | | |
| Payments for investments | | (13,336) | (5,432) |
| Proceeds from sale of investments | | 8,800 | 4,100 |
| Purchases of non-financial assets | | (56,635) | (70,759) |
| Proceeds from sale of non-financial assets | | 3,606 | 4,308 |
| Net cash flows used in investing activities | | (57,566) | (67,783) |
| Cash flows from financing activities | | | |
| Owner contributions by State Government - appropriation for capital expenditure purposes | | 35,383 | 38,422 |
| Cash transferred out on restructure of administrative arrangements ^(d) | | - | (723) |
| Repayment of borrowings ^(c) | | (6,861) | (8,512) |
| Net cash flows from/ (used in) financing activities | | 28,522 | 29,187 |
| Net increase in cash and cash equivalents | | 20,924 | 13,383 |
| Cash and cash equivalents at the beginning of financial year | | 303,873 | 290,490 |
| Cash and cash equivalents at the end of financial year | 6.1 | 324,797 | 303,873 |

The accompanying notes form part of these financial statements.

Notes

(a) This format is aligned to AASB 1049 Whole of Government and General Government Sector Financial Reporting.

(b) GST paid to or received from the Australian Taxation Office (ATO) is presented on a net basis.

(c) CFA has recognised cash payments for the principal portion of lease payments as financing activities; cash payments for the interest portion as operating activities consistent with the presentation of interest payments and short-term lease payments for leases and low-value assets as operating activities.

(d) Cash transferred out on restructure of administrative arrangements through the Fire Services Reform. Refer Note 8.3.

Statement of changes in equity ^(a)

For the financial year ended 30 June 2023

| | | | | | | (\$ thousand) |
|--|------|---------------------|-------------------------------|------------------------------------|--|------------------|
| | Note | Accumulated surplus | Other reserves ^(c) | Physical asset revaluation surplus | Contributions by owner - Contributed capital | Total |
| Balance as at 1 July 2021 | | 518,737 | - | 676,452 | 274,419 | 1,469,608 |
| Net result for the year | | 52 | - | - | - | 52 |
| Capital appropriations | | - | - | - | 40,021 | 40,021 |
| Restructure of administrative arrangements - net assets transferred out ^(b) | 8.3 | - | - | - | (13,079) | (13,079) |
| Balance as at 30 June 2022 | | 518,789 | - | 676,452 | 301,361 | 1,496,602 |
| Net result for the year | | (15,313) | - | - | - | (15,313) |
| Other comprehensive income for the year | 8.4 | - | - | 373,026 | - | 373,026 |
| Capital appropriations | | - | - | - | 43,598 | 43,598 |
| Transfers to other reserves | | (7,636) | 7,636 | - | - | - |
| Restructure of administrative arrangements - net assets transferred out ^(b) | 8.3 | - | - | - | (59) | (59) |
| Balance as at 30 June 2023 | | 495,840 | 7,636 | 1,049,478 | 344,900 | 1,897,854 |

The accompanying notes form part of these financial statements.

Notes

(a) This format is aligned to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

(b) Net assets transferred out on restructure of administrative arrangement arises from the Fire Services Reform. FRD119A - Transfers Through Contributed Capital requires that transfers out of net assets arising from administrative restructurings are treated as distributions to owners.

(c) Funds held in Other Reserves are held for specific purposes.

1. ABOUT THIS REPORT

The Country Fire Authority is a statutory authority of the State of Victoria, appointed by the Governor in Council pursuant to s.6 of the *Country Fire Authority Act 1958*.

Its principal address is:

Country Fire Authority
8 Lakeside Drive,
Burwood East VIC 3151

A description of the nature of its operations and its principal activities is included in the Report of Operations, which does not form part of these financial statements.

Basis of preparation

These financial statements are presented in Australian dollars and prepared in accordance with the historical cost convention unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis. The exceptions to the historical cost convention are:

- non-financial physical assets which, after acquisition, are measured at a re-valued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair value; and
- certain liabilities that are calculated based on actuarial assessments or present value.

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

Consistent with the requirements of *AASB 1004 Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of CFA.

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

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in applying Australian Accounting Standards (AASs) that have significant effects on the financial statements and estimates relate to:

- the fair value of land and buildings based on scheduled five-yearly Valuer-General Victoria's valuation and managerial valuations in interim years (Note 7.3 and Note 4);
- the assumptions of likely further lease terms, assumed borrowing rate and future discount rates used to recognise right-of-use assets and comparable market data used to reassess fair value subsequent to initial measurement. (Note 7.3 and Note 4);
- assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (Note 3.1.2);
- actuarial assumptions for volunteer compensation provisions based on assessment of outstanding claims (Note 5.4);
- provision for decommissioning and remediation of sites and other provisions based on expert advice regarding the nature and timing of work involved (Note 5.4);
- the assumptions applied in assessing and, where possible, quantifying value of contingent assets and liabilities (Note 7.2);
- the assumptions applied in quantifying fair value of services received and provided free of charge or for nominal consideration (Note 2.2.3 and Note 3.3);
- certain attributes of property, plant and equipment such as useful lives of assets, asset condition, fair value and whether assets are specialised assets (Note 4); and
- collectability of receivables given period of outstanding debt, risk of default and expected loss (Note 7.1.2).

These financial statements cover CFA as an individual reporting entity and include all the controlled activities of CFA, Brigades and the Trust for CFA & Brigades Donations Fund.

The Trust for CFA & Brigades Donations Fund (the Trust) is a public fund set up to allow people to make tax-deductible donations, under *Income Tax Assessment Act 1997*, to support CFA brigades' operational firefighting capacity. A total of 1,300 brigades and brigade groups were registered with the Trust as at 30 June 2023.

CFA has determined that it has control over the Trust for CFA & Brigades Donations Fund and Brigades under *AASB 10 Consolidated Financial Statements* and therefore the Trust is consolidated within CFA's financial statements.

All amounts in the financial statements have been rounded to the nearest \$1,000 unless otherwise stated. Refer to Note 8.11 for a style convention guide and explanation of minor discrepancies resulting from rounding.

Compliance information

These general-purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA), Financial Reporting Directions (FRD) and applicable AASs which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of *AASB 1049 Whole of Government and General Government Sector Financial Reporting*.

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

To gain a better understanding of the terminology used in this report, a glossary of technical terms can be found at Note 8.10.

2. FUNDING DELIVERY OF OUR SERVICES

Introduction

CFA's mission is to protect lives and property. Our vision is to ensure Victorian communities are prepared for and safe from fire. We are Victoria's volunteer fire service, operating across the state to reduce the occurrence and impacts of fire and other emergencies.

CFA receives income in the form of grants from the Department of Justice and Community Safety (DJCS) and the Department of Energy, Environment and Climate Action (DEECA) to fulfil its objectives. CFA also receives income from supplementary funding, other grants, sale of goods, rendering of services and interest income from bank deposits and investments. As a result of Fire Services Reform, CFA receives services free of charge from FRV.

Structure

| | | |
|-----|---|----|
| 2.1 | Summary of revenue and income that funds the delivery of our services | 68 |
| 2.2 | Income from transactions | 68 |

2.1 Summary of revenue and income that funds the delivery of our services

| | | (\$ thousand) | |
|--|-------|----------------|----------------|
| | Notes | 2023 | 2022 |
| Grants | 2.2.1 | 341,747 | 347,028 |
| Sale of goods and services | 2.2.2 | 12,413 | 12,768 |
| Fair value of assets and services received free of charge or for nominal consideration | 2.2.3 | 64,719 | 60,359 |
| Other income | 2.2.4 | 7,728 | 9,444 |
| Interest income | 2.2.5 | 9,524 | 970 |
| Total revenue and income from transactions | | 436,131 | 430,569 |

Revenue and income that fund delivery of the CFA's services are accounted for consistently with the requirements of the relevant accounting standards disclosed in the following notes.

2.2 Income from transactions

2.2.1 Grants

| | (\$ thousand) | |
|---|----------------|----------------|
| | 2023 | 2022 |
| Income recognised (under AASB 1058): | | |
| General purpose | 334,782 | 339,319 |
| Supplementary funding | 6,965 | 7,709 |
| Total grants | 341,747 | 347,028 |

Significant judgement:

CFA has assessed that all of the grants income should be recognised under *AASB 1058 Income of Not-for-Profit Entities* rather than *AASB 15 Revenue from Contracts with Customers* as the grants were earned under arrangements that are either not enforceable and/ or linked to sufficiently specific performance obligations.

Grants recognised under AASB 1058

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when CFA has an unconditional right to receive cash which usually coincides with receipt of cash. On initial recognition of the asset, CFA recognises any related contributions by owners, increases in liabilities, decreases in assets, and revenue ('related amounts') in accordance with other Australian Accounting Standards. Related amounts may take the form of:

- contributions by owners, in accordance with *AASB 1004 Contributions* ;
- revenue or a contract liability arising from a contract with a customer, in accordance with *AASB 15 Revenue from Contracts with Customers* ;
- a lease liability in accordance with *AASB 16 Leases* ;
- a financial instrument, in accordance with *AASB 9 Financial Instruments* ; or
- a provision, in accordance with *AASB 137 Provisions, Contingent Liabilities and Contingent Assets* .

Grants recognised under AASB 15

Income from grants that are enforceable and with sufficiently specific performance obligations and accounted for as revenue from contracts with customers under AASB 15. Revenue is recognised when CFA satisfies the performance obligation. This is recognised based on the consideration specified in the funding agreement and to the extent that it is highly probable a significant reversal of the revenue will not occur. The funding payments are normally received in advance or shortly after the relevant obligation is satisfied.

2.2.2 Sale of goods and services

| | (\$ thousand) | |
|---|---------------|---------------|
| | 2023 | 2022 |
| Sale of goods | 2,151 | 2,016 |
| Fire equipment maintenance services | 5,740 | 6,207 |
| Road accident response | 1,719 | 2,725 |
| False alarm charges | 2,739 | 1,986 |
| Other fees and charges | 64 | (166) |
| Total sale of goods and services | 12,413 | 12,768 |

Road accident response income has been recognised on receipt per AASB 1058.

All remaining sale of goods and services included in the table above are transactions that CFA has determined to be classified as revenue from contracts with customers in accordance with AASB 15.

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in the contract with the customer. CFA recognises revenue when it transfers control of a good or service to the customer, i.e. when, or as, the performance obligations for the sale of goods, or services to the customer are satisfied.

- Customers obtain control of the supplies and consumables at a point in time when the goods are delivered to and have been accepted at their premises.
- Revenue from the sale of goods are recognised when the goods are delivered and have been accepted by the customer at their premises
- Income from rendering of services is recognised at a point in time when the performance obligation is satisfied when the service is completed.

Consideration received in advance of recognising the associated revenue from the customer is recorded as a contract liability (Note 5.3). Where the performance obligations are satisfied but not yet billed, a contract asset is recorded (Note 5.1).

2.2.3 Fair value of services received free of charge or for nominal consideration recognised as income

| | Note | 2023 | 2022 |
|--|------|---------------|---------------|
| (\$ thousand) | | | |
| Services | | | |
| - Services received from FRV | 3.1 | 64,719 | 60,359 |
| Total fair value of services received free of charge or for nominal consideration | | 64,719 | 60,359 |

The increase in the value of services from prior year is mainly attributed to an increase in payroll costs (rates, oncosts, allowances) and partially due to an increase in the overall hours of services performed.

Contributions of resources received free of charge or for nominal consideration are recognised at their fair value when the CFA obtains control over the resources, irrespective of whether restrictions or conditions are imposed over the use of the contributions.

Services received from FRV relates to services rendered by Fire Rescue Victoria (FRV) as a result of the Fire Services Reform (Refer Note 8.3). CFA has assessed that the fair value of these services can be reliably determined and the services would have been sourced and paid for if not provided free of charge.

As part of implementing Fire Services Reform, the following agreements were entered into between CFA and FRV with effect from 1 July 2020:

- A Secondment Agreement (on-going) for the purpose of FRV providing officers or employees of FRV to CFA. These staff are engaged under this agreement for the provision of operational and management support including administrative, training, community safety and fire safety support to CFA. This gives rise to a recognition of services received free of charge to CFA (Refer Note 2.2.3).
- Overarching Operational Services Agreement and two Service Level Deeds of Agreement setting out the services and functions FRV provides to CFA and the services and functions CFA provides to FRV upon the request of the other agency (Refer Note 2.2.3 and Note 3.3).

In addition to the above agreements, CFA also provided general and other administrative support services to FRV during the financial year including procurement and ICT support.

These arrangements also give rise to a recognition of services provided free of charge by CFA (Refer Note 3.3).

2.2.4 Other income

| | (\$ thousand) | |
|------------------------------|---------------|--------------|
| | 2023 | 2022 |
| Public Fund donations | 115 | 524 |
| Brigade Trust Fund donations | 4,454 | 3,857 |
| Other | 3,159 | 5,063 |
| Total other income | 7,728 | 9,444 |

Public Fund donations represent donations received from the public into the CFA's Public Fund.

Brigade Trust Fund donations represent donations made to The Trustee for Country Fire Authority & Brigades Donations Fund. Donations received enable Brigades to meet the costs of purchasing and maintaining firefighting equipment and facilities, providing training and resources to volunteers, and to otherwise meet those administrative expenses of the Brigades which are associated with their firefighting functions.

Volunteer Services are only recognised when a fair value can be reliably measured. CFA has assessed that the fair value of volunteer services via volunteer contribution and effort cannot be reliably measured or estimated through comparative pricing methodology.

Other income includes insurance recoveries and other miscellaneous income.

2.2.5 Interest income

Interest income includes \$9.52m (2022: \$0.97m) of interest received from operational and call accounts. Interest income is recognised using the effective interest method, which allocates the interest over the relevant period.

3. THE COST OF DELIVERING SERVICES

Introduction

This section provides an account of the expenses incurred by CFA in delivering services and outputs. In Note 2, the funds that enable the provision of services were disclosed, and in this note the cost associated with provision of services are recorded.

Structure

| | | |
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| 3.1 | Expenses incurred in delivery of services | 72 |
| 3.2 | Grant expenses | 75 |
| 3.3 | Other operating expenses | 76 |

3.1 Expenses incurred in delivery of services

| | | (\$ thousand) | |
|--|-------|----------------|----------------|
| | Notes | 2023 | 2022 |
| Employee benefit expenses | 3.1.1 | 131,316 | 122,651 |
| Grants expenses | 3.2 | 48,356 | 37,362 |
| Expended fair value of services received free of charge or for nominal consideration | 2.2.3 | 64,719 | 60,359 |
| Other operating expenses | 3.3 | 136,931 | 147,460 |
| Total expenses incurred in delivery of services | | 381,322 | 367,832 |

3.1.1 Employee benefits in the comprehensive operating statement

| | | (\$ thousand) | |
|--|-------|----------------|----------------|
| | | 2023 | 2022 |
| Salaries and wages, annual leave and long service leave | | 112,502 | 104,960 |
| Defined contribution superannuation expense | 3.1.3 | 9,750 | 9,249 |
| Defined benefit superannuation expense | | 1,051 | 1,081 |
| Other on-costs (payroll tax, fringe benefits tax, workcover) | | 7,581 | 6,888 |
| Employee allowance and support costs | | 432 | 473 |
| Total employee benefit expenses | | 131,316 | 122,651 |

Employee benefit expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, termination payments and WorkCover premiums.

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

3.1.2 Employee benefits in the balance sheet

Provision is made for benefits accruing to employees in respect of annual leave, long service leave and other entitlements for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

| | (\$ thousand) | |
|---|---------------|---------------|
| | 2023 | 2022 |
| Current provisions: | | |
| Annual leave | | |
| Unconditional and expected to settle within 12 months | 7,271 | 7,366 |
| Unconditional and expected to settle after 12 months | 2,162 | 3,045 |
| Long service leave | | |
| Unconditional and expected to settle within 12 months | 1,879 | 1,671 |
| Unconditional and expected to settle after 12 months | 13,205 | 13,040 |
| Provisions for on-costs | | |
| Unconditional and expected to settle within 12 months | 1,881 | 1,463 |
| Unconditional and expected to settle after 12 months | 2,789 | 2,591 |
| Total current provisions for employee benefits | 29,187 | 29,176 |
| Non current provisions: | | |
| Employee benefits | 2,650 | 2,366 |
| On-costs | 464 | 377 |
| Total non current provisions for employee benefits | 3,114 | 2,743 |
| Total provisions for employee benefits | 32,301 | 31,919 |

3.1.2.1 Reconciliation of movement in on-cost provision

| | (\$ thousand) | |
|---|---------------|--------------|
| | 2023 | 2022 |
| Opening balance | 4,431 | 4,514 |
| Additional provisions recognised | 2,612 | 1,390 |
| Reductions arising from payments | (1,845) | (1,502) |
| Unwind of discount and effect of changes in the discount rate | (64) | 29 |
| Closing balance | 5,134 | 4,431 |
| Current | 4,670 | 4,054 |
| Non current | 464 | 377 |

Annual leave liability is recognised as part of the provision for employee benefits as a current liability, because CFA does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Depending on the expectation of the timing of settlement, liabilities for wages and salaries and annual leave are measured at:

- undiscounted value - if CFA expects to wholly settle within 12 months; or
- present value - if CFA does not expect to wholly settle within 12 months.

Long service leave liability is recognised in the provision for employee benefits.

Unconditional Long Service Leave (LSL) is disclosed as a current liability; even where CFA does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- undiscounted value – if CFA expects to wholly settle within 12 months; or
- present value – if CFA does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL is measured at present value.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flow' in the net result.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the comprehensive operating statement as it is taken.

Employment on-costs such as payroll tax, workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

Liabilities for salaries and wages payable as at balance sheet date are disclosed at Note 5.3 as current liability.

3.1.3 Superannuation contributions

Employees of CFA are entitled to receive superannuation benefits and CFA contributes to both defined benefit and defined contribution plans managed by the Emergency Services Superannuation Scheme (ESSS). The defined benefit plan provides benefits based on years of service and final average salary.

The amount recognised in the comprehensive operating statement in relation to superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period. CFA does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. Instead, the Department of Treasury and Finance (DTF) discloses in its annual financial statements the net defined benefit cost related to the members of these plans as an administered liability (on behalf of the State as the sponsoring employer).

| | (\$ thousand) | | | |
|---|--------------------------------|--------------|--------------------------------------|------------|
| | Paid contribution for the year | | Contribution outstanding at year end | |
| | 2023 | 2022 | 2023 | 2022 |
| Defined benefit plans ^(a) | | | | |
| Emergency Services Superannuation Scheme (ESSS) | 1,036 | 1,066 | 40 | 40 |
| Other (Government Superannuation Office) | 15 | 15 | 1 | 1 |
| Defined contribution plans | | | | |
| Emergency Services Super Plan | 5,243 | 5,019 | 199 | 189 |
| Other | 4,507 | 3,755 | 171 | 142 |
| Total | 10,801 | 9,855 | 411 | 372 |

Note

^(a) The basis for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans.

3.2 Grant and other transfers

| | (\$ thousand) | |
|--|---------------|---------------|
| | 2023 | 2022 |
| General purpose grants | | |
| Grants Withheld by the Department of Justice and Community Safety (DJCS) | 46,203 | 34,920 |
| Other general purpose grants | 2,153 | 2,442 |
| Total grant expenses | 48,356 | 37,362 |

The increase in grants withheld by DJCS is mainly attributed to ESTA Regional Mobile Radio costs which were previously paid by CFA as reflected in contractor payments to external services - ESTA and others. Refer to note 3.3.

Grant expenses are contributions of CFA's resources to another party for a specific or general purpose where there is no expectation that the amount will be repaid in equal value (either by money, goods or services).

Grants withheld by DJCS represent amounts approved by the Minister for Emergency Services to be withheld from CFA's total output funding to support Emergency Management programs and initiatives.

Grants can either be operating or capital in nature. Grants can be paid as general purpose grants, which refer to grants that are not subject to conditions regarding their use.

Grant expenses are recognised in the reporting period in which they are paid or payable.

3.3 Other operating expenses

| | | (\$ thousand) | |
|---|-------|----------------|----------------|
| | Note | 2023 | 2022 |
| Supplies and services | | | |
| Contractor payments to external services - ESTA and others ^(a) | | 21,640 | 31,315 |
| Contractors and consultants fees ^(b) | | 11,678 | 20,248 |
| Other purchases of goods and services (including remuneration of auditors) ^(c) | 8.2 | 12,873 | 18,693 |
| Building operating and maintenance | | 11,984 | 11,929 |
| Motor vehicle operating and maintenance | | 12,055 | 10,665 |
| Computer equipment and systems | | 7,987 | 5,068 |
| Communications, alarms and radio replacement | | 6,384 | 7,907 |
| Other operating and maintenance | | 8,458 | 11,455 |
| Hire fees -aircraft, plant, equipment and vehicles | | 8,895 | 8,813 |
| Volunteer compensation and insurance ^(d) | 5.4.2 | 2,181 | (1,592) |
| Fair value of Services provided free of charge to FRV ^(e) | | 1,074 | 1,576 |
| Volunteer and brigade running costs | | 4,540 | 3,397 |
| Cost of goods sold/ distributed | | 10,377 | 4,080 |
| Operating lease rental expense | | 1,179 | 235 |
| Insurance costs | | 4,754 | 3,219 |
| External training and skills maintenance | | 2,540 | 3,106 |
| Essential remediation and decommissioning expenses ^(f) | 5.4.3 | 1,771 | 171 |
| General expenses | | 6,561 | 7,175 |
| Total other operating expenses | | 136,931 | 147,460 |

Note

^(a) The decrease in contractors including ESTA is mainly attributed to ESTA Regional Mobile Radio costs no longer paid by CFA. These costs are directly paid by DJCS on CFA's behalf as reflected in Grants and Other Transfers. Refer to note 3.2.

^(b) The decrease in contractors and consultant fees reflect the timing of delivery of various programs.

^(c) The decrease in other purchases of goods and services is due to a reduction in legal fees from matters which have concluded.

^(d) The increase in volunteer compensation and insurance represents the change in the net outstanding claims provision which is due to a number of factors outlined in note 5.4.

^(e) The decrease in services provided to FRV is due to the decline in shared support services between CFA and FRV during the year.

^(f) The increase in essential remediation and decommissioning expenses is due to a forecasted increase in remediation costs identified through procurement processes. Refer to note 5.4.3.

Other operating expenses generally represent the day-to-day running costs incurred in normal operations. It also includes bad debts expense from transactions that are mutually agreed.

Supplies and services are recognised as an expense in the reporting period in which they are incurred.

The following **lease payments** are recognised on a straight-line basis:

- Short-term leases – leases with a term less than 12 months; and
- Low value leases – leases with the underlying asset's fair value (when new, regardless of the age of the asset)

Cost of goods sold or distributed: The carrying amounts of any inventories held for sale or distribution are recognised as an expense in the period in which the related income is recognised or the inventories are distributed. The amount of any write down of inventories to net realisable value and all losses of inventories shall be recognised as an expense in the period the write down or loss occurs.

The amount of any reversal of any write down of inventories, arising from an increase in net realisable value, shall be recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Services provided free of charge to FRV relates to services rendered by CFA to FRV as a result of the Fire Services Reform. CFA has assessed that the fair value of these services can be reliably determined. (Refer Note 2.2.3)

4. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

Introduction

CFA controls property, plant, equipment and other assets that are utilised in fulfilling its objectives and conducting its activities. They represent the resources that have been entrusted to CFA to be utilised for delivery of those outputs.

Fair value measurement

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 7.3 in connection with how those fair values were determined.

Structure

| | | |
|-----|-------------------------------|----|
| 4.1 | Property, plant and equipment | 77 |
| 4.2 | Intangible assets | 82 |

4.1 Property, plant and equipment

| | (\$ thousand) | | | | | |
|--------------------------------------|-----------------------|------------------|--------------------------|------------------|---------------------|------------------|
| | Gross carrying amount | | Accumulated depreciation | | Net carrying amount | |
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Land at fair value | 162,155 | 160,773 | - | - | 162,155 | 160,773 |
| Buildings at fair value | 855,517 | 793,444 | (32,969) | (46,741) | 822,548 | 746,703 |
| Leasehold improvements at fair value | 29,640 | 28,924 | (19,800) | (19,104) | 9,840 | 9,820 |
| Plant and equipment at fair value | 118,437 | 111,585 | (84,446) | (79,521) | 33,991 | 32,064 |
| Vehicles at fair value | 566,184 | 580,210 | (38,372) | (335,641) | 527,812 | 244,569 |
| Assets under construction at cost | 90,154 | 87,546 | - | - | 90,154 | 87,546 |
| Net carrying amount | 1,822,087 | 1,762,482 | (175,587) | (481,007) | 1,646,500 | 1,281,475 |

The following tables are subsets of buildings, plant, equipment and vehicles by right-of-use assets.

4.1.1 Total right-of-use assets: buildings, plant, equipment and vehicles

| | (\$ thousand) | | | | | |
|----------------------------|-----------------------|---------------|--------------------------|-----------------|---------------------|---------------|
| | Gross carrying amount | | Accumulated depreciation | | Net carrying amount | |
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Buildings | 88,423 | 82,182 | (32,538) | (23,538) | 55,885 | 58,644 |
| Plant and equipment | 3,661 | 683 | (680) | (597) | 2,981 | 86 |
| Vehicles | 12,538 | 10,789 | (3,927) | (2,481) | 8,611 | 8,308 |
| Net carrying amount | 104,622 | 93,654 | (37,145) | (26,616) | 67,477 | 67,038 |

| | (\$ thousand) | | |
|--------------------------------------|---------------|---------------------|--------------|
| | Buildings | Plant and equipment | Vehicles |
| Opening balance - 1 July 2022 | 58,644 | 86 | 8,308 |
| Additions | 6,241 | 2,979 | 1,976 |
| Disposals | - | - | (156) |
| Depreciation | (9,000) | (83) | (1,516) |
| Closing balance- 30 June 2023 | 55,885 | 2,981 | 8,611 |
| Opening balance - 1 July 2021 | 66,482 | 42 | 4,124 |
| Additions | 1,497 | 71 | 5,483 |
| Disposals | - | - | (90) |
| Depreciation | (9,335) | (27) | (1,209) |
| Closing balance- 30 June 2022 | 58,644 | 86 | 8,308 |

Property, plant and equipment (including right-of-use asset acquired by lessees)

Initial recognition

Property, plant and equipment are measured initially at cost. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

The cost of a leasehold improvement is capitalised and depreciated over the shorter of the remaining term of the lease or its estimated useful life.

CFA recognises a **right-of-use asset** and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

Subsequent measurement

Property, plant and equipment as well as **right-of-use assets under leases** are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is summarised by asset category.

Right-of-use assets: CFA depreciates the right-of-use assets on a straight line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful life of the right-of-use assets is the remaining lease period. The right-of-use assets are also subject to revaluation. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Specialised land and specialised buildings: The market approach is used for valuation of specialised land, although is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that the CSO adjustment is also equally applicable to market participants.

For specialised buildings, the current replacement cost method is used, adjusting for the associated depreciation.

Vehicles are valued using the current replacement cost method. CFA acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers in CFA who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Fair value for **plant and equipment** that are specialised in use (such that it is rarely sold, other than as part of a going concern) is determined using the current replacement cost method.

Refer to Note 7.3.2 for information on fair value determination of property, plant and equipment.

Volunteer brigade contribution to land and buildings

CFA acknowledges the significant contributions made by volunteer brigades to the capital value of fire stations. Many brigades have made substantial improvements to fire stations and property over many decades. The value of these improvements is considered when the five-yearly Valuer-General's valuation occurs and the aggregate amount is then included in future financial statements.

Where practical, the value of major community funded projects is taken up at fair value when the improvement is carried out.

Volunteer brigade vehicles and plant and equipment

CFA fully recognises the major community contribution by bringing to account, at cost less accumulated depreciation, fire fighting vehicles, plant and equipment acquired by volunteer brigades valued above the capitalisation threshold.

Impairment of property, plant and equipment

The recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under *AASB 13 Fair Value Measurement*, with the consequence that *AASB 136 Impairment of Assets* does not apply to such assets that are regularly revalued.

4.1.2 Depreciation and amortisation

Charge for the period

| | (\$ thousand) | |
|---|---------------|---------------|
| | 2023 | 2022 |
| Buildings | 33,055 | 32,714 |
| Leasehold improvements | 696 | 1,050 |
| Plant and equipment | 5,357 | 4,617 |
| Vehicles | 25,782 | 25,529 |
| Total depreciation | 64,890 | 63,910 |
| Intangible assets (amortisation) (Note 4.2) | 76 | 75 |
| Total depreciation and amortisation | 64,966 | 63,985 |

Note: The above table includes depreciation of Right-of-Use assets

Depreciation

All buildings, plant and equipment and other non-financial physical assets that have finite useful lives, are depreciated. The exception to this rule is land and assets under construction.

Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

| Asset | (years) Useful life |
|---|------------------------|
| Buildings (excluding leased assets) | 50 |
| Leasehold improvements | 2 - 50 |
| Plant and equipment (including leased assets) | 2 - 20 |
| Vehicles (including leased assets) ^(a) | 3 - 35 |

Note

^(a) As a result of the valuation performed during the year for CFA's emergency response vehicle assets (refer note 7.3.2), it was determined that certain vehicle assets which previously had a useful life of 20 years, were still in service beyond 20 years. Based on a number of factors including utilisation, service, inspection and maintenance patterns, the useful life of these assets has appropriately increased up to 35 years.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

Right-of use assets are generally depreciated over the shorter of the asset's useful life and the lease term. Where CFA obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that CFA will exercise a purchase option, then CFA depreciates the right-of-use asset over its useful life.

Leasehold improvements are depreciated over the shorter of the lease term and their useful lives.

Indefinite life assets: Land, which is considered to have an indefinite life, is not depreciated. Depreciation is not recognised in respect of this asset because its service potential has not, in any material sense, been consumed during the reporting period.

4.1.3 Reconciliation of movements in carrying amount of property, plant and equipment

| | (\$ thousand) | | | | | | | | | | | | | |
|--|--------------------|----------------|-------------------------|----------------|--------------------------------------|---------------|-----------------------------------|---------------|------------------------|----------------|-----------------------------------|---------------|------------------|------------------|
| | Land at fair value | | Buildings at fair value | | Leasehold improvements at fair value | | Plant and equipment at fair value | | Vehicles at fair value | | Assets under construction at cost | | Total | |
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Opening balance, | 160,773 | 158,517 | 746,703 | 761,323 | 9,820 | 10,831 | 32,064 | 27,868 | 244,569 | 246,543 | 87,546 | 77,150 | 1,281,475 | 1,282,232 |
| Additions | - | - | 6,198 | 1,497 | - | - | 483 | 71 | 4,019 | 5,483 | 51,341 | 71,687 | 62,040 | 78,738 |
| Disposals | (539) | (706) | (481) | (367) | - | - | (63) | (28) | (1,283) | (1,519) | - | - | (2,366) | (2,620) |
| Restructure of administrative arrangements - Transfer out (Note 8.3) | - | 1,595 | - | (7,786) | - | - | (59) | (144) | - | - | - | (6,021) | (59) | (12,356) |
| Transfer in/ out of assets under construction | 580 | 2,683 | 25,225 | 24,750 | 716 | 39 | 6,583 | 8,914 | 11,077 | 19,591 | (44,179) | (55,977) | - | - |
| Revaluation of freehold land and buildings ^(a) | 1,342 | - | 76,583 | - | - | - | - | - | - | - | - | - | 77,925 | - |
| Revaluation of emergency response vehicles ^(b) | - | - | - | - | - | - | - | - | 295,101 | - | - | - | 295,101 | - |
| Impairment | - | (1,316) | - | - | - | - | - | - | - | - | - | - | - | (1,316) |
| Reversal of impairment | - | - | 1,332 | - | - | - | - | - | - | - | - | - | 1,332 | - |
| De-recognition of assets | - | - | - | - | - | - | - | - | - | - | (4,058) | - | (4,058) | - |
| Brigade assets recognised | - | - | 43 | - | - | - | 341 | - | 112 | - | (496) | 675 | - | 675 |
| Transfer from/ (to) software under development (Note 4.2) | - | - | - | - | - | - | - | - | - | - | - | 636 | - | 636 |
| Transfer between categories | - | - | - | - | - | - | - | - | - | - | - | (604) | - | (604) |
| Depreciation | - | - | (33,055) | (32,714) | (696) | (1,050) | (5,357) | (4,617) | (25,782) | (25,529) | - | - | (64,890) | (63,910) |
| Closing balance | 162,155 | 160,773 | 822,548 | 746,703 | 9,840 | 9,820 | 33,991 | 32,064 | 527,812 | 244,569 | 90,154 | 87,546 | 1,646,500 | 1,281,475 |

Notes:

(a) An assessment of land and building assets against the VGV indices was conducted in the current year which has resulted in a managerial revaluation of building assets. The next scheduled full revaluation for this purpose group will be conducted in 2025-26.

(b) A full revaluation of Emergency response vehicles and fleet assets was conducted by VGV in the current year as per FRD 103 Non-financial Physical Assets. Refer to Note 7.3.2 for details.

4.2 Intangible assets

Intangible assets includes a total net book value of \$1.421m (2022: \$1.057m) comprising of \$0.795m (2022: \$0.871m) capitalised software, trademarks and copy rights, and \$0.626m (2022: \$0.186m) capitalised software under development.

Initial recognition

Purchased intangible assets are initially recognised at cost. When the recognition criteria in *AASB 138 Intangible Assets* is met, internally generated intangible assets are recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

An **internally generated intangible asset** arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- b) an intention to complete the intangible asset and use or sell it;
- c) the ability to use or sell the intangible asset;
- d) the intangible asset will generate probable future economic benefits;
- e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- f) the ability to measure reliably the expenditure attributable to the intangible asset during its

Subsequent measurement

Intangible produced assets with finite useful lives are amortised as an 'expense from transactions' on a straight-line basis over their useful lives. **Intangible non-produced assets** with finite useful lives are amortised as an 'other economic flow' on a straight-line basis over their useful lives.

Useful lives of intangible assets are stated in the below table:

| Intangible Asset | (years) Useful life |
|---------------------------|------------------------|
| Software | 7 - 15 |
| Trademarks and copyrights | 10 |

Impairment of intangible assets

Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified.

5. OTHER ASSETS AND LIABILITIES

Introduction

This section sets out those assets and liabilities that arose from the CFA's controlled operations.

Structure

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5.1 Receivables

| | | (\$ thousand) | |
|--------------------------|--|------------------|---------------|
| | | 2023 | 2022 |
| Contractual | | | |
| | Sale of goods and services | 4,186 | 3,339 |
| | Allowance for impairment losses of contractual receivables | 7.1.2.2 (135) | (299) |
| | Other receivables | 10,735 | 15,076 |
| Statutory | | | |
| | GST net input tax credit recoverable | 1,994 | 2,916 |
| | False alarm, hazmat & other charges | 18,863 | 18,990 |
| | Allowance for impairment losses of statutory receivables | 7.1.2.2 (11,950) | (5,733) |
| Total receivables | | 23,693 | 34,289 |
| Represented by: | | | |
| | Current receivables | 23,693 | 15,929 |
| | Non-current receivables | - | 18,360 |

Contractual receivables are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. CFA holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.

Statutory receivables arising from GST recoverable are recognised and measured similar to contractual receivables, but are not classified as financial instruments for disclosure purposes. CFA applies AASB 9 for initial measurement of the statutory receivables arising from GST recoverable and, as a result, GST recoverable are initially recognised at fair value plus any directly attributable transaction cost.

Details about CFA's impairment policies, CFA's exposure to credit risk, and the calculation of the loss allowance are set out at Note 7.1.2.2.

5.2 Inventories

Inventories include \$8.55m (2022: \$11.02m) property held either for sale, for distribution at weighted average cost, or for consumption in the ordinary course of business operations.

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

The bases used in assessing loss of service potential for inventories held for distribution include current replacement cost and technical or functional obsolescence. Technical obsolescence occurs when an item still functions for some or all of the tasks it was originally acquired to do, but no longer matches existing technologies. Functional obsolescence occurs when an item no longer functions the way it did when it was first acquired.

5.3 Payables

| | (\$ thousand) | |
|------------------------|---------------|---------------|
| | 2023 | 2022 |
| Contractual | | |
| Supplies and services | 1,073 | 3,600 |
| Other payables | 26,017 | 26,890 |
| Statutory | | |
| FBT payable | 113 | 228 |
| Other taxes payable | 674 | 495 |
| Total payables | 27,877 | 31,213 |
| Represented by: | | |
| Current payables | 27,877 | 31,213 |

Payables consist of:

- **contractual payables** are classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to CFA prior to the end of the financial year that are unpaid; and
- **statutory payables**, that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

Trade payables for supplies and services have an average credit period of 30 days. No interest is charged on outstanding balances.

Other payables include accrual for benefits accruing to employees in respect of wages and salaries for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

5.3.1 Maturity analysis of contractual payables

The undiscounted cash flows of contractual payables include supplies and services of \$1.07m (2022: \$3.60m) and other payables of \$26.02m (2022: \$26.89m) all have maturity dates of less than 1 month.

5.4 Other provisions

| | | (\$ thousand) | |
|-------------------------------------|-------|---------------|---------------|
| | | 2023 | 2022 |
| Current provisions | | | |
| Volunteer compensation | 5.4.2 | 6,180 | 6,853 |
| Other Provisions | | 10,749 | 16,144 |
| Total current provisions | | 16,929 | 22,997 |
| Non-current provisions | | | |
| Volunteer compensation | 5.4.2 | 36,367 | 40,101 |
| Other Provisions | | 2,972 | 613 |
| Total non-current provisions | | 39,339 | 40,714 |
| Total other provisions | | 56,268 | 63,711 |

Other provisions are recognised when CFA has a present obligation, the future sacrifice of economic benefits is probable and the amount of the provision can be measured reliably. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using a discount rate that reflects the time, value of money and risks specific to the provision.

Volunteer compensation

CFA administers a compensation scheme, provided for under the *Country Fire Authority Act 1958* that is designed to recompense its volunteers for personal loss and injury incurred as a result of their activities in connection with the CFA. An actuarial assessment of this scheme was performed to determine the present value of CFA's future payment obligations for injuries sustained up to 30 June 2023. An allowance for anticipated recoveries was made, with these predominately related to lump sum recoveries from the Victorian Managed Insurance Authority (VMIA).

Large Claims: An individual projection model was used, based on current case estimate assumptions, with allowance for future case estimate development and mortality.

Non-Large Claims: Payments and recoveries were modelled using two actuarial techniques: payments per claim incurred, (PPCI) for injuries in 2013 to 2023, and chain-ladder (for injuries prior to 2013).

Allowance was made for claims incurred but not reported (IBNR) and claims incurred but not enough reported (IBNER), based on experience in recent injury years. Inflation adjusted future payments and recoveries were discounted to 30 June 2023 using risk free discount rates.

CFA's net outstanding claims provision decreased from \$47m at 30 June 2022 to \$42.5m at 30 June 2023.

The decrease is predominantly attributable to:

- changes in economic assumptions which are outside the control of CFA's management team;
- continuing markedly lower number of claims reported than expected, reflecting low bushfire season, continuing low volume of incidents, possibly from flow-on impacts of COVID-19 and change in jurisdictional boundaries from the Fire Services Reform Bill 1 July 2020;
- changes in the risk margin and claims handling expense assumptions applied.

These decreases partially offset by upward revisions in Injury Recovery Advisers' case estimates on large claims reflecting deterioration in injured volunteers' recovery, development of secondary psychiatric conditions for some injured volunteers and increases in medical and legal expenses.

5.4.1 The volunteer compensation provision is based on the following key assumptions

| Assumptions | 2023 | 2022 |
|--|-----------|-----------|
| Claim inflation | 3.3% | 3.1% |
| Discount rate | 4.0% | 3.6% |
| Risk margin ^(a) | 18.0% | 29.0% |
| Claims handling expenses ^(b) | 18.0% | 20.0% |
| Weighted average term of settlement ^(c) | 6.8 years | 6.9 years |

Notes

^(a) The Risk Margin assumption was reduced to 18%, reflecting the continuing favourable numbers of claims reporting experience.

^(b) The claims handling expense (CHE) assumption was reduced to 18%, reflecting lower average wages and the proportion of claims management time attributable to the volunteer scheme.

^(c) The weighted average term of settlement has decreased only marginally.

5.4.2 Reconciliation of movements in provision for volunteer compensation

| | (\$ thousand) | |
|---|---------------|---------------|
| | 2023 | 2022 |
| Opening balance | 46,954 | 55,808 |
| Payments made during the year | (6,588) | (7,262) |
| Addition/(Reversal) of provision for the year | 2,181 | (1,592) |
| Closing balance | 42,547 | 46,954 |

5.4.3 Reconciliation of movements in other provisions: off-site remediation works

| | (\$ thousand) | |
|----------------------------------|---------------|---------------|
| | 2023 | 2022 |
| Opening balance | 12,572 | 14,217 |
| Reductions arising from payments | (1,367) | (2,944) |
| Additional provision | 1,779 | 1,299 |
| Closing balance | 12,984 | 12,572 |

During the year 2020-21, the CFA received a clean up notice to remediate the immediate neighbouring properties located downstream of the former Fiskville Training College. An initial remediation provision was recognised for \$14,217k, funded by additional funding from the 2020 State Budget. In the current year, the remediation provision has been revised to \$12,984k.

5.5 Other assets

| | | (\$ thousand) | |
|-----------------------------------|-------|---------------|----------|
| | | 2023 | 2022 |
| Current other assets | | | |
| Advances - CSBA | 5.5.1 | 15,898 | - |
| Bonds | | 37 | - |
| Total current other assets | | 15,935 | - |

Other assets include advances and bonds.

Advances - CSBA represents amounts provided to Community Safety Building Authority (CSBA) for station building projects it is managing on behalf of CFA. Advances to CSBA are reduced to the extent of works undertaken during the period, and recognised as works in progress

5.5.1 Reconciliation of movements in Advances - CSBA

| | | (\$ thousand) | |
|--|--|---------------|----------|
| | | 2023 | 2022 |
| Opening balance | | | |
| Advances made during the year | | 20,203 | - |
| Transfers to assets under construction | | (4,305) | - |
| Closing balance | | 15,898 | - |

6. FINANCING OUR OPERATIONS

Introduction

This section provides information on the sources of finance utilised by CFA during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of CFA.

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Notes 7.1 and 7.3 provide additional, specific financial instrument disclosures.

Structure

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6.1 Cash flow information and balances

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

| | Note | (\$ thousand) | |
|--|-------|----------------|----------------|
| | | 2023 | 2022 |
| Total cash and deposits disclosed in the balance sheet | | | |
| - Cash at bank and on hand held by CFA Corporate | | 272,549 | 250,467 |
| - Cash at bank - Public Fund | 6.2.1 | 12,571 | 12,110 |
| - Cash at bank - CFA & Brigades Donations Trust Fund | 6.2.2 | 498 | 1,034 |
| - Cash at bank held by Brigades | | 37,981 | 38,377 |
| - Short-term deposits held by Brigades | | 1,198 | 1,885 |
| Balance as per cash flow statement | | 324,797 | 303,873 |

Cash and deposits represent liquid funds primarily held for the following purposes:

- future expenditure on projects and activities where funding has been received;
- cash held by brigades, which in general will be deployed for the benefit of the relevant brigade or group of brigades;
- provisions on employee benefits, volunteer compensation, off-site Fiskville remediation works and others;
- cash held by Public Fund is to be expended as per the Public Fund Governing Rules; and
- cash held in the Trust for CFA & Brigades Donations Fund will be expended as per the terms of the Trust Deed.

Short-term deposits held by brigades are invested in Authorised Deposit -Taking Institutions (ADIs) approved by Australian Prudential Regulation Authority (APRA) as per Brigade financial management policies.

6.1.1 Reconciliation of net result for the period to cash flow from operating activities

| | (\$ thousand) | |
|--|-----------------|---------------|
| | 2023 | 2022 |
| Net result for the period | (15,313) | 52 |
| Non-cash movements | | |
| (Gain)/ Loss on sale or disposal of non-current assets | (2,729) | (1,537) |
| Depreciation and amortisation of non-current assets (including non-produced intangible assets) | 64,966 | 63,985 |
| Impairment of property plant and equipment (including intangible assets) | - | 1,316 |
| Impairment of financial assets at amortised cost | 6,253 | (464) |
| Changes to expected credit loss allowance | (200) | - |
| Bad debts written off | 131 | 286 |
| (Gain)/ Loss arising from revaluation of long service leave liability | (396) | (2,669) |
| Movements in assets and liabilities | | |
| (Increase)/ Decrease in prepayments | 779 | (4,943) |
| (Increase)/ Decrease in receivables | 4,012 | (1,001) |
| (Increase)/ Decrease in inventories | 2,466 | (364) |
| Increase/ (Decrease) in payables | (3,336) | 3,430 |
| Increase/ (Decrease) in employee related provisions | 778 | 1,404 |
| Increase/ (Decrease) in other provisions | (7,443) | (7,517) |
| Net cash inflow from operating activities | 49,968 | 51,979 |

6.2 Trust and Fund account balances

6.2.1 Public Fund

The Public Fund is a public fund for the *Income Tax Assessment Act 1997 (as amended)*. This Fund is controlled by CFA.

The purpose of the Public Fund is to solicit donations and receive funds solely to support CFA in terms of the CFA Public Fund

6.2.1.1 Public Fund controlled by CFA

| 2023 | (\$ thousand) | | | |
|--|-----------------------------|-------------------|-------------------|--|
| | Opening balance as at | Total receipts | Total payments | Closing balance as at 30 June 2023 |
| Cash and cash equivalents and investments | | | | |
| Public Fund | 12,110 | 576 | 115 | 12,571 |

| 2022 | (\$ thousand) | | | |
|---|---------------------------------|-------------------|-------------------|--|
| | balance as at 1 July 2021 | Total receipts | Total payments | Closing balance as at 30 June 2022 |
| Cash, cash equivalents & investments | | | | |
| Public Fund | 11,942 | 547 | 379 | 12,110 |

6.2.2 Trust for CFA & Brigades Donations Fund

The Trust for CFA & Brigades Donations Fund is a public fund for the *Income Tax Assessment Act 1997 (as amended)*. The general objectives of the Trust are to raise and receive money and donations of goods and services from the public for distribution to the brigades to enable them to meet the costs of purchasing and maintaining firefighting equipment and facilities, providing training and resources and to otherwise meet those administrative expenses of the brigades which are associated with their firefighting equipment functions.

Any earnings on the funds held pending distribution are also applied to the trust funds under management as appropriate. The transactions and balances of the Trust are consolidated in this financial statement based on an assessment that CFA has control of the Trust, as defined in *AASB 10 Consolidated Financial Statements*.

6.2.2.1 Trust for CFA & Brigades Donations Fund controlled by CFA

| 2023 | (\$ thousand) | | | |
|--|-----------------------------------|----------------|----------------|------------------------------------|
| | Opening balance as at 1 July 2022 | Total receipts | Total payments | Closing balance as at 30 June 2023 |
| Cash and cash equivalents and investments | | | | |
| Trust for CFA & Brigades Donations Fund | 5,134 | 4,123 | 4,559 | 4,698 |

| 2022 | (\$ thousand) | | | |
|--|-----------------------------------|----------------|----------------|------------------------------------|
| | Opening balance as at 1 July 2021 | Total receipts | Total payments | Closing balance as at 30 June 2022 |
| Cash and cash equivalents and investments | | | | |
| Trust for CFA & Brigades Donations Fund | 11,706 | 3,597 | 10,169 | 5,134 |

6.3 Investments

| | (\$ thousand) | | |
|--|---------------|---------------|---------------|
| | 2023 | 2022 | |
| Term deposits | | | |
| Australian dollar term deposits held by the Trust > three months | 6.2.2 | 4,200 | 4,100 |
| Australian dollar term deposits held by Brigades > three months | | 56,690 | 52,354 |
| Total current investments | | 60,890 | 56,454 |

6.4 Borrowings

| | (\$ thousand) | |
|-------------------------------------|---------------|---------------|
| | 2023 | 2022 |
| Current Borrowings | | |
| Right-of-use lease liabilities | 9,689 | 8,664 |
| Total current borrowings | 9,689 | 8,664 |
| Non-current borrowings | | |
| Right-of-use lease liabilities | 64,052 | 63,088 |
| Total non-current borrowings | 64,052 | 63,088 |
| Total borrowings | 73,741 | 71,752 |

Borrowings refer to lease liabilities associated with right of use assets.

Borrowings are classified as financial instruments which are measured at amortised cost.

Defaults and breaches: During the current and prior year, there were no defaults and breaches of any of the borrowings.

6.4.1 Maturity analysis of borrowings

| | (\$ thousand) | | | | | | |
|--------------------------------|-----------------|----------------|-------------------|--------------|-------------------|---------------|---------------|
| | Carrying amount | Nominal amount | Maturity dates | | | | |
| | | | Less than 1 month | 1 - 3 months | 3 months - 1 year | 1 - 5 years | 5+ years |
| 2023 | | | | | | | |
| Right-of-use lease liabilities | 73,741 | 86,012 | 1,006 | 2,014 | 8,877 | 39,922 | 34,193 |
| Total | 73,741 | 86,012 | 1,006 | 2,014 | 8,877 | 39,922 | 34,193 |
| 2022 | | | | | | | |
| Right-of-use lease liabilities | 71,752 | 82,955 | 917 | 1,799 | 7,896 | 36,652 | 35,691 |
| Total | 71,752 | 82,955 | 917 | 1,799 | 7,896 | 36,652 | 35,691 |

Note: Lease liabilities arise from the adoption of the *AASB 16 Leases*.

6.5 Leases

Information about leases for which CFA is a lessee is presented below.

CFA leasing activities

The CFA leases various properties, IT equipment and motor vehicles. The lease contracts are typically made for fixed periods of a number of years with an option to renew the lease after that expiry date. Lease payments are renegotiated prior to expiry date to reflect market rentals.

Separation of lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

Recognition and measurement of leases as a lessee (under AASB 16)

For any new contracts entered into, CFA considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition CFA assesses whether the contract meets three key evaluations:

- whether the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to CFA and for which the supplier does not have substantive substitution rights;
- whether the CFA has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and CFA has the right to direct the use of the identified asset throughout the period of use; and
- whether CFA has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

Lease Liability – initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or the CFA's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable;

Lease Liability – subsequent measurement

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right of use asset is already reduced to zero.

Short-term leases and leases of low value assets

The CFA leases some equipment with contract terms of less than one year. CFA has elected to account for short-term leases and leases of low value assets using the practical expedients. Instead of recognising a right of use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight line basis over the lease term.

Below market/ Peppercorn lease

Right-of-use assets under leases at significantly below-market terms and conditions that are entered into principally to enable CFA to further its objectives, are initially and subsequently measured at cost.

These right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Leases at significantly below-market terms and conditions

CFA entered into a number of leases for the use of facilities to provide community services. The lease contracts specify lease payments of under \$200 per annum. The leased premises are used by the CFA to provide fire-fighting and rescue services to the community. These leases account for a small portion of similar premises used by CFA for the purpose of providing services to the community and therefore they do not have a significant impact on CFA's operations.

Presentation of right-of-use assets and lease liabilities

CFA presents right-of-use assets as 'Property, plant and equipment' in the Balance Sheet. Lease liabilities are presented as 'borrowings' in the Balance Sheet.

6.5.1 Right-of-use Assets

Right-of-use assets are presented in Note 4.1.1.

6.6 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded below at their nominal value and inclusive of GST. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

6.6.1 Total commitments payable

| Nominal amounts | (\$ thousand) | | | |
|--|---------------------|-----------------|-------------|---------------|
| | Less than 1 year | 1 to 5 years | 5+ years | Total |
| 2023 | | | | |
| Capital expenditure commitments payable ^(a) | 26,782 | 729 | - | 27,511 |
| Operating expenditure commitments payable ^(b) | 35,868 | 22,753 | 609 | 59,231 |
| Total commitments (inclusive of GST) | 62,651 | 23,482 | 609 | 86,742 |
| Less GST recoverable from the Australian Tax Office | (5,696) | (2,135) | (55) | (7,886) |
| Total commitments (exclusive of GST) | 56,955 | 21,348 | 554 | 78,856 |

| Nominal amounts | (\$ thousand) | | | |
|--|---------------------|-----------------|-------------|---------------|
| | Less than 1 year | 1 to 5 years | 5+ years | Total |
| 2022 | | | | |
| Capital expenditure commitments payable ^(a) | 35,828 | 3,534 | - | 39,362 |
| Operating expenditure commitments payable ^(b) | 34,755 | 8,374 | 800 | 43,929 |
| Total commitments (inclusive of GST) | 70,583 | 11,908 | 800 | 83,291 |
| Less GST recoverable from the Australian Tax Office | (6,417) | (1,083) | (73) | (7,572) |
| Total commitments (exclusive of GST) | 64,166 | 10,825 | 728 | 75,719 |

Note:

^(a) The decrease in capital expenditure commitments payable represents the transfer of the construction of fire station building projects to Community Building Safety Authority (CSBA). Refer note 5.5.

^(b) The increase in operational expenditure commitments payable is mainly attributable to the renewal of ICT contracts during the year.

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

Introduction

CFA is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information (including exposures to financial risks), as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for CFA relates mainly to fair value determination.

Structure

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7.1 Financial instruments specific disclosures

Introduction

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of CFA's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example taxes and fines). Such financial assets and liabilities do not meet the definition of financial instruments in *AASB 132 Financial Instruments: Presentation*.

An exception to the above is financial assets from false alarm, hazmat & other charges. While this financial asset does not meet the definition of financial instruments in *AASB 132 Financial Instruments: Presentation*, the nature of false alarm, hazmat & other charges arising from statutory requirements is, in substance, similar to a contractual receivable, as these charges also provide CFA with a right to receive cash or another financial asset from another entity. The difference between contractual receivables and these charges are that the rates are as determined by Ministerial Direction. Accordingly, CFA recognises, measures and presents a statutory receivable arising from false alarm & hazmat charges as if it were a financial instrument when the statutory requirements establish a right for the entity to receive cash or another financial asset.

Categories of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by CFA to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

CFA recognises the following assets in this category:

- cash and deposits;
- contractual receivables;
- statutory receivables - false alarm, hazmat & other charges; and
- investments in term deposits.

Categories of financial liabilities

Financial liabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method. CFA recognises the following liabilities in this category:

- payables (excluding statutory payables); and
- borrowings (lease liabilities).

7.1.1 Financial instruments: Categorisation

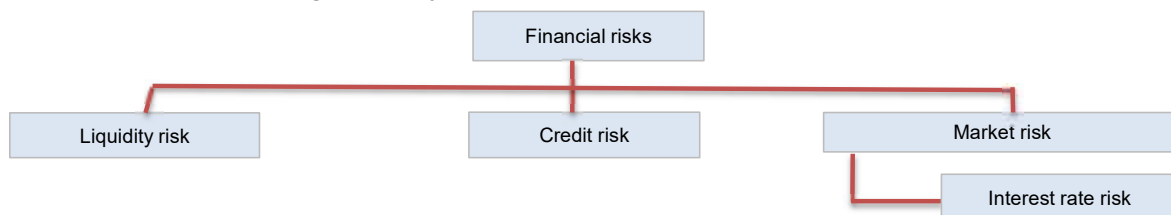
| | (\$ thousand) | | | |
|-------------------------------------|----------------------|--|-------------------------------------|----------------|
| | Cash and deposits | Financial assets at amortised cost | liabilities at amortised cost | Total |
| 2023 | | | | |
| Financial assets | | | | |
| Cash and deposits | 324,797 | - | - | 324,797 |
| Receivables^(a) | | | | |
| Sale of goods and services | - | 4,051 | - | 4,051 |
| Other receivables | - | 10,735 | - | 10,735 |
| False alarm, hazmat & other charges | - | 6,913 | - | 6,913 |
| Other assets | - | 15,935 | - | 15,935 |
| Investments | | | | |
| Term deposits | - | 60,890 | - | 60,890 |
| Total financial assets | 324,797 | 98,524 | - | 423,321 |
| Financial liabilities | | | | |
| Payables^(a) | | | | |
| Supplies and services | - | - | 1,073 | 1,073 |
| Other payables | - | - | 26,017 | 26,017 |
| Borrowings | | | | |
| Lease liabilities | - | - | 73,741 | 73,741 |
| Total financial liabilities | - | - | 100,831 | 100,831 |

| | (\$ thousand) | | | |
|-------------------------------------|----------------------|--|-------------------------------------|----------------|
| | Cash and deposits | Financial assets at amortised cost | liabilities at amortised cost | Total |
| 2022 | | | | |
| Financial assets | | | | |
| Cash and deposits | 303,873 | - | - | 303,873 |
| Receivables^(a) | | | | |
| Sale of goods and services | - | 3,040 | - | 3,040 |
| Other receivables | - | 15,076 | - | 15,076 |
| False alarm, hazmat & other charges | - | 13,257 | - | 13,257 |
| Investments | | | | |
| Term deposits | - | 56,454 | - | 56,454 |
| Total financial assets | 303,873 | 87,827 | - | 391,700 |
| Financial liabilities | | | | |
| Payables^(a) | | | | |
| Supplies and services | - | - | 3,600 | 3,600 |
| Other payables | - | - | 26,890 | 26,890 |
| Borrowings | | | | |
| Lease liabilities | - | - | 71,752 | 71,752 |
| Total financial liabilities | - | - | 102,242 | 102,242 |

Notes

(a) The total amounts disclosed exclude GST, FBT and other taxes

7.1.2 Financial risk management objectives and policies



As a whole, CFA's financial risk management program seeks to manage these risks and the associated volatility of its financial performance.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset and financial liability above are disclosed in Note 7.1 to the financial statements.

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

CFA's main financial risks include credit risk, liquidity risk, market risk and interest rate risk. CFA manages these financial risks in accordance with its Treasury and Investment Management Policy.

CFA uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Board of CFA.

Financial instruments: Credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. CFA's exposure to credit risk arises from the potential default of counterparties on their contractual and statutory obligations resulting in financial loss to CFA. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with CFA's financial assets is minimal. CFA minimises the concentration of credit risk for its contractual receivables by undertaking transactions with a large number of customers. Other than trade debtors, the major amounts owing at any point in time are from government (considered to be no credit risk). Other than trade debtors, at times there may be amounts owing from other entities. The assessment of credit risk for these are assessed on a case by case basis.

CFA minimises the concentration of credit risk for its statutory receivables i.e. false alarm and hazmat attendance charges, by engaging in timely communication of impending charges with the protected premises owner and providing a clear discount and appeals process. The assessment of credit risk for these transactions are assessed on a case by case basis.

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

- review debtor aged trial balance report for collectability of debtor balances
- follow-up on amounts that are 90 to 120 days overdue, via:
 - verbal follow up with debtor
 - written correspondence to customers requesting payment; and
 - refer debts for debt collection

The consideration of any impairment of a contractual and statutory receivable is measured at an amount equal to lifetime expected credit losses in accordance with the requirements of *AASB 9 Financial Instruments* and Para 4.3 of FRD 114 *Financial Instruments (May 2019)*. CFA measure expected credit losses of a financial instrument in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts, and future economic conditions.

Contract and statutory financial assets are written off against the carrying amount when identified, and there is no reasonable expectation of recovery.

Bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts written off following a unilateral decision is recognised as other economic flows in the net result.

Currently CFA does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

Except as otherwise detailed in the following table, the carrying amount of contractual and statutory financial assets recorded in the financial statements, net of any allowances for losses, represents CFA's maximum exposure to credit risk without taking account of the value of any collateral obtained.

There has been no material change to CFA's credit risk profile in 2022-2023.

7.1.2.1 Credit quality of financial assets

| | (\$ thousand) | | |
|--|-----------------------|---------------|----------------|
| 2023 | Financial institution | Other | Total |
| Financial assets | | | |
| Cash and deposits | 324,797 | - | 324,797 |
| Investments held by CFA & Brigades Trust Fund > 3 months | 4,200 | - | 4,200 |
| Investments held by brigades > 3 months | 56,690 | - | 56,690 |
| Other assets | - | 15,935 | 15,935 |
| Financial assets with loss allowance measured at lifetime expected credit loss:^(a) | | | |
| Contractual receivables applying the simplified approach for impairment | - | 14,786 | 14,786 |
| False alarm, hazmat & other charges applying the simplified approach for impairment | - | 6,913 | 6,913 |
| Total financial assets | 385,687 | 37,634 | 423,321 |

| | (\$ thousand) | | |
|--|-----------------------|---------------|----------------|
| 2022 | Financial institution | Other | Total |
| Financial assets | | | |
| Cash and deposits | 303,873 | - | 303,873 |
| Investments held by CFA Corporate > 3 months | 4,100 | - | 4,100 |
| Investments held by brigades > 3 months | 52,354 | - | 52,354 |
| Financial assets with loss allowance measured at lifetime expected credit loss:^(a) | | | |
| Contractual receivables applying the simplified approach for impairment | - | 18,116 | 18,116 |
| False alarm, hazmat & other charges applying the simplified approach for impairment | - | 13,257 | 13,257 |
| Total financial assets | 360,327 | 31,373 | 391,700 |

Notes

(a) The total amounts disclosed exclude GST, FBT and other taxes

Impairment of financial assets under AASB 9 Financial Instruments

CFA records the allowance for expected credit loss for the relevant financial instruments applying the AASB 9 Expected Credit Loss approach. Subject to AASB 9 impairment assessment include CFA's contractual receivables and statutory receivables.

While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was \$Nil.

Contractual receivables and statutory receivables at amortised cost

CFA applies AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. CFA has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on CFA's past history, existing market conditions, as well as forward-looking estimates at the end of the financial year.

CFA's false alarm, hazmat & other charges are considered as financial instruments as per para 4.3 of FRD 114 and AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities. These statutory receivables are recognised and measured in accordance with AASB 9 requirements as financial instruments under FRD 114. CFA applies AASB 9 simplified approach for statutory receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. CFA has similarly grouped statutory receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on CFA's past history, existing market conditions, as well as forward-looking estimates at the end of the financial year.

7.1.2.2 On this basis, CFA determines the closing loss allowance at end of the financial year as follows:

| 30 June 2023 | | | | | | (\$ thousand) |
|--------------------------------|-----------|----------------------|---------------|-----------------------|-----------------|---------------|
| | Current | Less than 1 month | 1 to 3 months | 3 months to 1 year | 1 to 5 years | Total |
| Contractual Receivables | | | | | | |
| Expected loss rate (%) | 0.58% | 0.61% | 0.18% | 18.05% | - | |
| Gross carrying amount | 2,946 | 66 | 526 | 647 | - | 4,186 |
| Loss allowance | 17 | 0 | 1 | 117 | - | 135 |
| Statutory Receivables | | | | | | |
| Expected loss rate (%) | 0.64% | 1.15% | 3.87% | 82.25% | 64.87% | |
| Gross carrying amount | 198 | 166 | 99 | 41 | 18,360 | 18,863 |
| Loss allowance | 1 | 2 | 4 | 33 | 11,910 | 11,950 |

| As at 30 June 2022 | | | | | | (\$ thousand) |
|--------------------------------|-----------|----------------------|---------------|-----------------------|-----------------|---------------|
| | Current | Less than 1 month | 1 to 3 months | 3 months to 1 year | 1 to 5 years | Total |
| Contractual Receivables | | | | | | |
| Expected loss rate (%) | 0.57% | 1.24% | 5.16% | 77.34% | - | |
| Gross carrying amount | 2,379 | 510 | 159 | 292 | - | 3,339 |
| Loss allowance | 14 | 6 | 8 | 226 | - | 254 |
| Statutory Receivables | | | | | | |
| Expected loss rate (%) | 0.55% | 1.18% | 4.89% | 70.52% | 30.56% | |
| Gross carrying amount | 245 | 149 | 70 | 166 | 18,360 | 18,990 |
| Loss allowance | 1 | 2 | 3 | 117 | 5,610 | 5,733 |

*The loss allowance does not include specific provisions for doubtful debts

7.1.2.2 Reconciliation of the movement in the loss allowance for contractual receivables is shown as follows:

| | (\$ thousand) | |
|--|---------------|--------------|
| | 2023 | 2022 |
| Balance at beginning of the year | (254) | (373) |
| Reversal of unused/ (Increase in) provision recognised in the net result | 119 | 119 |
| Balance at end of the year | (135) | (254) |

*The loss allowance does not include specific provisions for doubtful debts

Reconciliation of the movement in the loss allowance for statutory receivables is shown as follows:

| | (\$ thousand) | |
|--|-----------------|----------------|
| | 2023 | 2022 |
| Balance at beginning of the year | (5,733) | (6,123) |
| Reversal of unused/ (Increase in) provision recognised in the net result | (6,217) | 390 |
| Balance at end of the year | (11,950) | (5,733) |

Credit loss allowance is classified as other economic flows in the net result. Contractual and statutory receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

Under the simplified approach, the loss allowance is measured in the same period as an asset is recognised and is measured based on lifetime Expected Credit Losses. For example, the Expected Credit Losses for contractual receivables and statutory receivables from large number of small customers is determined based on a provision matrix, which is in turn, based on historical observed default rates, adjusted for forward-looking estimates.

Financial instruments: Liquidity risk

Liquidity risk arises from being unable to meet financial obligations as they fall due. CFA is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet. CFA manages its liquidity risk by:

- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations;
- holding investments and other contractual financial assets that are readily tradeable in the financial markets; and
- careful maturity planning of its financial obligations based on forecasts of future cash flows.

CFA's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. Cash for unexpected events is generally sourced from funds invested in call accounts through the Central Banking System.

CFA has in place a Board-approved Treasury and Investment Management Policy, which complies with the *Borrowing and Investment Powers Act 1987*.

Investments of cash, surplus to the day-to-day transactional requirements, are invested in an account with the Central Banking System under the Standing Directions 2018. Investments held by brigades are made with Authorised Deposit-Taking Institutions (ADIs) approved by the Australian Prudential Regulation Authority (APRA) as per CFA's Treasury and Investment Management Policy.

The carrying amount of contractual financial liabilities detailed in Note 5.3 represents CFA's maximum exposure to liquidity risk.

Financial instruments: Market risk

CFA's exposure to market risk is primarily through interest rate risk. Surplus cash and deposits that are invested in a call account at daily variable rates impacts income and cash.

CFA's exposure to foreign currency risk is minimal and limited to purchase of goods.

Objectives, policies and processes used to manage each of these risks are disclosed below.

Sensitivity disclosure analysis and assumptions

CFA's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five-year period, with all variables other than the primary risk variable held constant. CFA's fund managers cannot be expected to predict movements in market rates and prices. Sensitivity analysis shown is for illustrative purposes only. The following movements are 'reasonably possible' over the next 12 months:

- a movement of 100-basis points up and down (2022: 100 basis points up and down) in market interest rates in the Australian Dollar (AUD).

The tables in note 7.1.2.3 show the impact on CFA's net result for each category of financial instrument held by CFA at the end of the reporting period, if the above movements were to occur.

Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. CFA does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. CFA has exposure to cash flow interest rate risks through deposits at call at floating interest rates with the Central Banking System and a moderate exposure via fixed rate term deposits by brigades with Authorised Deposit Taking Institutions (ADI) approved by Australian Prudential Regulation Authority (APRA).

The carrying amounts of financial assets that are exposed to interest rates and CFA's sensitivity to interest rate risk are set out in the table that follows.

7.1.2.3 Interest rate exposure of financial instruments

| | % | Interest rate exposure | | | | Non-interest bearing |
|------------------------------------|-------|--------------------------------|-----------------|---------------------|------------------------|----------------------|
| | | Weighted average interest rate | Carrying amount | Fixed interest rate | Variable interest rate | |
| (\$ thousand) | | | | | | |
| 2023 | | | | | | |
| Financial assets | | | | | | |
| Cash and deposits | 3.06% | 324,797 | - | 324,797 | - | |
| Receivables ^(a) | | | | | | |
| Sale of goods and services | | 4,051 | - | - | 4,051 | |
| Other receivables | | 10,735 | - | - | 10,735 | |
| Statutory receivables | | 6,913 | - | - | 6,913 | |
| Other assets | | 15,935 | - | - | 15,935 | |
| Investments > 3 months | 2.92% | 60,890 | 60,890 | - | - | |
| Total financial assets | | 423,321 | 60,890 | 324,797 | 37,634 | |
| Financial liabilities | | | | | | |
| Payables ^(a) | | | | | | |
| Supplies and services | | 1,073 | - | - | 1,073 | |
| Other payables | | 26,017 | - | - | 26,017 | |
| Borrowings | | | | | | |
| ROU Lease liabilities | 3.01% | 73,741 | 73,741 | - | - | |
| Total financial liabilities | | 100,831 | 73,741 | - | 27,090 | |

| | % | Interest rate exposure | | | | Non-interest bearing |
|------------------------------------|-------|--------------------------------|-----------------|---------------------|------------------------|----------------------|
| | | Weighted average interest rate | Carrying amount | Fixed interest rate | Variable interest rate | |
| (\$ thousand) | | | | | | |
| 2022 | | | | | | |
| Financial assets | | | | | | |
| Cash and deposits | 0.29% | 303,873 | - | 303,873 | - | |
| Receivables ^(a) | | | | | | |
| Sale of goods and services | | 3,040 | - | - | 3,040 | |
| Other receivables | | 15,076 | - | - | 15,076 | |
| Statutory receivables | | 13,257 | - | - | 13,257 | |
| Investments > 3 months | 1.05% | 56,454 | 56,454 | - | - | |
| Total financial assets | | 391,700 | 56,454 | 303,873 | 31,373 | |
| Financial liabilities | | | | | | |
| Payables ^(a) | | | | | | |
| Supplies and services | | 3,600 | - | - | 3,600 | |
| Other payables | | 26,890 | - | - | 26,890 | |
| Borrowings | | | | | | |
| ROU Lease liabilities | 2.82% | 71,752 | 71,752 | - | - | |
| Total financial liabilities | | 102,242 | 71,752 | - | 30,490 | |

Notes

(a) The total amounts disclosed exclude GST, FBT and other taxes

7.1.2.4 Interest rate risk sensitivity

Cash and deposits include deposits of \$324.8m (2022: \$303.9m) that are exposed to floating rate movements. Sensitivities to these movements are calculated as follows:

- 2023: \$324.8m × ± 0.1000 = ± \$3.25m; and

- 2022: \$303.873m × ± 0.1000 = ± \$3.04m

7.2 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the Balance Sheet but are disclosed, and if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

CFA has not identified any contingent assets for the 2023 financial year (2022: \$nil)

Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- present obligations that arise from past events but are not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or
 - the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

Non-quantifiable contingent liabilities

A number of potential obligations are non-quantifiable at this time arising from:

- i) At 30 June 2023, CFA is included as a party in many legal proceedings. Due to the diversity of issues associated with these legal matters and their discretionary nature, quantification of the financial effect cannot be reliably estimated and it is therefore impractical to do so.
- ii) Firefighters' Presumptive Rights Compensation and Fire Services Legislation Amendment (Reform) Act 2019 (the Act)
- iii) Remediation and closure of Fiskville Training College and remediation of the Victorian Emergency Management Training Centre (VEMTC) training grounds.
- iv) Legacy use of PFAS containing foam potentially impacting CFA sites, neighbouring properties and appliances.

Firefighters' Presumptive Rights Compensation and Fire Services Legislation Amendment (Reform) Act 2019

The *Firefighters' Presumptive Rights Compensation and Fire Services Legislation Amendment (Reform) Act 2019* (the Act) was assented to on 2 July 2019. Part 2 of the Act, which came into operation on 3 July 2019, provides for the establishment and operation of the Firefighters' Presumptive Rights Compensation scheme for both career and volunteer firefighters. At the time of the preparation of this report, it is impractical to quantify any possible contingent liabilities for CFA arising from the scheme.

Remediation and closure of Fiskville Training College and remediation of VEMTC training grounds

On 26 March 2015, the government announced the permanent closure of Fiskville Training College (Fiskville). Fiskville and the VEMTC training grounds owned by CFA at Peshurst, Bangholme, West Sale, Wangaratta, Huntly, and Longerenong have been the subject of notices issued by the EPA.

Refer Note 5.4.3 for details of provisions associated with the off-site Fiskville remediation works, where the works are quantifiable.

CFA has contingent liabilities arising from the closure of Fiskville and notices issued by EPA. These relate to further notices that may be issued by EPA, regulatory infringements that may be imposed by EPA, compensation that may be sought and, any legal claims that may be made. At this stage it is impractical to quantify the financial impacts of these contingent liabilities.

Legacy use of per- and poly-fluoroalkyl substances (PFAS) containing foam potentially impacting CFA sites, neighbouring properties and appliances

CFA has historically received claims from private property's neighbouring a CFA fire stations due to contamination. Additional claims may be submitted in the future for remediation of private properties neighbouring other CFA fire stations.

7.3 Fair value determination

Significant judgement: Fair value measurements of assets and liabilities

Fair value determination requires judgement and the use of assumptions. This section discloses the most significant assumptions used in determining fair values. Changes to assumptions could have a material impact on the results and financial position of CFA.

This section sets out information on how CFA determined fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Land, buildings, plant and equipment and vehicles, including right-of-use assets are carried at fair value.

In addition, the fair values of other assets and liabilities that are carried at amortised cost, also need to be determined for disclosure

CFA determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

Fair value hierarchy

In determining fair values, a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

CFA determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Valuer-General Victoria (VGV) is CFA's independent valuation agency. CFA, in conjunction with VGV, monitors changes in the fair value of each asset through relevant data sources to determine whether revaluation is required.

How this section is structured

For those assets and liabilities for which fair values are determined, the following disclosures are provided:

- carrying amount and the fair value (which would be the same for those assets measured at fair value);
- which level of the fair value hierarchy was used to determine the fair value; and
- in respect of those assets and liabilities subject to fair value determination using Level 3 inputs:
 - a reconciliation of the movements in fair values from the beginning of the year to the end; and
 - details of significant unobservable inputs used in the fair value determination.

This section is divided between disclosures relating to fair value determination for financial instruments (refer to Note 7.3.1) and non-financial physical assets (refer to Note 7.3.2).

7.3.1 Fair value determination of financial assets and liabilities

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

- Level 1 – the fair value of financial instruments with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;
- Level 2 – the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3 – the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

CFA currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are a reasonable approximation of fair value due to their short-term nature or with the expectation that they will be paid in full by the end of the 2022-23 reporting period. All financial instruments are determined at Level 3 above, except for cash and investments which are determined at level 1. Refer to Note 7.1.1 for the list of financial instruments.

There have been no transfers between levels during the period.

7.3.2 Fair value determination: Non-financial physical assets

7.3.2.1 Fair value measurement hierarchy

CFA holds land, buildings, leasehold improvements, property, plant & equipment and vehicle assets, that are recorded in accordance with the fair value hierarchy in the financial statements and are determined at Level 3 at the end of the reporting period.

There have been no transfers between levels during the period.

Specialised land and buildings: The market approach to valuation is used for specialised land, although it is adjusted for the Community Service Obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible, legally permissible, and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

For CFA's specialised buildings, the current replacement cost method is used, adjusting for the associated depreciation. As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

An independent valuation of CFA's specialised land and building assets is conducted every 5 years by the Valuer-General Victoria, as per the requirements of FRD 103 *Non-financial Physical Assets*. The effective date of the last independent valuation was 30 June 2021, using the market approach adjusted for CSO. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. Fair value is determined by direct reference to recent market transactions on arm's length terms for land of comparable size and location to the CFA. The valuation was based on independent assessments, with management recognising that it is difficult to reliably estimate with any degree of certainty the potential impact of COVID 19 on the valuation.

CFA conducted a desktop fair value assessment of land and buildings assets as at 30 June 2023, based on the cumulative movement in fair value indicators using the Land and Building indices issued by the Valuer-General Victoria. The results of the assessment indicated an 11% increase in the Fair Value of Building assets. This result is considered a material movement that require a managerial revaluation, as per FRD 103 Non-financial Physical Assets.

Heritage assets are valued using the current replacement cost method. This cost generally represents the replacement cost of the building/component after applying depreciation rates on a useful life basis. However, for some heritage and iconic assets, the cost may be the reproduction cost rather than the replacement cost if those assets' service potential could only be replaced by reproducing them with the same materials.

Where it has not been possible to examine hidden works such as structural frames and floors, the use of reasonable materials and methods of construction have been assumed bearing in mind the age and nature of the building. The estimated cost of reconstruction including structure services and finishes, also factors in any heritage classifications as applicable.

An independent valuation of CFA's heritage assets was performed by the Valuer-General Victoria, using the current replacement cost of the assets. The effective date of the valuation was 30 June 2021.

CFA holds \$1.428m (2022: \$1.428m) worth of properties listed as heritage assets. These heritage assets cannot be modified nor disposed of without formal ministerial approval.

Vehicles are valued using the current replacement cost method. CFA acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers at CFA who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

An independent valuation of CFA's emergency response vehicles (ERV) was performed by the Valuer-General Victoria. Due to the specialised nature of ERV assets, where there is a lack of market evidence on which to base a fair value assessment, the valuation methodology applied was the Cost approach, also known as Current Replacement Cost (CRC) approach. The effective date of the valuation was 30 June 2023.

Plant and equipment is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the current replacement cost method. There were no changes in valuation techniques throughout the period to 30 June 2023. For all assets measured at fair value, the current use is considered the highest and best use.

A more detailed analysis of the sensitivity of significant unobservable inputs used in the valuation is disclosed in the table below titled 'Description of significant unobservable inputs to Level 3 valuations'.

7.3.2.2 Reconciliation of Level 3 fair value movements

| | (\$ thousand) | | | | | |
|---|------------------|-----------------------|-----------------|------------------------|---------------------|----------------|
| 2023 | Specialised land | Specialised buildings | Heritage assets | Leasehold improvements | Plant and equipment | Vehicles |
| Opening balance | 160,773 | 745,275 | 1,428 | 9,820 | 32,064 | 244,569 |
| Purchases | 580 | 31,466 | - | 716 | 7,406 | 15,207 |
| Disposals | (539) | (481) | - | - | (63) | (1,283) |
| Reverval of impairment | - | 1,332 | - | - | - | - |
| Asset transfer to other government agencies | - | - | - | - | (59) | - |
| Revaluation of land and buildings | 1,342 | 76,583 | - | - | - | - |
| Revaluation of emergency response vehicles | - | - | - | - | - | 295,101 |
| Depreciation | - | (33,055) | - | (696) | (5,357) | (25,782) |
| Closing balance | 162,155 | 821,120 | 1,428 | 9,840 | 33,991 | 527,812 |

| | (\$ thousand) | | | | | |
|---|------------------|-----------------------|-----------------|------------------------|---------------------|----------------|
| 2022 | Specialised land | Specialised buildings | Heritage assets | Leasehold improvements | Plant and equipment | Vehicles |
| Opening balance | 158,517 | 759,854 | 1,469 | 10,831 | 27,868 | 246,543 |
| Purchases | 2,683 | 26,247 | - | 39 | 8,985 | 25,074 |
| Disposals | (706) | (367) | - | - | (28) | (1,519) |
| Asset transfer to other government agencies | 1,595 | (7,786) | - | - | (144) | - |
| Impairment | (1,316) | - | - | - | - | - |
| Depreciation | - | (32,673) | (41) | (1,050) | (4,617) | (25,529) |
| Closing balance | 160,773 | 745,275 | 1,428 | 9,820 | 32,064 | 244,569 |

7.3.2.3 Description of significant unobservable inputs to Level 3 valuations

| 2022 and 2023 | Valuation technique | Significant unobservable inputs | Range (Weighted Average) | Sensitivity Of Fair Value Measurement to Changes in Significant Unobservable |
|-----------------------|---|--------------------------------------|--|---|
| Specialised land | Market approach | CSO adjustment 10% - 80% | 10% - 80% | A significant increase or decrease in the CSO adjustment would result in a significantly lower (higher) fair value. |
| Specialised buildings | Current replacement cost | Direct cost per square metre | Range: \$26 – \$12,345 per square meter | A significant increase or decrease in direct cost per square metre adjustment would result in a significantly higher or lower fair value. |
| | | Useful life of specialised buildings | 50 years | A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation. |
| Heritage assets | Current replacement cost ^(a) | Direct cost per square metre | \$2,389 per square meter | A significant increase or decrease in direct cost per square metre adjustment would result in a significantly higher or lower fair value. |
| | | Useful life of heritage assets | 100 years | A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation. |
| Vehicles | Current replacement cost | Cost per unit | Range: \$5,000 - \$1.1 million per unit | A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value. |
| | | Useful life of vehicles | 3 to 35 years | A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation. |
| | | Residual value | 7.50% | A significant increase or decrease in residual value of the asset would result in a significantly higher or lower fair value. |
| Plant and equipment | Current replacement cost | Cost per unit | Range: \$5,000 - \$4.7 million per unit | A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value. |
| | | Useful life of plant and equipment | 2 to 20 years | A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation. |

Note

^(a) For some heritage and iconic assets, cost may be the reproduction cost of the asset rather than the replacement cost if their service potential could only be replaced by reproducing them with the same materials.

Significant unobservable inputs have remained unchanged since 30 June 2022.

8. OTHER DISCLOSURES

Introduction

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

Structure

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8.1 Ex-gratia expenses

Ex-gratia expenses are the voluntary payments of money or other non-monetary benefit, e.g. a write-off, that is not made to acquire goods, services or other benefits for the entity, to meet a legal liability, to settle or resolve a possible legal liability or claim against the entity.

No ex-gratia payments were made during the financial year (2022: nil).

8.2 Remuneration of auditors

| | (\$ thousand) | |
|--|---------------|------------|
| | 2023 | 2022 |
| Audit of the financial statements - Victorian Auditor-General's Office | 243 | 231 |
| Internal and other audit services ^(a) | 366 | 352 |
| Total remuneration of auditors | 609 | 583 |

Notes:

(a) The Victorian Auditor-General's Office is prohibited from providing non-audit services.

8.3 Restructure of administrative arrangements through contributed capital

From 1 July 2020, Parts 3 to 11 of the *Firefighter's Presumptive Rights Compensation and Fire Services Legislation Amendment (Reform) Act 2019* came into operation and amended the *Country Fire Authority Act 1958* and the *Fire Rescue Victoria Act 1958 (FRV Act)*, together referred to as Fire Services Reform. This machinery of government change saw the commencement of Fire Rescue Victoria (FRV), bringing together career firefighters from the Metropolitan Fire Brigade and CFA, and restored CFA to a volunteer firefighting service.

Fire Services Reform gave rise to a restructuring of administrative arrangements for CFA which began in 2020-21. This restructure resulted in a range of transfers from CFA to FRV, which included associated property, rights, liabilities and obligations (both identified and contingent). Whilst the restructure is substantially completed, some final transfers continued to be made in the current year. Key elements that transferred between CFA to FRV due to this restructure during 2022-23 included only physical assets associated with completed projects.

The net assets and liabilities transferred between CFA and FRV as a result of the administrative restructure during the year included nil cash (2022: \$0.724m) and \$0.059m property, plant and equipment (2022: \$12.355m). The values reflect the carrying amounts immediately before the respective transfers through contributed capital.

8.4 Physical asset revaluation surplus

| | Note | 2023 | 2022 |
|--|-------|------------------|----------------|
| (\$ thousand) | | | |
| Physical asset revaluation surplus | | | |
| Balance at beginning of financial year | | 676,452 | 676,452 |
| Revaluation increments/ (decrements) | | | |
| - Freehold land | 4.1.3 | 1,342 | - |
| - Buildings | 4.1.3 | 76,583 | - |
| - Vehicles | 4.1.3 | 295,101 | - |
| Balance at end of financial year | | 1,049,478 | 676,452 |
| Net changes in physical asset revaluation surplus | | 373,026 | - |

Notes:

(a) The physical assets revaluation surplus arises on the revaluation of land, buildings and vehicles.

8.5 Responsible persons

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the *Financial Management Act 1994 (FMA)*, the following disclosures are made regarding responsible persons for the reporting period.

Names

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

Responsible Minister

Minister for Emergency Services

The Hon Jaclyn Symes, MP 1 July 2022 to 30 June 2023

Authority Members (CFA Board Members)

| | |
|--------------------------------|------------------------------|
| Greg Wilson (Chair) | 1 July 2022 to 30 June 2023 |
| Michelle McLean (Deputy Chair) | 1 July 2022 to 30 June 2023 |
| Peter Shaw AFSM | 1 July 2022 to 30 June 2023 |
| Pamela White PSM | 1 July 2022 to 30 June 2023 |
| Dawn Hartog AFSM | 1 July 2022 to 30 June 2023 |
| Beth Davidson OAM | 1 July 2022 to 30 June 2023 |
| Anthony Peake OAM | 1 July 2022 to 30 June 2023 |
| Rachel Thomson | 1 July 2022 to 30 June 2023 |
| Ross Coyle | 30 July 2022 to 30 June 2023 |
| Kent Griffin | 1 July 2022 to 30 July 2022 |

Accountable Officer

Natalie MacDonald (Chief Executive Officer) 1 July 2022 to 30 June 2023

Remuneration (other than the Responsible Minister)

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

| Income Band | Number | |
|-----------------------------------|--------------|------------|
| | 2023 | 2022 |
| \$0 - \$9,999 | 1 | 3 |
| \$20,000 - \$29,999 | - | 1 |
| \$50,000 - \$59,999 | 1 | 5 |
| \$60,000 - \$69,999 | 6 | 1 |
| \$70,000 - \$79,999 | 1 | - |
| \$110,000 - \$119,999 | - | 1 |
| \$120,000 - \$129,999 | 1 | - |
| \$470,000 - \$479,999 | - | 1 |
| \$490,000 - \$499,999 | 1 | - |
| Total numbers | 11 | 12 |
| Total amount (\$ thousand) | 1,145 | 959 |

8.6 Remuneration of executives

The number of executive officers, other than Ministers and the Accountable Officer, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provides a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits (as defined in *AASB 119 Employee Benefits*) in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered. Accordingly, remuneration is determined on an accrual basis, and is disclosed in the following categories.

Short-term employee benefits include amounts such as salaries, wages, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include employer's contribution to superannuation and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long service leave, other long service benefits or deferred compensation.

Termination benefits include termination of employment payments, such as severance packages.

| Remuneration of executive officers (including Key Management Personnel disclosed in Note 8.7) | (\$ thousand) | |
|--|--------------------|--------------|
| | Total remuneration | |
| | 2023 | 2022 |
| Short-term employee benefits | 8,247 | 7,544 |
| Post-employment benefits | 822 | 663 |
| Other long-term benefits | 176 | 171 |
| Termination benefits | - | 267 |
| Total remuneration | 9,246 | 8,645 |
| Total number of executives ^(a) (number) | 32 | 32 |
| Total annualised employee equivalents ^(b) (number) | 31.2 | 29.4 |

Notes

^(a) The total number of executive officers include persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure. Refer to note 8.7.

^(b) Annualised employee equivalent is based on the time fraction worked over the reporting period.

8.7 Related parties

CFA is a wholly owned and controlled entity of the State of Victoria.

Related parties of CFA include:

- all Key Management Personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over); and
- all Cabinet Ministers and their close family members.
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements

All related party transactions have been entered into on an arm's-length basis.

Key Management Personnel of CFA includes the Portfolio Minister, Board of Directors, Chief Executive Officer, Chief Officer, Chief Information Officer, Chief Financial Officer and Group General Managers.

| KMP | KMP Category | Position title | Period |
|---------------------------------------|---------------------|--|-------------------------------------|
| The Hon. Jaclyn Symes, MP | Portfolio Minister | Minister for Emergency Services | 1 July 2022 to 30 June 2023 |
| The Hon. Anthony Richard Carbines, MP | Portfolio Minister | Acting Minister for Emergency Services | 29 April 2023 to 30 April 2023 |
| The Hon. Anthony Richard Carbines, MP | Portfolio Minister | Acting Minister for Emergency Services | 28 December 2022 to 14 January 2023 |
| The Hon. Anthony Richard Carbines, MP | Portfolio Minister | Acting Minister for Emergency Services | 23 September 2022 to 2 October 2022 |
| Greg Wilson | Board of Directors | Chair | 1 July 2022 to 30 June 2023 |
| Michelle McLean | Board of Directors | Deputy Chair | 1 July 2022 to 30 June 2023 |
| Peter Shaw AFSM | Board of Directors | Board Member | 1 July 2022 to 30 June 2023 |
| Pamela White PSM | Board of Directors | Board Member | 1 July 2022 to 30 June 2023 |
| Dawn Hartog AFSM | Board of Directors | Board Member | 1 July 2022 to 30 June 2023 |
| Beth Davidson OAM | Board of Directors | Board Member | 1 July 2022 to 30 June 2023 |
| Anthony Peake OAM | Board of Directors | Board Member | 1 July 2022 to 30 June 2023 |
| Rachel Thomson | Board of Directors | Board Member | 1 July 2022 to 30 June 2023 |
| Ross Coyle | Board of Directors | Board Member | 30 July 2022 to 30 June 2023 |
| Kent Griffin | Board of Directors | Board Member | 1 July 2022 to 30 July 2022 |
| Natalie MacDonald | Accountable Officer | Chief Executive Officer | 1 July 2022 to 30 June 2023 |
| Jason Heffeman | CFA Executive | Chief Officer | 1 July 2022 to 30 June 2023 |
| Greg Forck | CFA Executive | Chief Financial Officer | 1 July 2022 to 30 June 2023 |
| Paul Ramage | CFA Executive | General Manager Governance, Legal and Risk | 1 July 2022 to 30 June 2023 |
| Kylee Bates | CFA Executive | Group General Manager – Support Services | 1 July 2022 to 30 June 2023 |
| Robyn Harris | CFA Executive | Group General Manager Strategic Services | 1 July 2022 to 30 June 2023 |
| Brendan O'Kane | CFA Executive | Chief Information Officer | 1 July 2022 to 30 June 2023 |

Remuneration of key management personnel

The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the Annual financial report of the state.

| | (\$ thousand) | |
|--|---------------|--------------|
| Compensation of Key Management Personnel | 2023 | 2022 |
| Short-term employee benefits | 2,962 | 2,336 |
| Post-employment benefits | 268 | 131 |
| Other long-term benefits | 58 | 57 |
| Total^(a) | 3,289 | 2,524 |

Note

^(a) KMPs that are members of CFA Executive Team are also reported in the disclosure of remuneration of executive officers at Note 8.6.

Significant transactions with government-related entities

CFA's main source of funding was from State Government grants that are allocated to the Department of Justice and Community Safety for distribution to CFA on a quarterly basis. CFA regularly transacted with other emergency services.

All payments made or received between CFA and other government entities are on arm's length basis and at normal commercial terms.

During the year, CFA had the following government-related entity transactions:

- \$378.22 million received from Department of Justice and Community Safety (DJCS) (2022: \$377.64m).
- \$2.91 million received from Fire Rescue Victoria (FRV) (2022: \$14.91m).
- \$7.71 million received from Department of Energy, Environment and Climate Action, (DEECA) (2022: \$6.97m)
- \$5.95 million received from the other state government-related entities (2022: \$3.36m).
- \$54.24 million payment to Department of Justice and Community Safety (DJCS) (2022: \$37.48m).
- \$24.03 million payment to Emergency Services Telecommunication Authority (ESTA) (2022: \$35.12m).
- \$10.97 million payment to Department of Energy, Environment and Climate Action (DEECA) (2022: \$10.88m)
- \$13.03 million payment to other state government entities (2022: \$8.82m).

During 2021, there was a restructure of administrative arrangements with FRV. Transactions that continue to occur as a result of that restructure are detailed in Note 8.3. Refer Note 2.2.3 for services received from or provided to FRV free of charge or for nominal consideration.

Transactions and balances with key management personnel and other related parties

Given the breadth and depth of state government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. payment of stamp duty and other government fees and charges. Further, employment processes within the Victorian Public Sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission.

No transactions that have occurred with KMP and their related parties have been considered material for disclosure. In this context, transactions are only disclosed when they are considered necessary to draw attention to the possibility that CFA's financial position and profit or loss may have been affected by the existence of related parties, and by transactions and outstanding balances, including commitments, with such parties.

No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

8.8 Subsequent events

The policy in connection with recognising subsequent events, which are events occurring between the end of the reporting period and the date when the financial statements are authorised for issue, is as follows:

- adjustments are made to amounts recognised in the financial statements where those events provide information about conditions that existed at the reporting date; and/ or
- disclosure is made where the events relate to conditions that arose after the end of the reporting period that are considered to be of material interest.

There are no other subsequent events requiring adjustment or disclosure.

8.9 Australian Accounting Standards issued that are not yet effective

| Topic | Key Requirement | Effective date for CFA | Impact on CFA's financial statements |
|--|---|------------------------|--|
| AASB <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants</i> | 2020-1 This Standard amends AASB 101 <i>Presentation of Financial Statements</i> to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current and was applicable to annual reporting periods beginning on or after 1 January 2022. AASB 2020-6 subsequently amended AASB 2020-1, deferring the mandatory effective date to 1 January 2023. AASB 2022-6 applies to annual reporting periods beginning on or after 1 January 2023 and amends and clarifies the requirements contained in AASB 2020-1. Among other things, it: <ul style="list-style-type: none"> - clarifies that only those covenants that an entity must comply with at or before the reporting date affect a liability's classification as current or non-current; and - requires additional disclosures for non-current liabilities that are subject to an entity complying with covenants within twelve months after the reporting date. | 1 July 2023 | The standard only becomes effective for CFA in the 2023-24 financial year. CFA will assess and adopt this amendment, if required at the appropriate time. AASB 2020-6 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date</i> was issued in August 2020 and defers the effective date to annual reporting periods beginning on or after 1 January 2023 instead of 1 January 2022, with earlier application permitted. |
| AASB <i>Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities.</i> | 2022-10 This standard amends AASB 13 <i>Fair Value Measurement</i> by adding authoritative implementation guidance and illustrative examples for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows. Among other things, the Standard: <ul style="list-style-type: none"> - specifies that an entity needs to consider whether an asset's highest and best use differs from its current use only when it is held for sale or held for distributions to owners under AASB 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i> or if it is highly probable that it will be used for an alternative purpose; - clarifies that an asset's use is 'financially feasible' if market participants would be willing to invest in the asset's service capacity, considering both the capacity to provide needed goods or services and the resulting costs of those goods and services; - specifies that if both market selling price and some market participant data required to fair value the asset are not observable, an entity needs to start with its own assumptions and adjust them to the extent that reasonably available information indicates that other market participants would use different data; and - provides guidance on the application of the cost approach to fair value, including the nature of costs to be included in a reference asset and identification of economic obsolescence. | 1 July 2024 | The standard only becomes effective for CFA in the 2024-25 financial year. CFA will assess and adopt this amendment, if required at the appropriate time. |

A number of other standards and amendments have also been issued that apply to future reporting periods, however they are not expected to have any significant impact on the financial statements in the period of initial application.

8.10 Glossary of technical terms

The following is a summary of the major technical terms used in this report.

Actuarial gains or losses on superannuation defined benefit plans are changes in the present value of the superannuation defined benefit liability resulting from:

- a) experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred); and
- b) the effects of changes in actuarial assumptions.

Amortisation is the expense that results from the consumption, extraction or use over time of a non-produced physical or intangible asset. This expense is classified as an 'other economic flow'.

Comprehensive result is the amount included in the comprehensive operating statement representing total change in net worth other than transactions with owners as owners.

Control means the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Controlled item generally refers to the capacity of CFA to benefit from that item in the pursuit of the entity's objectives and to deny or regulate the access of others to that benefit.

Current grants are amounts payable or receivable for current purposes for which no economic benefits of equal value are receivable or payable in return.

Depreciation is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense is classified as a 'transaction' and so reduces the 'net result from

Effective interest method is the method used to calculate the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, where appropriate, a shorter period.

Expected Credit Loss (ECL) is a calculation of the present value of the amount expected to be lost on a financial asset, for financial reporting purposes. This is measured in a way that reflects:

- a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- b) the time value of money; and
- c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Financial asset is any asset that is:

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

Financial liability is any liability that is:

- a) a contractual obligation:
 - to deliver cash or another financial asset to another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
- b) a contract that will or may be settled in the entity's own equity instruments and is:
 - a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

Financial Reporting Directions (FRDs) are financial and non-financial reporting requirements prescribed by Department of Treasury and Finance (DTF).

Financial statements comprise:

- a) a comprehensive operating statement for the period;
- b) a balance sheet as at the end of the period;
- c) a cash flow statement for the period;
- d) a statement of changes in equity for the period;
- e) notes, comprising a summary of significant accounting policies and other explanatory information;
- f) comparative information in respect of the preceding period as specified in paragraph 38 of *AASB 101 Presentation of Financial Statements*; and
- g) a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 41 of *AASB 101*.

General government sector comprises all government departments, offices and other bodies engaged in providing services free of charge or at prices significantly below their cost of production. General government services include those that are mainly non-market in nature, those that are largely for collective consumption by the community and those that involve the transfer or redistribution of income. These services are financed mainly through taxes, or other compulsory levies and user charges.

Key Management Personnel (KMP) – people with the authority and responsibility for directly or indirectly planning, directing and controlling the activities of the entity.

Leases are rights conveyed in a contract, or part of a contract, the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

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

Net financial liabilities are calculated as liabilities less financial assets. This measure is broader than net debt as it includes significant liabilities, other than borrowings (e.g. accrued employee liabilities such as superannuation and long service leave entitlements).

Net financial worth is equal to financial assets minus liabilities. It is a broader measure than net debt as it incorporates provisions made (such as superannuation, but excluding depreciation and bad debts) as well as holdings of equity. Net financial worth includes all classes of financial assets and liabilities, only some of which are included in net debt.

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

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

Net worth is calculated as assets less liabilities, which is an economic measure of wealth.

Non-financial assets are all assets that are not financial assets. It includes inventories, land, buildings, infrastructure, road networks, land under roads, plant and equipment, cultural and heritage assets and intangibles.

Non-produced assets are assets used for production that have not themselves been produced. They include land, subsoil assets, and certain intangible assets. Non-produced intangibles are intangible assets needed for production that have not themselves been produced. They include constructs of society such as patents.

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

Other economic flows included in net result are changes in the volume or value of an asset or liability that do not result from transactions. In simple terms, other economic flows are changes arising from market re-measurements. They include gains and losses from disposals, revaluations and impairments of non-financial physical and intangible assets; fair value changes of financial instruments.

Other economic flows – other comprehensive income comprises items (including reclassification adjustments) that are not recognised in net result as required or permitted by other Australian Accounting Standards. They include changes in physical asset revaluation surplus, changes in accumulated surplus and gains and losses on remeasuring available-for-sale financial assets.

Payables include short and long-term trade debt and accounts payable, grants, taxes and interest payable.

Prepayments represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

Produced assets include buildings, plant and equipment, inventories, cultivated assets and certain intangible assets. Intangible produced assets may include computer software, motion picture films and research and development costs (which does not include the start-up costs associated with capital projects).

Receivables include amounts owing from government through appropriation receivable, short and long-term trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

Related party is a person who has significant influence over a KMP or vice versa and/ or a close family member of a KMP.

Related party transaction is a transaction between CFA and one of its KMPs, a related party or any entity they control.

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

Standing Directions refers to the Standing Directions 2018 of the Assistant Treasurer under the *Financial Management Act 1994* and its Instructions.

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

8.11 Style conventions

Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

The notation used in the tables is as follows:

- - zero, or rounded to zero
- (xxx.x) negative numbers
- 20xx year/ period
- 20xx–xx year/ period

The financial statements and notes are presented based on the illustration for a government department in the 2022-2023 Model Report for *Victorian Government Departments*. The presentation of other disclosures is generally consistent with the other disclosures made in earlier publications of CFA's annual report.

Appendix

Financial Disclosures

Consultancy expenditure

Details of consultancies valued at \$10,000 or greater

As at 30 June 2023, there were seven consultancies where the total fees payable to the consultants were \$10,000 or greater.

| Consultant | Purpose of consultancy | Start date | End Date | Total approved project fee (excl. GST) (\$'000) | Expenditure 2022-23 (excl. GST) (\$'000) | Future expenditure (excl. GST) (\$'000) |
|---------------------|--|------------|----------|---|--|---|
| Deloitte | Finance Reform Project | Oct-22 | Jun-23 | 574.24 | 574.24 | - |
| Ernst & Young | Planning and implementation of Zero Based Budgeting | Feb-22 | Jul-22 | 31.13 | 31.13 | - |
| Ernst & Young | Provision of Financial Management advice | Apr-22 | Jun-24 | 518.18 | 373.71 | 144.48 |
| Cube | Operating Model Program (Phase 1) | Apr-22 | Nov-22 | 206.72 | 206.72 | - |
| Cube | Operating Model Program (Organisational Design) | Jun-23 | Oct-23 | 335.00 | 107.23 | 227.77 |
| Jacobs Group | Development of whole of life asset plan | Sep-22 | Jun-23 | 303.81 | 303.81 | - |
| EV Safe | Provide subject matter expertise on electric vehicles (EVs) | Dec-22 | May-23 | 25.50 | 25.50 | - |
| TCS Rural (Pty) Ltd | Review of opportunities and improvements provided to CFA via the use of new equipment and technologies | Jan-23 | Mar-23 | 38.55 | 38.55 | - |
| Aither Pty Ltd | Develop framework for capability and capacity review | May-23 | May-23 | 22.48 | 9.55 | 12.93 |
| Total | | | | 2,055.62 | 1,670.44 | 385.18 |

Details of consultancies valued at less than \$10,000

As of 30 June 2023, there were no consultants engaged during the year, where the total fees payable to each of the consultants was

Information and communication technology expenditure

Details of information and communication technology (ICT) expenditure*.

As at 30 June 2023, total ICT expenditure of \$51.5m with details shown below:

| (\$ million) | | | |
|---|---|-----------------------------------|-------------------------------|
| Business As Usual (BAU) ICT expenditure Total | Non-Business As Usual (non-BAU) ICT expenditure A + B | Non-BAU Operational expenditure A | Non-BAU Capital expenditure B |
| 37.4 | 14.1 | 11.5 | 2.6 |

ICT expenditure refers to costs in providing business-enabling ICT services. It comprises Business As Usual (BAU) ICT expenditure and Non-Business As Usual (Non-BAU) ICT expenditure. Non-BAU ICT expenditure relates to extending or enhancing current ICT capabilities. BAU ICT expenditure is all remaining ICT expenditure which primarily relates to ongoing activities to operate and maintain the current ICT capability.

The increase in BAU costs (2022:\$28.8m) is associated with the transfer of system responsibilities to the ICT team for platforms previously managed by other teams and update to methodology in capturing all ICT costs.

*Includes amounts incurred for operational communication.

Government advertising expenditure

As at 30 June 2023, there were no media buys above \$100k (exclusive of GST) for any CFA advertising campaign.

Relevant Legislation and Policies

Legislation and delegated legislation provide a clear framework for our operations. Relevant legislation includes but is not limited to:

Victorian Acts

Accident Compensation Act 1985
Audit Act 1994 Borrowing and Investment Powers Act 1987
Building Act 1993
Carers Recognition Act 2012
Charter of Human Rights and Responsibilities Act 2006
Child Wellbeing and Safety Act 2005
Conservation, Forests and Lands Act 1987
Country Fire Authority Act 1958
Dangerous Goods Act 1985
Disability Act 2006
Electricity Safety Act 1998
Emergency Management Act 1986
Emergency Management Act 2013
Environment Protection Act 1970
Equal Opportunity Act 2010
Evidence Act 2008
Financial Management Act 1994
Forests Act 1958
Freedom of Information Act 1982
Fundraising Act 1998
Gambling Regulation Act 2003
Gender Equality Act 2020
Health Records Act 2001
Heavy Vehicle National Law Application Act 2013
Independent Broad-based Anti-Corruption Commission Act 2011
Liquor Control Act 1987
Local Jobs First Act 2003
Occupational Health and Safety Act 2004
Ombudsman Act 1973
Planning and Environment Act 1987
Privacy and Data Protection Act 2014
Public Interest Disclosures Act 2012
Public Administration Act 2004
Public Construction Management Act 1994
Public Records Act 1973
Rail Safety (Local Operations) Act 2006
Road Safety Act 1986
Residential Tenancies Act 1997
Subdivision Act 1988
Surveillance Devices Act 1999
Traditional Owner Settlement Act 2010
Victorian Civil and Administration Tribunal Act 1998
Working with Children Act 2005
Workplace Injury Rehabilitation and Compensation Act 2013
Wrongs Act 1958

Commonwealth Acts

A New Tax System (Goods and Services Tax) Act 1999
Climate Change Act 2017
Competition and Consumer Act 2010
Disability Discrimination Act 1992
Fair Work Act 2009
Fringe Benefits Tax Assessment Act 1986
National Vocational Education and Training Regulator Act 2011
Public Interest Disclosure Act 2013
Racial Discrimination Act 1975
Sex Discrimination Act 1984
Telecommunications Act 1997

Freedom of Information Act 1982

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

Making a request

Access to documents in the possession of CFA can be obtained through a written request to CFA's FOI team, as detailed in s17 of the FOI Act. As such, requests can be lodged directly with CFA via email to foi@cfa.vic.gov.au or posted to:

CFA Freedom of Information Officer

PO Box 701

Mount Waverley Vic 3149

Telephone: (03) 9262 8512

Account Name: CFA

BSB: 063 225

Account number: 1007 1353

Please include confirmation of the payment in your email so that our accounts receivable department can be notified accordingly.

FOI statistics/time lines

During 2022-23 CFA received 182 applications. Of these requests, one was from a Member of Parliament, three union requests, zero from the media, 49 from law firms and the remainder from CFA members and the general public. CFA made 142 FOI decisions during the 12 months ended 30 June 2023. All decisions apart from 10 were made within the statutory time frame. The delayed decisions were due to complications with locating documents. From the requests received during 2022-23 four were subject to a complaint/review by the Office of the Victorian Information Commissioner.

Further information

Further information regarding the operation and scope of FOI can be obtained from the FOI Act, the Professional Standards and Regulations made under the Act and OVIC.vic.gov.au.

Financial Management Act 1994 (Vic)

All the financial information contained in the report for the financial year has been prepared and presented in accordance with the Financial Management Act 1994 and the Standing Directions of the Minister for Finance 2016 issued under that Act. Relevant information is available to the Minister for Emergency Services, the Parliament of Victoria, and the public on application to CFA's Accountable Officer (the Chief Executive Officer).

Public Interest Disclosures Act 2012 (Vic)

In relation to the matters specified in section 70 of the Public Interest Disclosures Act 2012 during the reporting year, there were nil disclosures notified to the Independent Broad-based Anti-corruption Commission by CFA under section 21(2) during 2022-23.

Privacy and Data Protection Act 2014 (Vic)

The Privacy and Data Protection Act 2014 regulates how CFA protects the privacy of individuals, including but not limited to CFA members. CFA has a dedicated Privacy Officer appointed to investigate privacy-related issues and provide advice, guidance, education and training on CFA privacy-related matters. CFA has a privacy policy and registers and responds to all enquiries and complaints.

Building Act 1993 (Vic)

CFA complies with the Building Act 1993, with respect to alterations and maintenance to the buildings owned by CFA. National Competition Policy CFA complies, to the extent applicable, with the National Competition Policy.

FRD 24 reporting of environmental data

CFA supports the Victorian Government in its commitment to minimise the public sector's impact on the environment and take action to mitigate climate change. Tracking and reporting environmental performance is a key mechanism used to assess the execution of initiatives CFA implements to improve environmental sustainability.

CFA is committed to continuously improving environmental performance, integrating environmental considerations into our decision-making processes, and acting as responsible environmental stewards within our industry and community. We have developed an environment policy that outlines our commitment to environmental protection, sustainable practices, and compliance with applicable laws and regulations.

CFA operates a network of 1,210 fire stations throughout Victoria. In addition to the stations, CFA has its headquarters in metropolitan Melbourne, 13 mechanical workshops and eight training centres, as well as other specialist premises across the state.

At the training centres CFA has installed water treatment plants that capture, treat and recycle all water used in firefighting training scenarios ensuring that 41.3 mega litres of water were recycled in the 2022-23 financial year.,

Future environmental reporting will include environmental performance, design and NABERS rating for CFA's buildings.

CFA recognises the significance of good sustainability practices in our procurement decisions. By including specific criteria related to environmental responsibility in our tendering process, CFA assesses and evaluates potential suppliers and contractors, considering their use of sustainable materials, waste reduction measures, and compliance with relevant environmental standards and certifications. By prioritising sustainable procurement practices, CFA not only reduces environmental impacts, but also supports the development of a sustainable marketplace.

CFA recently installed 17 electric vehicle charging stations in seven locations, including Burwood Headquarters and the State Logistics Centre, and incorporated electric vehicles into the transport fleet.

Reporting boundary

CFA's environmental reporting boundary includes all facilities and activities within CFA's operational control including:

- office locations
- training facilities
- brigade stations
- mechanical workshops
- vehicles, including brigade firefighting trucks.

Excluded from the boundary is any facility that is not owned or leased by CFA, including residential locations where staff may work from home.

Reporting period

CFA reports environmental data using the fringe benefits tax (FBT) period from 1 April – 31 March each year to avoid data lag (the delay between consumption and data being accessible). This approach is taken by various Victorian Government departments and largely circumvents the need to average or estimate consumption where data is absent at the end of the financial year.

Energy use

Electricity is used to power CFA's network of fire stations and diesel is used to fuel CFA's fleet of passenger vehicles, firefighting vehicles and other response vehicles.

Table 15: Energy use

| Indicator | 2022-23 |
|--|-------------|
| E1 – Total energy usage from fuels | 95,764,669 |
| Stationary | 7,275,979 |
| Transport | 88,488,690 |
| E2 – Total energy used from electricity (MJ) | 39,019,912 |
| E3 – Total energy used segmented into renewable and non-renewable sources (MJ) | 128,784,581 |
| Renewable | (1) |
| Non-renewable | 128,784,581 |
| E4 – Units of energy used normalised by FTE | 153,688 |

(1) Solar information, including the capacity installed and behind-the-meter electricity use, will be collected and included in future environmental reporting

- Energy data is sourced directly from SmartPower
- Fuel data (transport) is sourced from Custom Fleet; and diesel data is sourced from CFA Finance through pre-existing rebate processes to ensure efficiency and accuracy of data
- Fuel data (stationary) is sourced from VEMTC Administration, State Logistics Centre and Fleet Maintenance

Greenhouse gas (GHG) emissions

CFA reports GHG emissions under two scopes as outlined in the GHG Protocol:

- Scope 1 emissions are from sources that CFA owns or controls, such as the consumption of diesel in the fleet.
- Scope 2 emissions are indirect emissions from CFA's use of electricity from the grid.

CFA's Scope 1 GHG emissions for the reporting period were 6,614.4 tonnes of carbon dioxide equivalent (t.CO₂-e) and were made up mostly of diesel consumed by the fleet. CFA's scope 1 GHG emissions can vary considerably from year to year depending on the severity of the fire season and therefore demand on CFA's response to fire activity. During the reporting period it was a low-moderate fire season. While limited by technology and commercial readiness of solutions to displace diesel in our firefighting fleet, CFA will continue to monitor advances in renewable energy solutions, particular battery-electric and hybrid electric technologies for fire truck applications.

CFA's Scope 2 GHG emissions for the reporting period were 8,421.7 t.CO₂-e. Electricity is consumed by CFA's offices, training centres and fire stations. Options for future energy saving initiatives will be investigated over the following reporting period.

Table 16: Greenhouse gas (GHG) emissions

| Indicator | 2022-23 |
|--|----------|
| G1 – Total Scope 1 GHG emissions (t.CO ₂ -e) | 6,614.4 |
| G2 – Total Scope 2 GHG emissions (t.CO ₂ -e) | 8,421.7 |
| Total Scope 1 and 2 GHG emissions (t.CO ₂ -e) | 15,036.1 |

Electricity production and consumption

CFA has taken action to improve its energy performance by installing rooftop solar panels at 51 locations.

Table 17: Electricity production and consumption

| Indicator | 2022-23 |
|--|------------|
| EL1 – Total electricity consumption (kWh) | 10,838,865 |
| Purchased Electricity – Grid (kWh) | 10,838,865 |
| Self-generated (kWh) | (2) |
| EL2 – On-site electricity generated (kWh) | (2) |
| Solar PV | (2) |
| Consumption behind-the-meter | (2) |
| Exports | 106,290 |
| EL3 – On-site installed generation capacity (MW) | (2) |
| Solar PV | (2) |
| EL4 – Total electricity offsets (MWh) | 0 |
| LGCs voluntarily retired by the Entity | 0 |
| Greenpower | 0 |

(2) This information was not available for 2022-23 and will be captured and reported in future years.
 • Energy data is sourced directly from SmartPower

Stationary fuel use

Energy use from stationary fuel is mostly from burning natural gas in gas-fired boilers to heat space in buildings. Natural gas comprises 55 per cent of energy attributed to the use of stationary fuel. LPG is the second largest source of stationary energy use making up 37 per cent. Other stationary fuels sources include diesel, petrol and dry wood which are used for various purposes including as a fire accelerant for firefighter training drills.

Transitioning from natural gas to electric alternative technologies is a difficult emissions reduction initiative. While electric solutions exist and are technologically advanced and commercially ready, retrofitting buildings with these technologies requires significant capital expenditure as well as careful consideration of practical aspects of their implementation.

Fuel used for training purposes to simulate response situations will continue. The use of these fuels is an important part of CFA readiness and preparedness for firefighting including training new volunteers. CFA will investigate options for nature-based solutions in the future to offset GHG emissions.

Table 18: Stationary fuel use

| Indicator | 2022-23 |
|--|-----------|
| F1 – Total Fuels used in buildings and machinery (MJ) | 7,275,979 |
| Buildings – natural gas | 4,038,998 |
| Machinery | 3,236,981 |
| Diesel | 117,457 |
| Petrol | 300,064 |
| LPG | 2,680,707 |
| Dry wood | 138,753 |
| F2 - GHG emissions from stationary fuel consumption (t.CO ₂ -e) | 399.3 |

• Fuel data (stationary) is sourced from VEMTC Administration, State Logistics Centre and Fleet Maintenance Transportation

Transport

CFA's fleet includes 121 hybrid vehicles and eight battery-electric vehicles. Transitioning CFA's heavy vehicle fleet, including fire trucks, is a more complex challenge because of high fuel requirements and the regional nature of CFA's activities. CFA is actively monitoring developments in this space as advances in these technologies occur.

Table 19: Types of transport

| Indicator | 2022-23 | % |
|--|---------|-------|
| T2 – Number and proportion of vehicles | 3076 | 100.0 |
| Road vehicles | 3075 | 99.9 |
| Petrol | 44 | 1.4 |
| Two-wheeled and three-wheeled vehicles | 4 | 0.1 |
| Passenger vehicles | 20 | 0.7 |
| Buses | 2 | 0.1 |
| Good vehicles ^(a) | 18 | 0.6 |
| Diesel | 2902 | 94.3 |
| Passenger vehicles | 175 | 5.7 |
| Buses | 13 | 0.4 |
| Goods vehicles ^(a) | 2714 | 88.2 |
| Hybrid electric passenger vehicle | 121 | 3.9 |
| Electric passenger vehicle (battery) | 8 | 0.3 |
| Non-road vehicles | 1 | <0.1 |
| Petrol marine vessel | 1 | <0.1 |

(a) Goods vehicles include brigade vehicles

• Number of vehicles is sourced from Custom Fleet

Table 20: Energy used by transport

| Indicator | 2022-23 |
|--|------------|
| T1 – Total energy used by transport (MJ) | 88,488,690 |
| Road vehicles | 88,488,690 |
| Petrol (unleaded/premium) | 5,263,413 |
| Petrol (E10) | 74,450 |
| Diesel | 83,150,828 |
| Electricity | N/A |
| Non-road vehicles | <1 |
| Petrol (unleaded/premium) | <1 |
| T3 – Greenhouse gas emissions from vehicle fleet (t.CO ₂ e) | 6,215.1 |
| Road vehicles | 6,215.1 |
| Petrol (unleaded/premium) | 355.9 |
| Petrol (E10) | 4.5 |
| Diesel | 5,854.7 |
| Non-road vehicles | <1 |
| Petrol (unleaded/premium) | <1 |

NA: not available

• Fuel data (transport) is sourced from Custom Fleet and diesel data is sourced from CFA Finance through pre-existing rebate processes to ensure efficiency and accuracy of data

Compliance with DataVic Access Policy

Consistent with the DataVic Access Policy issued by the Victorian Government in 2012, all data tables included in this annual report will be available at www.data.vic.gov.au in electronic format.

Sponsorships

CFA has a Managing Strategic Partnerships and Sponsorships business rule which outlines the processes, procedures and obligations for entering into a sponsorship agreement (including a corporate sponsorship), strategic partnership or fundraising appeals in order to meet financial, strategic and legal requirements. In the 2022-23 financial year, there was an expenditure of \$550 for the Geography Teachers Association of Victoria Conference.

Employment and conduct principles

CFA is committed to applying merit and equity principles when appointing staff. The selection processes ensure that applicants are assessed and evaluated fairly and equitably on the basis of the key selection criteria and other accountabilities without discrimination.

Carers Recognition Act 2012 (Vic)

CFA has taken all practical measures to comply with its obligations under the Carers Recognition Act 2012.

Local Jobs First Act 2003 (Vic)

In accordance with the requirement of the Victorian Industry Participation Program Act 2003, government agencies are required to include a statement summarising the implementation of the VIPP in annual reports. Financial Reporting Direction 25 specifies that VIPP is to be reported for contracts valued at more than \$3 million in metropolitan areas and \$1 million in regional areas. Three contracts were commenced during 2022-23 in regional Victoria that exceeded \$1 million in value. They were Moe Fire Station, Mt Macedon Fire Station and the Central Highlands Training Campus - Safe Working at Heights Prop. One contract commenced during 2022-23 in the metropolitan area that exceeded \$3 million in value. This was the CFA Head Office refurbishment – fit-out works.

The local content (including all labour & materials) for these contracts was in the order of 94 per cent.

Occupational health and safety

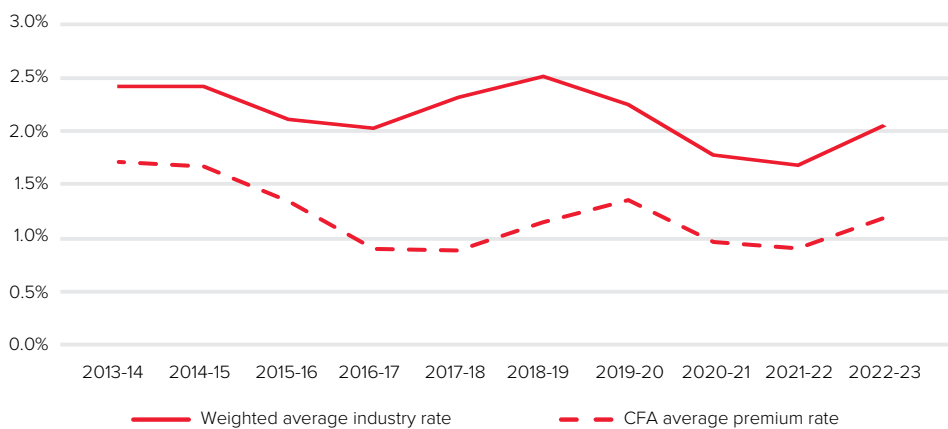
Employee incidents and claims

CFA's performance rating has dropped for the first time in more than five years and is now just under 9 per cent below the industry average performance. Premium has increased significantly due to a combination of a 42 per cent increase in the average scheme rate, the impacts of complex mental health claims and continuing poor return-to-work outcomes. Transferred Fire Rescue Victoria claims will continue to impact CFA's performance and premium for a further year, up to 2024-25.

Volunteer incidents and claims

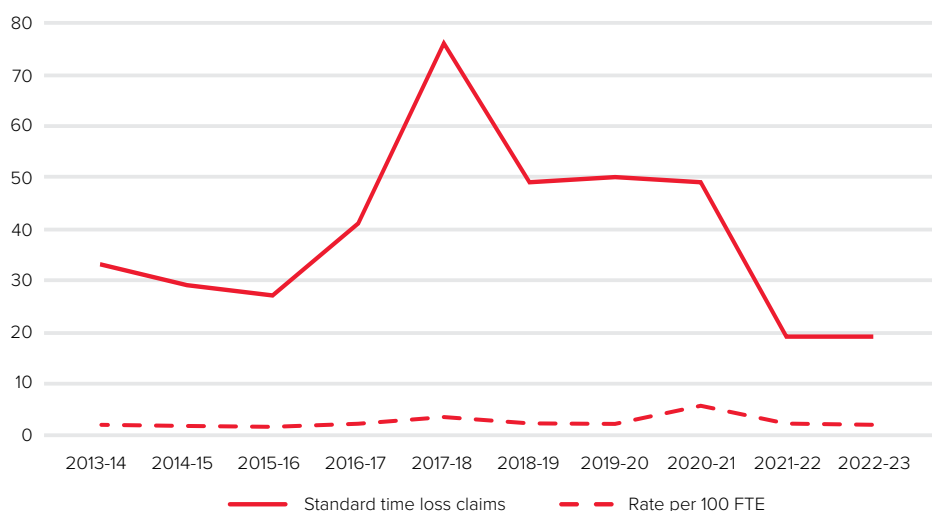
Claim numbers are starting to increase as activities continue to return to pre-COVID 19 pandemic levels following relaxation of COVID-19 restrictions. The number of time lost claims has increased from the previous year, with 88 per cent of new claims submitted for physical injuries. Volunteer presumptive rights cancer claim numbers continue to increase with 26 new cancer claims received this financial year, bringing the total to 68 claims since Presumptive Rights Legislation was implemented in 2019.

CFA WorkSafe premium vs industry rate



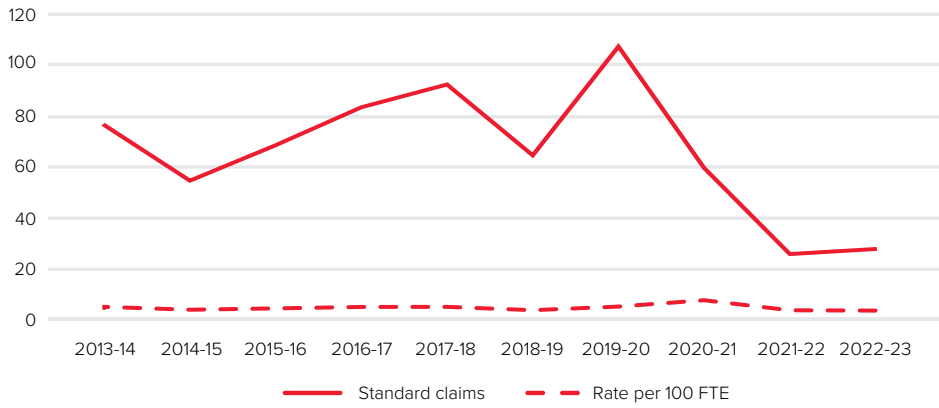
CFA's performance has declined. This is being largely driven by delayed reporting and poor return-to-work outcomes. To support better return to work outcomes CFA has developed a new Injury Recovery and Rehabilitation Framework to enable a more proactive approach to claims and injury management. CFA's performance and premium will continue to be impacted by the claims that transferred to Fire Rescue Victoria until 2024-25

Employee lost time claims and rate per 100 FTE



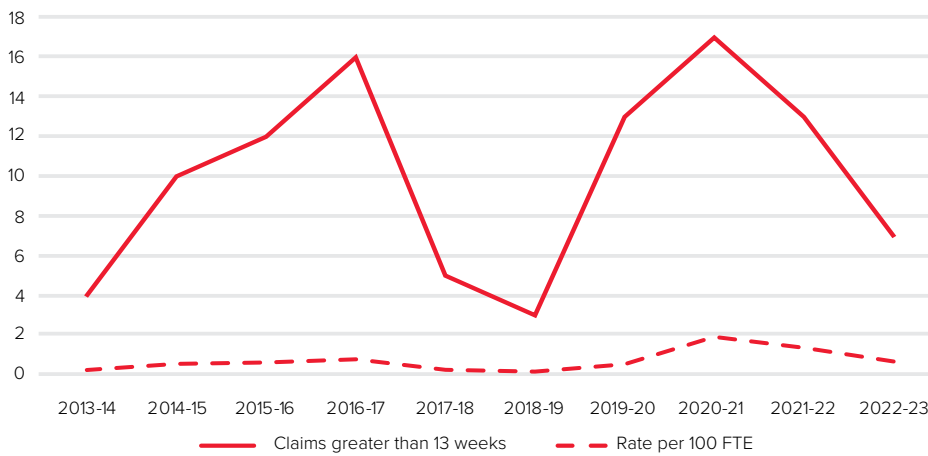
Psychological/mental health injury claims continue to make up the largest injury category for time lost claims this financial year, accounting for 43 per cent. However, CFA has seen a steady reduction in new psychological claims in the past few months of the financial year and an increase in physical claims.

Number of standard employee claims and rate per 100 FTE



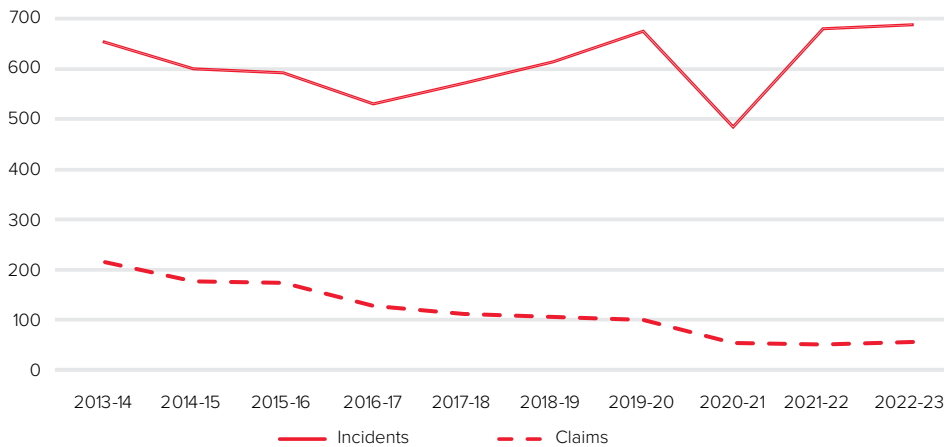
Standard claim numbers have increased by 10 per cent on the previous year, with an increase in physical injuries in the workplace as the workforce returns to office-based activities.

Employee claims with time loss of 13 weeks or greater and rate per 100 FTE



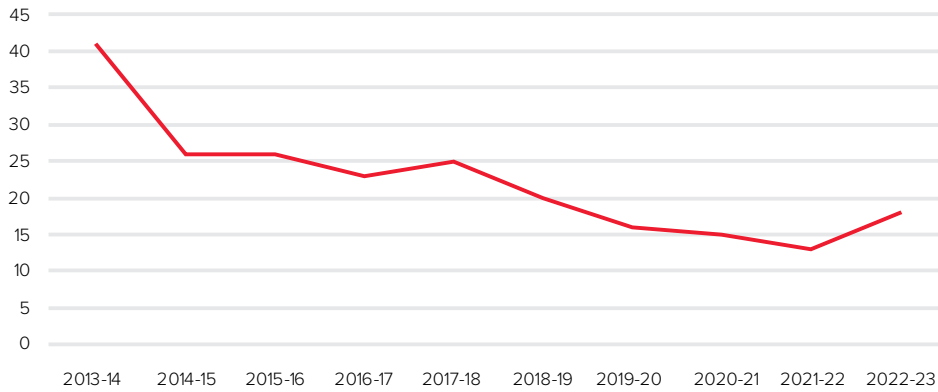
Psychological/mental injury claims still account for the majority of lost time injuries over 13 weeks.

Volunteer claims and incident trends (date of injury)



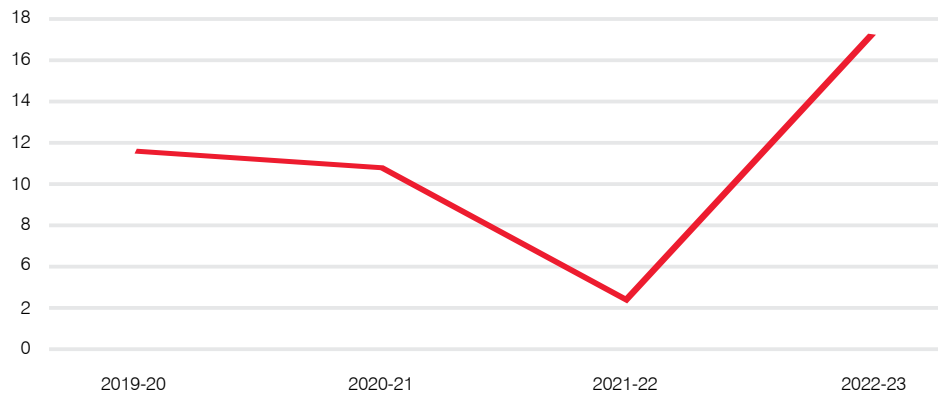
Claims numbers have seen a slight increase on the previous year. 2022-23 includes a number of new, significant physical injury claims.

Volunteer lost time claims (date of injury)



Volunteer time lost injuries increased on the previous year, with numbers nearing pre-COVID 19 pandemic levels.

Volunteer presumptive rights cancer claims



Presumptive rights cancer claims are managed by WorkSafe under a separate policy. New presumptive rights cancer claims continue to be submitted each month, with prostate cancer claims representing 49 per cent of claims this financial year. The next largest category of claims is 14 per cent for colorectal cancer.

Disclosure Index

Compliance with statutory disclosure requirements

| Requirement | Page reference |
|---|----------------|
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