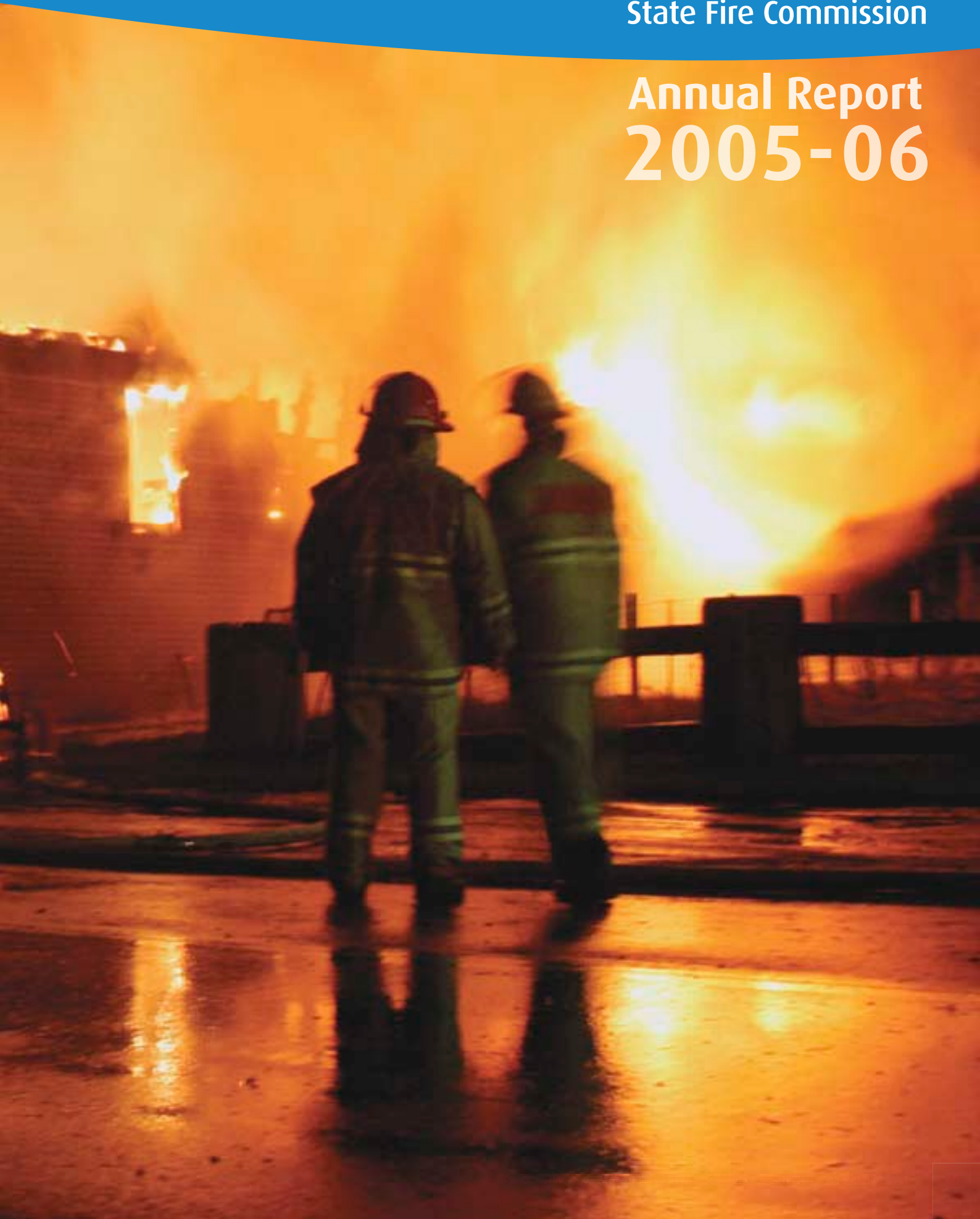




State Fire Commission

Annual Report 2005-06



Statement of Compliance

Honourable D Llewellyn MHA

Minister for Police and Emergency Management

Dear Minister

In accordance with Section 107(g) of the *Fire Service Act 1979*, we hereby submit for your information and presentation to Parliament the Report of the State Fire Commission for the year ending 30 June 2006.

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



J. B. Gledhill BSc, FIFire E, AFSM

CHIEF OFFICER



L. P. Dewhurst AFSM

COMMISSION MEMBER

24 October 2006

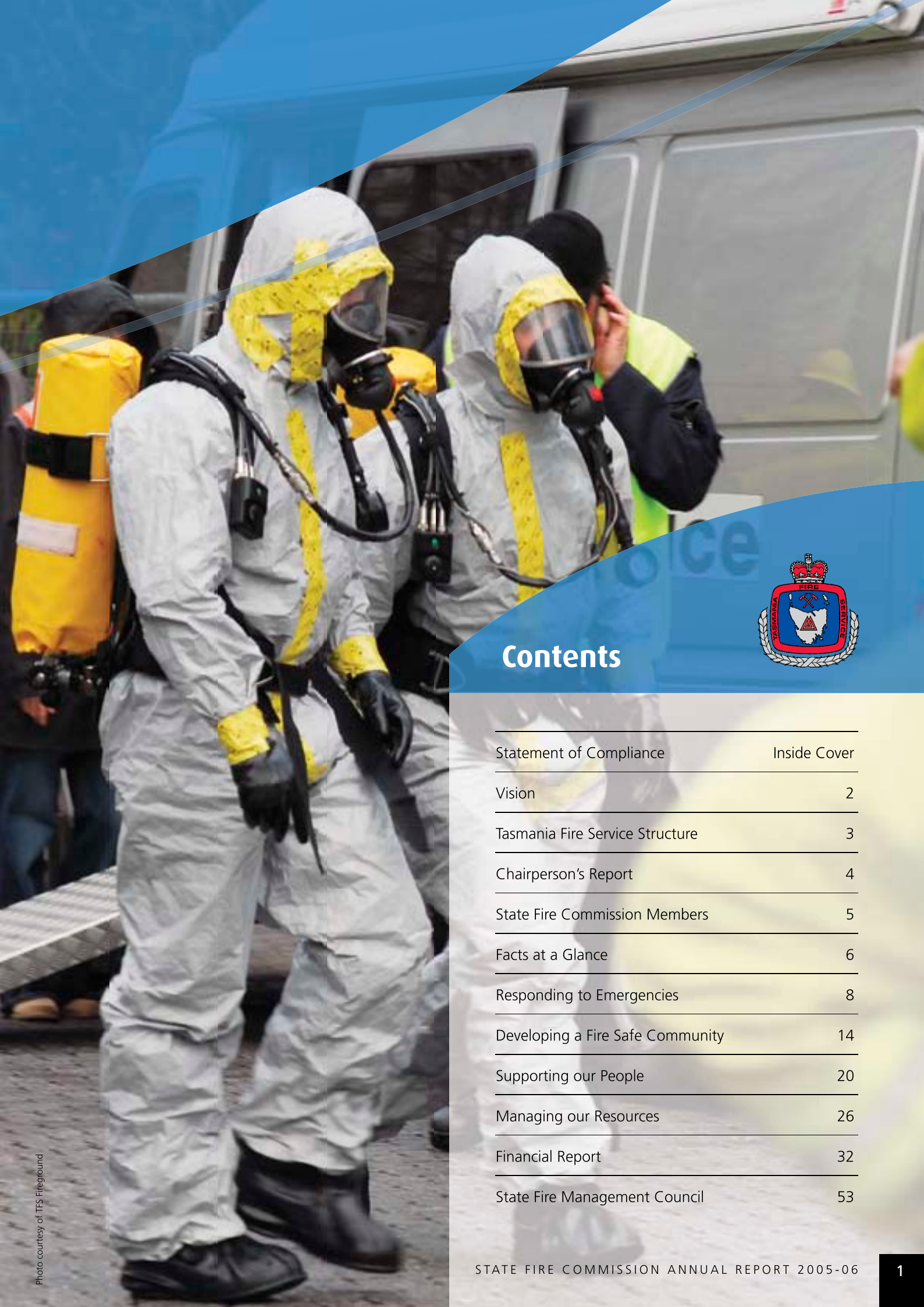


Photo courtesy of TFS Fireground



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Tasmania Fire Service Our Vision

Photo courtesy of The Advocate



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



PROFILE

Tasmanian firefighters have served the Tasmanian community since the early 1800's and have had a legislated responsibility since 1883. The current Tasmania Fire Service (TFS) was established by the *Fire Service Act 1979*.

Today the TFS is an innovative and efficient State-wide service that takes pride in its long and proud history. The TFS provides services from 234 brigades throughout Tasmania. These services include rapid and effective response to emergencies including rescue and hazardous materials as well as fire prevention and fire safety education.

In 2005-06 our 273 operational employees and 4,765 volunteer firefighters responded to over 10,183 incidents.

Fifty one Community Fire Safety employees contributed in the work units of Building Safety, TasFire Training, TasFire Equipment and Community Education, and they and our firefighters were reinforced by 117 support and administrative staff.

Our volunteers and career staff work as an integrated team committed to achieving our strategic goals for a safe Tasmania.

OUR ROLE

The role of the State Fire Commission (SFC) is to protect life, property and the environment from the impact of fire and other emergencies.

The Commission delivers all of its services through its operational arm, the TFS. We measure our success by:

- > Comparing performance with industry benchmarks.
- > Achieving our periodic goals and objectives.
- > Maintaining financial strength and viability.

OUR GUIDING PRINCIPLES

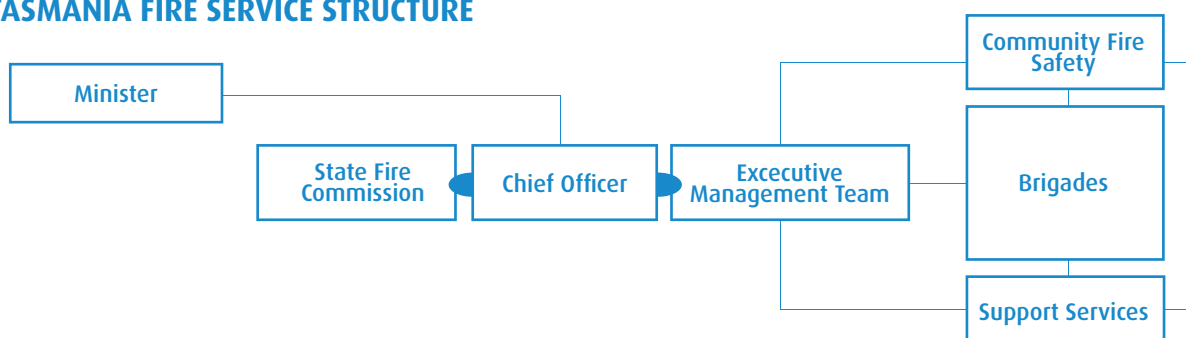
In carrying out this role we demonstrate a commitment to the following key principles:

- > Operate in a consistent and fair manner.
- > Keep in touch with stakeholder expectations.
- > Provide development opportunities for all members.
- > Display strength and unity in membership.

MAJOR GOALS AND EXPECTED OUTCOMES

- GOAL:** Delivery of an effective and efficient fire service.
- OUTCOME:** A rapid response to fires and other emergencies that minimises the social, economic and environmental cost to the community.
- GOAL:** Promotion, coordination and delivery of effective fire prevention and safety education and training to the community.
- OUTCOME:** Fewer unwanted fires in a community that is willing and able to respond appropriately when threatened by fire.
- GOAL:** Supporting our people.
- OUTCOME:** An increase in skill levels, job satisfaction, workplace safety, reduced absenteeism together with a fair harassment-free workplace.
- GOAL:** Managing our Resources.
- OUTCOME:** The provision of adequate and sustainable resources to enable the Commission to discharge its duties under the *Fire Service Act 1979*.

TASMANIA FIRE SERVICE STRUCTURE



State Fire Commission Chairperson's Report 2005-06

I am pleased to report that in contrast to south eastern Australia, Tasmania enjoyed a fairly quiet bushfire season. Late spring rains resulted in the declaration of fire permits not being required until January 2006, and this was one of the latest declarations ever.

At the request of Victorian fire and land conservation organisations, the Tasmania Fire Service (TFS) along with Forestry Tasmania and Parks and Wildlife Service deployed 56 firefighting personnel and 29 firefighting appliances to assist with major bushfires in Gippsland and the Grampians. This is the first time that Tasmania has sent both firefighting crews and their vehicles across Bass Strait. The overnight deployment using the TT Line's *Spirit of Tasmania* demonstrated the ease and practicality of moving firefighting resources in either direction. Should Tasmania need additional support or relief assistance from the Mainland in the future a reciprocal arrangement is clearly possible.

National sharing arrangements for firefighting aircraft have steadily matured over the past few years. As part of the national strategy, TFS once again held a medium water bombing helicopter on immediate hire during January and February 2006. This machine based in Hobart is used for initial attack to support ground fire crews with rapid control of fires in the critical urban interface area. It can be redeployed on a short term basis to another State by mutual agreement, if needed. Although a quiet fire season it was used on a number of occasions during its Tasmanian deployment.

Increased operational costs particularly salaries and the need to continue the firefighting fleet replacement program necessitated the Commission to reluctantly request a 12.5% increase in the fire service contribution, collected by Councils from ratepayers. This somewhat controversial increase was required to provide a revenue base to sustain the operational expenses of TFS. The funding shortfall had been previously projected



but has now become critical for the Commission to continue without major cutbacks in TFS operations and compromising the fire appliance replacement program.

Two of the Commission's greatest challenges in recent times have been workplace safety and volunteer training. The Commission is very mindful of its responsibility for a safe workplace and by its inherent nature fire can create a hostile workplace that is not able to be regulated. It is therefore imperative that the Commission ensures that safe procedures and systems are available and employed. As well, all people working in that environment must have the appropriate skills and knowledge to undertake their tasks safely and effectively. The training of volunteers has presented an ongoing challenge to the Commission especially as it seeks to provide volunteers with the skills and knowledge required to perform the necessary tasks. The geographic spread and availability of volunteers for training requires much flexibility in the provision of training arrangements. I am pleased to report good progress to this continuing challenge.

Volunteer recruitment and retention remains an issue of concern to the Commission. TFS currently has sufficient volunteers in most brigades, however the TFS recognises that there are significant pressures on



State Fire Commission Members

people volunteering. Generally, the demographics of an aging population, rural decline and work, family life issues are likely to decrease volunteer numbers. For many years a number of brigades have had junior members. Recently the numbers of brigades with junior and cadet members has risen with total junior numbers now approaching 500. The Commission has recognised their importance as a good method of recruitment for adult members. Greater efforts are being made to assist brigades support their juniors. Over the last two years very successful development weekends have been held. These programs strongly indicate that there is likely to be a strong recruitment succession from cadet members into brigades.

Each year three of our 5,200 members are recognised for distinguished service by the Award of the Australian Fire Service Medal (AFSM). In 2006 long standing Commission Member Leon Dewhurst, Group Officer Gavin Wagner and Group Officer Gerald Smith were awarded the AFSM. The success of TFS is very much due to the great commitment and work of its people who work together to ensure Tasmanians are as safe as they can be and I congratulate these three members for their outstanding contributions.

J B Gledhill
Chairperson



John Gledhill BSc FIFireE AFSM

Chairperson of the State Fire Commission and Chief Officer of the Tasmania Fire Service. Former Deputy Chief Officer and Regional Officer of the Tasmania Fire Service with 31 years experience. A former Director of the State Fire Commission Superannuation Scheme Pty. Ltd., member of the State Fire Management Council and member of the Bushfire CRC Board of Directors.



Richard Bowden

Local Government Association of Tasmania representative on the State Fire Commission since June 1993. Former Warden of the Bothwell Municipality and currently Deputy Warden of the Central Highlands Council. Member of the Forestry Committee for the Tasmanian Farmers and Graziers Association since its inception.



Chris Deegan AFSM

Tasmanian Volunteer Fire Brigades Association representative on the State Fire Commission since October 2002. A Volunteer Firefighter since 1969 and current member of the Triabunna Fire Brigade. Group Officer of the Spring Bay Group of Brigades.



Leon Dewhurst AFSM

United Firefighters Union Tasmania Branch representative on the State Fire Commission since June 1993. Career fire officer with 31 years experience with the Hobart Fire Brigade. Past President of the United Firefighters Union.



Marie Gill

Local Government Association of Tasmania representative on the State Fire Commission since March 2003. Currently an Alderman with the Devonport City Council. Ms Gill is a retired legal practitioner and was a Barrister and Solicitor of Supreme Courts of Victoria, Northern Territory, Tasmania and High Court of Australia.



Wendy Sawford BEC

Department of Treasury and Finance representative on the Commission since June 2001. Director Inter-Government Financial Relations with the Department of Treasury and Finance.



James Smith AFSM OAM JP

Tasmanian Retained Firefighters Association representative on the State Fire Commission since May 2003. Commenced with the Stanley Fire Brigade in 1957 and held various positions including that of Brigade Chief of the Stanley Fire Brigade until his move to Launceston.

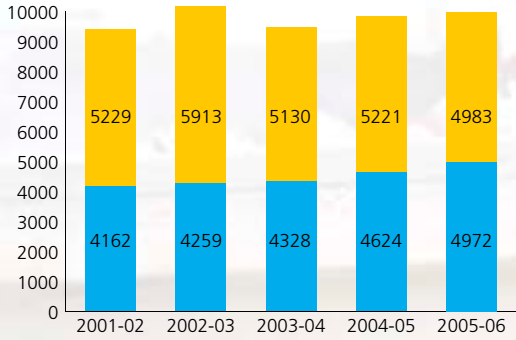
Tasmania Fire Service Performance

KEY PERFORMANCE TARGETS

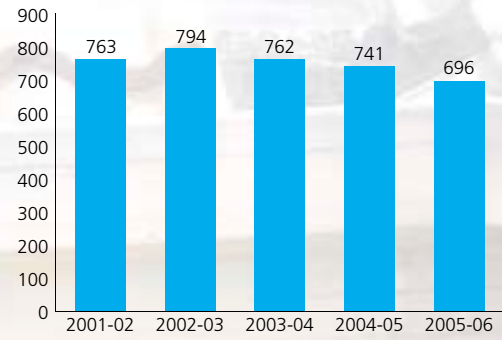
Performance Targets	2004-05 Actual	2005-06 Target	2005-06 Actual	2006-07 Target	2007-08 Target
Operational					
Number of incidents	10,084	8,000	10,183	8,000	8,000
Number of fires	4,067	3,600	3,781	3,600	3,600
Number of preventable house fires per 100,000 households	173	175	188	170	170
Number of false alarms	4,624	3,800	4,972	3,700	3,700
Percentage of fires causes undetermined	21%	16%	20%	15%	15%
Percentage of fires in structures Confined to room of origin	77%	79%	76%	80%	80%
Financial					
Operating surplus after abnormal items	\$4.6M	\$0.5M	\$1.6M	\$0.6M	\$0.6M
Return on assets	6.3%	1.1%	2.4%	1.2%	1.2%
Return on equity	7.5%	1.7%	2.4%	0.9%	0.9%
Debt to equity	7.2%	7.7%	6.7%	7.3%	7.1%
Current ratio	59.9%	121.7%	53.9%	117.9%	124.8%
Human Resources					
Staff turnover	5.0%	6.0%	4.2%	6.0%	6.0%
Average sick days per employee	4.9	4.8	4.3	4.8	4.7
Workers compensation claims	52	77	45	76	74

FACTS AT A GLANCE

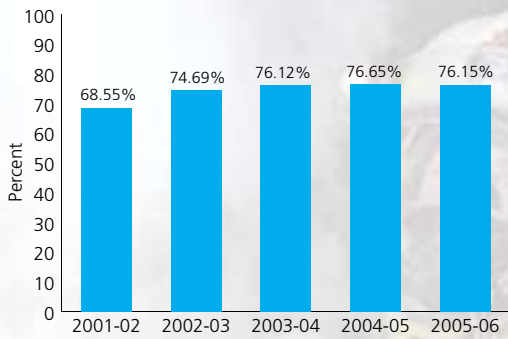
Total Structure Fires 2001-02 - 2005-06



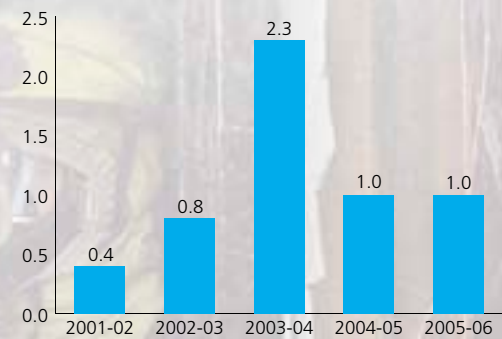
Total Structure Fires 2001-02 - 2005-06



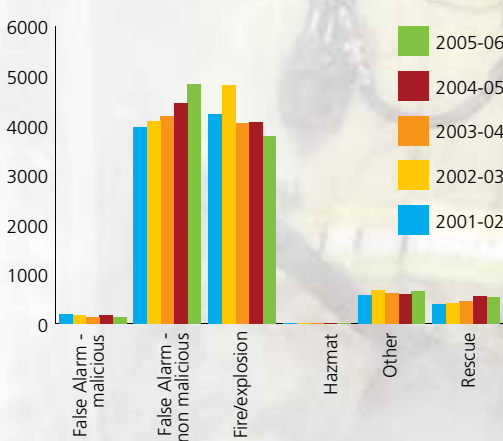
Structure Fires Confined to the Room of Origin 2001-02 - 2005-06



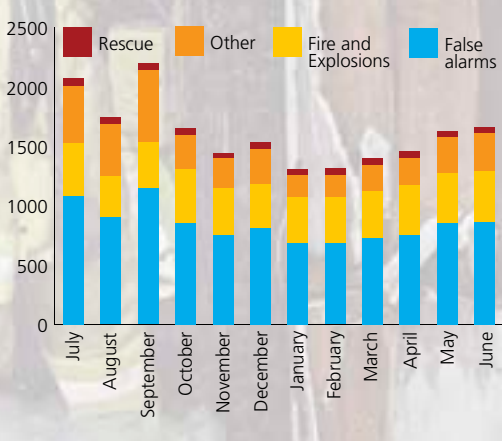
Fire Fatality Rate per 100,000 Persons 2001-02 - 2005-06



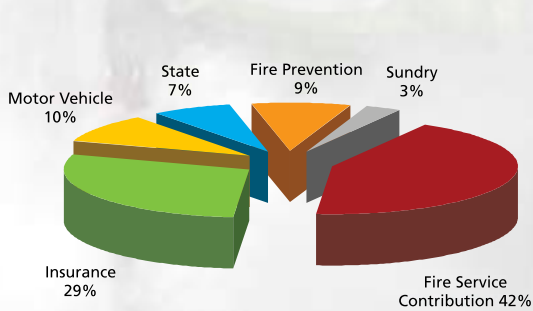
Type of Incidents Attended 2001-02 - 2005-06



Total Incidents by Month 2005-06



Revenue 2005-06 (\$50.8 Million)



Workers Compensation Claims 2001-02 - 2005-06

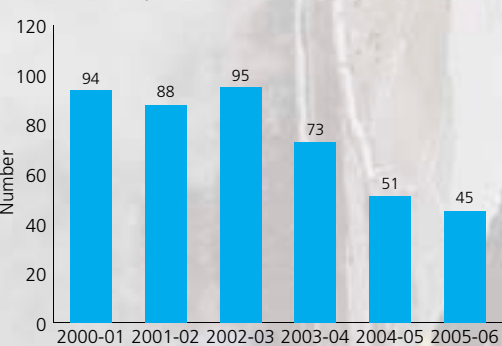




Photo courtesy of The Mercury

Responding to Emergencies

GOAL STATEMENT

To respond to fire and other emergencies in the most efficient and effective manner.

OBJECTIVE 1

To ensure that the closest and most appropriately resourced brigade arrives at an incident in the shortest possible response time.

OBJECTIVE 2

Ensure the capacity of brigades to appropriately manage the risks associated with their respective response area.

OBJECTIVE 3

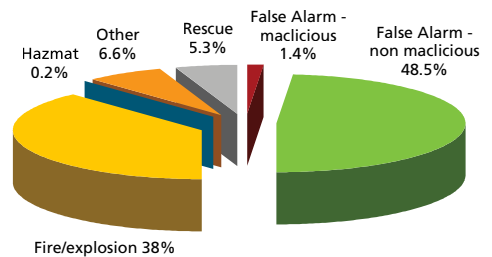
To foster the establishment and maintenance of emergency management arrangements between the TFS, other organisations and the community.

BRIGADE ACTIVITY

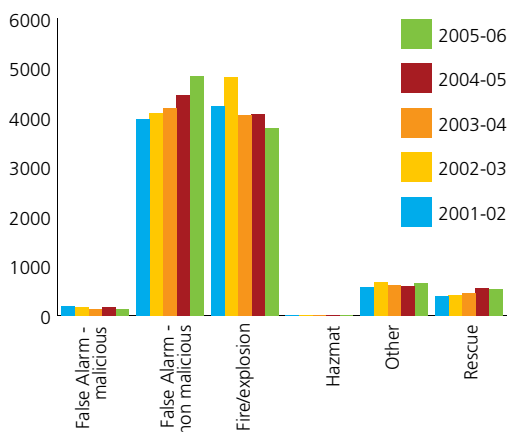
The number of incidents attended by brigades has slightly increased with a total of 10,183 incidents for 2005-06. Of these incidents 9,955 (97.76%) had full reports submitted.

The number of actual fires attended was reduced to 3,781. This may be attributed in part to a relatively quiet fire season during the summer of 2005-06. Non-malicious false alarms increased by 8.4% during 2005-06. While this increase is partially due to an increase in the number of alarmed premises, the figure does cause concern.

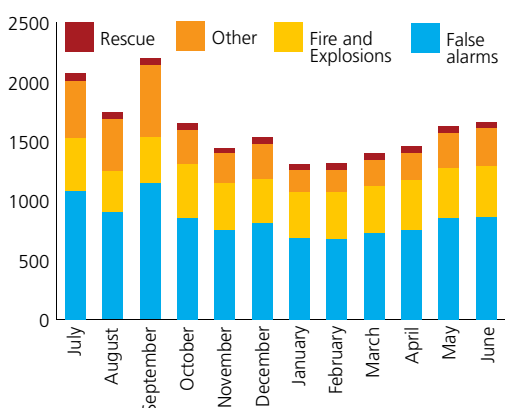
Type of Incidents Attended 2005-06



Type of Incidents Attended 2001-02 - 2005-06



Total Incidents by Month 2005-06



BUSHFIRE SEASON

The spring of 2005 was especially wet, with parts of Tasmania experiencing the wettest September to November period ever. While this translated to a late start to the season, it also led to a period of exceptional growth, particularly in the grasslands.

Dryer conditions prevailed from December 2005. A fire permit period was declared for Flinders Island on the 21st December, then for most of the eastern half of the state on 4th January 2006. The remainder of the state was declared from 18th January 2006. In January 2006 the first major fire for the year occurred at Friendly Beaches, near Coles Bay.

Late in January 2006 a 56 strong multi agency taskforce consisting of 32 TFS volunteer and career personnel, along with 22 Forestry Tasmania and 2 Parks and Wildlife personnel, were deployed to Victoria to assist with bushfires that had been burning since Christmas. They were assigned to the two largest fires at Halls Gap in the Grampians and near Traralgon in the Gippsland region. The taskforce personnel and their 29 fire and support vehicles were transported to Melbourne via the TT line from Devonport. The efforts of the taskforce were highly praised by the Chief Officer, Fire and Emergency Management of the Department of Sustainability and Environment, Ewan Waller.

During 2005-06, brigades attended 1,727 bushfires which burnt an area of 20,823 hectares.

TFS attended several other large fires early in 2006 at Granville Harbour, Mt Cameron, Robbins Island and Bruny Island. The majority of these fires occurred on Parks & Wildlife tenure, however TFS assisted with firefighters and incident management personnel. The medium helicopter operated successfully at several incidents in the southern region.

While fire conditions remained relatively mild through the summer, areas of the south west burnt following a line of thunderstorms that crossed the state on January 20th 2006, with lightning starting many fires followed by bad fire weather days on 22nd and 26th January 2006. A total fire ban was issued on the evening of January 21st 2006 and kept in place for the following day. Temperatures on that day rose to over 40°C in some southern locations. The permit period was revoked in all areas on 7th April 2006.

Fire permits issued during the 2005-06 season numbered 1,427 for the state. This was a 61% decrease from the

previous season. The shorter permit period of 13 weeks can account for some of this reduction, however much of the result can be attributed to the recent review and changes made to the permit system.

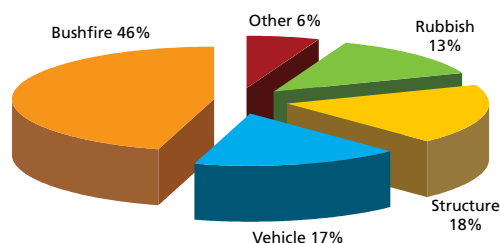
The changes introduced as a result of the permit review include a reduction of workload on permit officers, safer conditions in the use of fire through the introduction of burning plans, the introduction of multiple fire permits for stubble burning (which has eased the administrative burden with agricultural practices), and the decrease in the number of backyard burns in urban areas (resulting in improved air quality).

The TFS website continues to be an effective tool, providing up to date information on the fire situation to land managers, the media as well as the general public.

Number of Fire Permits Issued

Region	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
North West	1750	838	1003	990	454
Northern	1635	737	786	1211	415
Southern	2401	1078	1397	1464	558
Total for state	5786	2653	3186	3665	1427

Types of Fires Attended 2005-06



Types of Fires Attended 2003-04 - 2005-06

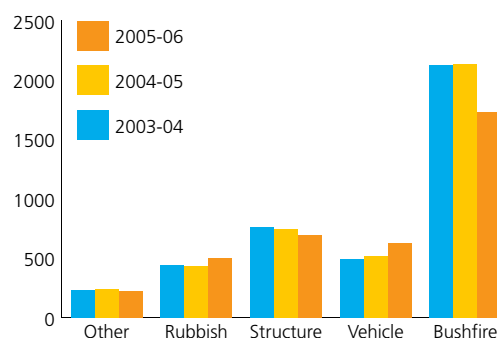




Photo courtesy of The Mercury

Responding to Emergencies

OBJECTIVE 1

To ensure that the closest and most appropriately resourced brigade arrives at an incident in the shortest possible response time.

RESPONSE TIMES

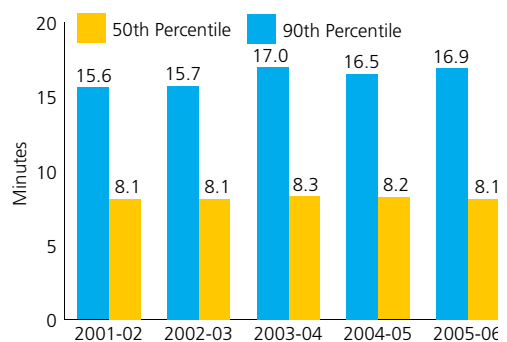
Several TFS operational officers have joined the Volunteer Associations and the United Firefighters Union in forming the "Emergency Response Reference Group" to examine various models of response to reduce fire damage. The Northern Region are already trialing a co-response system that has the Launceston Brigade responding to confirmed structural fire calls with all neighbouring volunteer brigades.

When there are indicators that the fire danger risk is likely or predicted and/or there is a high demand for resources, a "hot day" response is initiated. Such a response involves increasing the weight of attack with a minimum of two brigades responding to all vegetation fires. This has resulted in successful containment and extinguishment of fires in their initial stages. The use of "hot day" responses as needed has been popular with operational staff and volunteers.

The medium sized helicopter located in the state from December 2005 through to late January 2006 again assisted ground crews with the rapid containment of several fires.

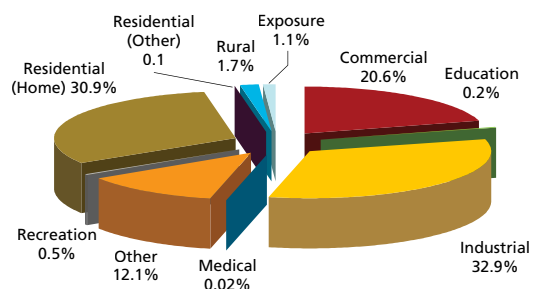
In southern Tasmania, as a result of a Commonwealth funded initiative, a medium sized helicopter, with a capacity to carry 1400L of water, automatically responded to assist ground crews with fire suppression.

Response Times (Structural Fires) 2001-02 - 2005-06

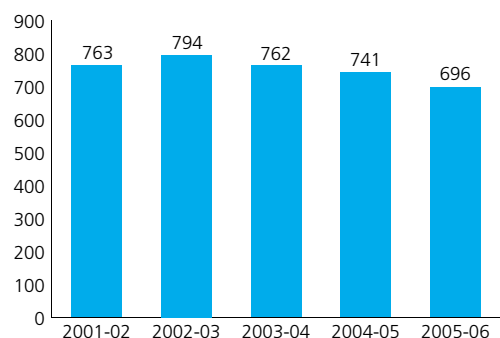


Note: Indicated response times are inclusive of all call handling, brigade mobilisation and vehicle travel times to all structural fires statewide.

Dollar Loss by Property Type 2005-06



Total Structure Fires 2001-02 - 2005-06



Predetermined incident management teams were appointed in periods of high fire danger. These teams were mobilised at short notice to ensure potentially major bushfires were managed and controlled in a minimum timeframe.

The TFS is represented on the State Security Advisory Group and has contributed to the Government's counter-terrorism capability. This has resulted in the TFS increasing its urban search and rescue and chemical, biological and radiological response capabilities through the acquisition of the latest technology and specialist training.

PROPERTY FIRES

The total value of property fire losses in 2005-06 was approximately \$37.2 million, a 40% increase compared to the previous period. This was due in part to an increase in the dollar loss for industrial fires.

The number of structure fires over the last financial year has continued to drop to a six year low of 696 with the number of residential fires again continuing in a downward trend from 448 in 2004-05 to 420 in 2005-06.

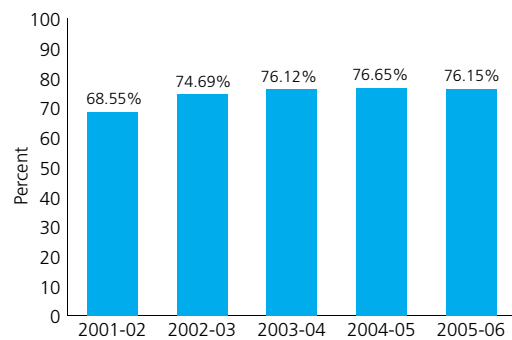
EXTENT OF DAMAGE

A key performance indicator for measuring the effectiveness of property damage mitigation is the proportion of fires that spread beyond the room of origin of the initial fire. The proportion of fires being restricted to the room of origin has slightly reduced to 76.15 for 2005-06.

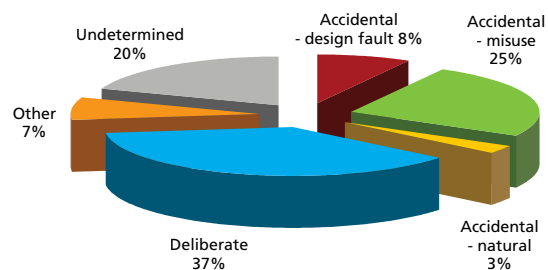
CAUSE OF FIRE INCIDENTS

The number of deliberately lit fires increased to 1,411 for 2005-06. However, accidental fires decreased by 10.4% in all three subcategories; 'natural' 'misuse' and 'design fault'. There was again a decrease in the percentage of fires in which the cause was undetermined, dropping from 21% to 20%.

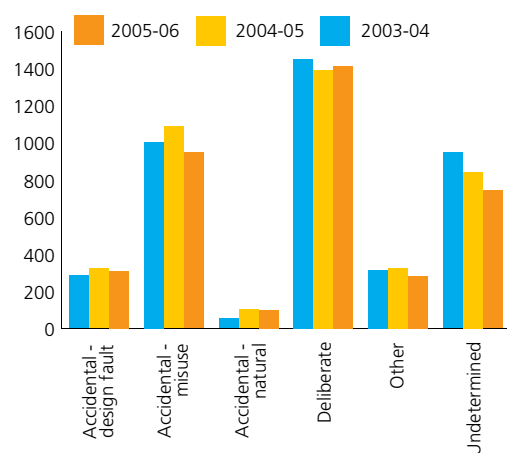
Structure Fires Confined to the Room of Origin 2001-02 -2005-06



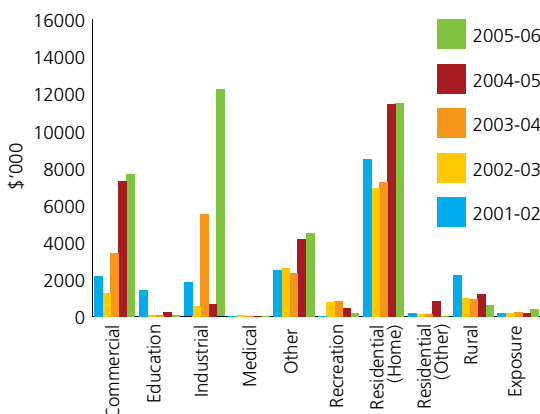
Cause of Fires Attended 2005-06



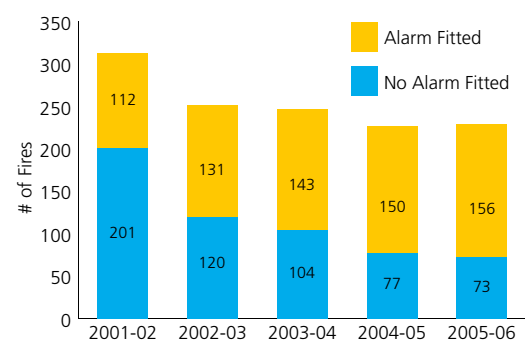
Cause of Fires Attended 2003-04 - 2005-06



Dollar Loss by Property Type 2001-02 - 2005-06



Domestic Property Fires - Smoke alarm installed





Responding to Emergencies

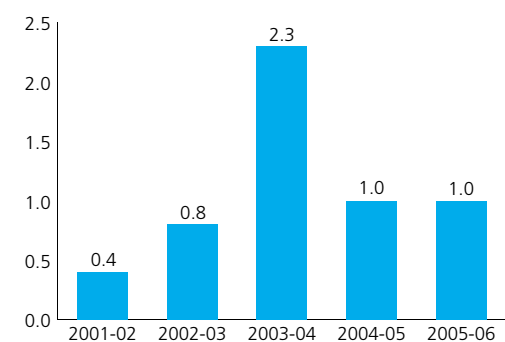
Photo courtesy of TFS Fireground

FATALITIES AS A RESULT OF FIRE

Preventable fire fatalities (excluding fire-related suicides and homicides) in Tasmania over the last ten years have varied from a high of 12 in 1998-99 to a low of 2 in 2001-02. 2005-06 saw five preventable fire fatalities (5 in 2004-05).

The graph right shows the rate of fire deaths per 100,000 people. This provides a statistic comparable with other jurisdictions. The national fire death rate is 0.6 as compared to the rate in Tasmania of 1.03 in 2005-06.

Fire Fatality Rate per 100,000 Persons 2001-02 -2005-06



OBJECTIVE 2

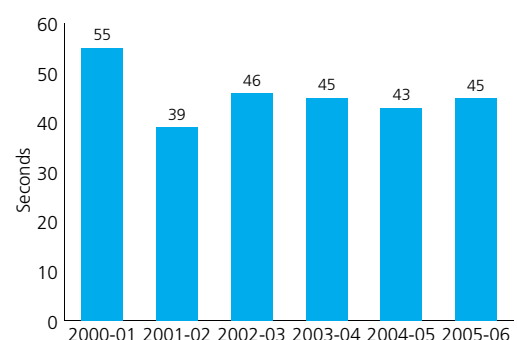
Ensure the capacity of brigades to appropriately manage the risks associated with their respective response area.

To support the brigades in managing the risks in their response area, new equipment has been introduced (eg. Breathing apparatus, hose and thermal imaging cameras), nationally accredited training provided (Public Safety Training Package) and latest model firefighting appliances supplied (tankers, pumpers and aerial appliances).

FIRECOMM

FireComm is responsible for emergency call taking and the dispatch of brigades and resources to emergency incidents. In addition, FireComm collates and disseminates operational and media information for multi-agency incidents. FireComm also receives and records all vegetation fires on land managed by Forestry Tasmania and the Parks and Wildlife Service.

Median Call Handling Times 2000-01 - 2005-06



A total of 10,231 emergency incidents were recorded and dispatched from FireComm in the 2005-06 reporting period. These were made up of 10,154 incidents managed and resourced by TFS, with the balance of 77 incidents, (vegetation fires), being Forestry Tasmania and the Parks and Wildlife Service responsibility.

TFS continues to support software upgrading to the Computer Aided Dispatch system and develop new

technologies to assist with the rapid location of fires and the dispatch of the appropriate brigades. Improvements provide efficiencies in call handling, dispatch, incident resourcing and incident management.

The median call handling time for the reporting period is 45 seconds, with 85.82% of incidents processed within 105 seconds.

OBJECTIVE 3:

To foster the establishment and maintenance of emergency management arrangements between the TFS, other organisations and the community.

The long-standing inter-agency protocols that have existed between TFS, Parks and Wildlife Service and Forestry Tasmania have been enhanced, through change in interagency protocol.

The TFS has completed a review of the State Hazardous Materials Management Plan. The updated version has improved interoperability with other emergency services such as Tasmania Police, Tasmanian Ambulance Service, State Emergency Service as well as Workplace Standards and the Department of Health and Human Services.

SPECIALIST RESPONSE EQUIPMENT

The TFS have recently developed a more flexible and efficient containerised storage and transport system (i.e. pods and tilt tray appliances) for response to Hazardous Materials (HAZMAT), Urban Search and Rescue (USAR), Chemical Biological Radiological (CBR) and other specialist incidents throughout the State. These have been strategically located in Hobart and Launceston.

The equipment will be tested at the Investigation and Consequence Management Exercise due to be held in July 2006 in conjunction with other emergency services.

STATISTICAL INFORMATION

The data used for reporting operational activities was derived from the Tasmania Fire Service incident reporting system which conforms to Australian Standard 2577 - Australian Incident Reporting System. All TFS fire brigades contribute data to the reporting system. Incident reports are compiled from observations made at the scene by responding officers and fire investigators. Of the 10,183 incidents responded to by the TFS, 97.76% had incident reports completed by brigades. All graphs and tables are based on completed incidents reports.

Brigades continue to use the 'phone-in' incident reporting system previously implemented in the final quarter of 2004. This has resulted in improved incident data accuracy, timeliness and completeness of reports.

To further improve operational reporting, brigades receive follow-up calls from the call centre to ensure reports are submitted.

PLANNED OUTCOMES/ACHIEVEMENTS 2006-07

- > A rapid response to fires and other emergencies that minimises the social, economic and environmental cost to the community.

Photo courtesy of The Advocate





Developing A Fire Safe Community

Photo courtesy of The Advocate

GOAL STATEMENT

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

OBJECTIVE 1

To assist the community minimise fire risks and act safely when fire occurs.

OBJECTIVE 2

To have the business community take responsibility for its fire safety obligations.

OBJECTIVE 3

To have our people engage in fire safety activities in their communities.

The TFS delivers a broad range of programs to improve the safety of people in the community, with a focus on those most at risk from fire. These programs aim to prevent fires and minimise the impact of any fires that occur.

The Community Fire Safety Division focuses on delivering programs that improve fire safety in the home and in the workplace. The Division, in partnership with the Fire Management Unit, also manages programs to address bushfire risks.

OBJECTIVE 1

To assist the community minimise fire risks and act safely when fire occurs.

IMPROVING FIRE SAFETY IN OUR HOMES

Young people, the elderly and people with disabilities have a higher-than-average risk of experiencing a fire and suffering injury from fire. In 2005-06, the TFS focused its community education strategies on these at-risk sectors of the community to minimise the social impact of fire.

For children

The School Fire Education Program reached 23,003 primary school children in 104 schools in 2005-06. Children learnt about fire safety in and around the home, prepared a home evacuation plan and learned what to do if a fire occurs.

The Juvenile Fire Lighter Intervention Program (JFLIP) provides counselling for young children who engage in unsafe fire-lighting behaviour. During 2005-06, 33 cases were registered. Thirty-three smoke alarms were installed in homes of families participating in JFLIP

For the dependent elderly and people with disabilities

Project Wake Up! aims to improve fire safety in the homes of people with disabilities and elderly people, with a focus on the dependent elderly. The program offers free home fire safety checks, and in the homes of many participants, smoke alarms and batteries are installed free of charge.

One hundred and fifty-two community organisations working in the aged care field, as well as many medical practitioners, assisted the TFS to identify potential

beneficiaries of the program. Career and volunteer brigades conduct the home fire safety checks and this year eighteen brigades visited 447 households. This brings the total number of households participating in the program since its inception in 1999 to 2,491. During 2005-06, 283 smoke alarms were installed, and 287 batteries were replaced.

WINTER FIRE SAFETY PROGRAM - TARGETING THE FAMILIES OF YOUNG CHILDREN

The main feature of this program, which commenced in the winter of 2004 and now is in its third year, is the 'Fire Safety at Home' booklet. This booklet includes information for parents to ensure their homes and their children are safe from fire, as well as a home fire escape plan for families to work on together.

The program was supported by a promotional campaign that included television advertisements, related fire safety messages on fire trucks state-wide, and a Volkswagen "VW beetle" also printed with the fire safety messages.

The VW beetle was provided by RACT Insurance for use by the TFS to promote activities associated with this program and TFS's bushfire safety program.

Along with other strategies aimed at those most at risk from fire, this initiative helps to further decrease the number of house fires in Tasmania.

OTHER FIRE SAFETY MEASURES

The Service continues to offer smoke alarms, fire extinguishers and fire blankets for sale to the community through outlets in Hobart, Launceston, Burnie and Devonport. An estimated 84% of Tasmanian homes have a working smoke alarm.

TFS and Duracell again teamed up to run a campaign to urge all Tasmanians to "Change Your Clock, Change Your Smoke Alarm Battery" on Sunday April 2nd. This campaign aims to link the practice of changing your clock at the end of daylight savings with replacing the batteries in smoke alarms to ensure they are kept in working order.

FIRE SAFETY INFORMATION

Numerous fire safety information sessions were conducted throughout the state by TFS personnel, engaging more than 1000 community members. Participating community groups included those representing youth, the elderly and people with disabilities. Additional home fire safety information is communicated through brochures distributed widely throughout the community, as well as on the TFS website. The TFS also maintains a free-call service for general fire safety enquiries.

Two mobile community education display trailers promoting fire safety were used extensively by fire brigades in their local communities during 2005-06.

Photo courtesy of TFS Fireground





Photo courtesy of The Advocate

Developing A Fire Safe Community

IMPROVING SAFETY FROM BUSHFIRES

The TFS has a statutory responsibility to manage bushfire risks in Tasmania, and has developed and implemented an effective range of strategies for this purpose over many years. Some strategies are still being implemented in regional areas so further improvements in safety from bushfires are expected.

A number of measures have been undertaken during 2005-06 to prevent bushfires and minimise their impact on the community:

- > Work on a DVD for people living in bushfire-prone areas has commenced. The DVD will provide those at risk with information about how to prepare for and respond to bushfires that threaten their home.
- > As part of their career progression a number of TFS personnel have been trained to liaise with the media at a local level and to manage the media at major incidents. The flow-on benefit is that the TFS has an increased capacity to provide high quality, accurate and timely information to the media during major bushfires. In turn the messages delivered by the media to communities being impacted by fire are accurate and more timely, ensuring a higher level of community preparedness and safety.
- > TFS has trained and accredited a number of media personnel in fire ground safety and survival, and in TFS procedures for information management. This step has facilitated improved incident information management and enhanced community safety.
- > The Fire Management Unit made a number of submissions to local government in relation to developments in areas at risk from bushfire. A number of appeals were also made, as well as amendments to

planning schemes to incorporate appropriate bushfire safety measures.

- > TFS's *Guidelines for Development in Bushfire Prone Areas* provided the basis for the training of over fifty TFS personnel to be better able to conduct site risk assessments and to provide guidance to people living or planning to live in bushfire prone areas.
- > Changes introduced to the fire permit system as a result of a comprehensive review have improved the overall management of the system. Evaluation of the effect of the changes and consultation with stakeholders is ongoing with a view to continuous improvement. A number of stakeholders throughout the state have been interviewed and as a consequence some discreet changes have been made to the fire permit form. A comprehensive plain-English document *Guidelines for Burning Vegetation* has been developed to provide fire users with appropriate information to enable them to manage fires more safely.
- > The Australian Government has, through the Bushfire Mitigation Program, provided in excess of \$270,000 on a dollar-for-dollar basis for works associated with the construction and maintenance of fire trails, their security, mapping and provision of water points. State agencies and local government have used program funding to construct and improve fire trail networks.
- > As part of the National Aerial Firefighting Strategy, Tasmania received funding from the Australian Government for the provision of a medium capacity fire bombing helicopter. The Helicopter, a Bell 212, was contracted for an eight week period during January and February 2006 and successfully contributed toward the early control of a number of bushfires around Hobart.

OBJECTIVE 2

To have the business community take responsibility for its fire safety obligations.

IMPROVING FIRE SAFETY IN THE WORKPLACE

Improving Occupant Response to Fire in High Risk Buildings

The TFS's Building Safety unit has developed a number of strategies to improve fire safety in the business community, with a focus on those buildings or situations that present a greater risk to life safety. The principle focus for 2005-06 has been on evacuation plans for accommodation buildings and schools.

Owners and occupiers of these and other prescribed buildings are required to develop plans for the evacuation of occupants in the event of fire. Such plans are prepared in accordance with Australian Standards 3745 (and where relevant, AS 4083), and must be approved by the Chief Officer.

Three hundred and fifty-two evacuation plans received formal approval during 2005-06, 68% more than in 2004-05. All public schools and most private schools in Tasmania now have approved evacuation plans. Final practical assessment of plans is expected to be completed by December 2006.

Detailed information about the fire safety obligations of building owners and occupiers arising from the *General Fire Regulations 2000*, the *Building Regulations 2004* and the *Building Code of Australia* continues to be distributed through local government and TFS offices, in correspondence and on the TFS website.

Measurement commenced in 2005-06 of the degree to which fire safety features and measures in hotel and motel accommodation comply with the requirements of the *General Fire Regulations 2000*. The objective is to ensure that all existing accommodation facilities of this type provide adequate safety for occupants in the event of fire.

Photo courtesy of The Mercury





Photo courtesy of TFS Fireground

Developing A Fire Safe Community

Fire Protection Equipment

Owners and occupiers of buildings, other than domestic housing, have obligations under the *General Fire Regulations 2000* to maintain installed fire protection equipment to appropriate standards.

In excess of 260 building inspections were undertaken during 2005-06, to measure the degree to which installed fire protection equipment complies with fire safety requirements. The majority of these inspections were aimed at high life-risk buildings such as backpacker accommodation, night clubs and other public assembly buildings.

TFS's TasFire Equipment unit employs twenty three permit holders to service fire protection equipment in approximately 7,000 workplaces across Tasmania. Fire Equipment Officers are trained to inspect, install and maintain a broad range of equipment including fire hoses and reels, fire blankets, fire hydrants, fire extinguishers and smoke alarms, and sell these and many other items. Competing with private sector providers, the unit operates workshops in Hobart, Launceston and Devonport where extinguishers are pressure-tested and recharged, hose is coupled and repaired and other maintenance is performed.

Training

TFS's TasFire Training unit delivers training in twelve nationally-accredited units of competency to further improve safety in Tasmanian workplaces. Course participants are trained in the prevention and management of fires and other workplace emergencies. OH&S-related training includes safe working in confined spaces and the use of breathing apparatus. TasFire Training also conducts a specialised fire investigation course which attracts participants from throughout Australasia.

The redevelopment of the Cambridge training facility was completed in July 2005 and opened by Minister for Police and Emergency Management the Honourable David Llewellyn MHA in December 2005. The facility has five classrooms and a large conference room fitted with the latest in audio visual equipment and dining facilities that can cater for up to 50 participants simultaneously.

During 2005-06, a total of 934 courses were conducted for 9,690 employees from workplaces across Tasmania. Increasing levels of fire safety awareness and emergency response skills in the workplace help ensure that the households of these employees are becoming increasingly safe.

OBJECTIVE 3

To have our people engage in fire safety activities in their communities.

A number of strategies to increase TFS members' knowledge about fire safety issues and programs have been implemented.

Community Fire Safety staff are participating increasingly in staff development workshops to ensure knowledge and understanding of community safety issues are being shared throughout the organisation.

Fire brigades are becoming increasingly engaged in the delivery of selected community development programs such as *Project Wake Up!* Participation in these programs increases firefighters' understanding of fire safety issues impacting on at-risk sectors of the community.

Many articles about fire safety initiatives are included in the TFS's in-house magazine *Fireground*. This quarterly magazine is posted to all members of the TFS and widely distributed in our workplace to broaden members' understanding of the range of activities we engage in and the programs we deliver.

PLANNED OUTCOMES/ACHIEVEMENTS 2006-07

- > Increase vulnerable people's participation in relevant fire safety programs.
- > Increase brigades' participation in the delivery of selected fire safety programs.
- > Improve the community's capacity to prepare for and respond safely to house-fires, bushfires and fires in the workplace.
- > Ensure that all hotels with accommodation and all schools have an approved evacuation plan.
- > Influence the development of national positions, codes and standards impacting on fire safety.

Photo courtesy of TFS Fireground





Photo courtesy of The Advocate

Supporting Our People

Goal Statement

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

Objective 1

To attract the right people

Objective 2

To have systems and strategies that enable our people to be productive in the workplace

Objective 3

To have a working environment that supports our people and the delivery of our services.

OBJECTIVE 1

To attract the right people.

RECRUITING AND RETAINING OUR PEOPLE

Implementation of a number of key recommendations from the Volunteer Recruitment Project received a significant boost with the TFS successfully applying for grant funding from Emergency Management Australia.

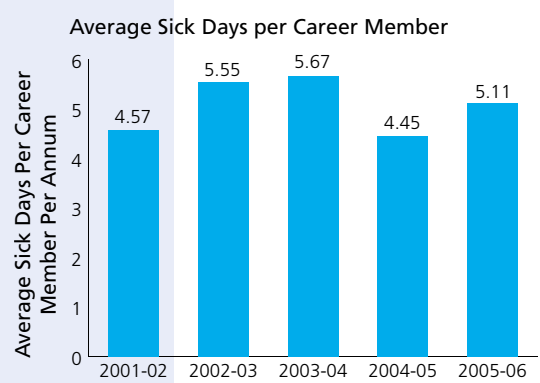
This funding will be utilised for developing tools that will enhance local recruitment and the management of juniors and cadets.

In August 2005, TFS managers and volunteer representatives from across the state attended a workshop conducted in Hobart by Dr Judy Esmond on recruiting, retaining and recognising volunteers. The workshop indicated that many strategies in place are on the right track. It was considered that the ability of volunteers to undertake recognised training is key to attracting volunteers.

The University of Tasmania completed its review of the Trainee Firefighter physical fitness standards. The purpose of the review was to ensure that the standards reflect the requirements of the work undertaken by firefighters. The recommendations from the report are currently being implemented. These include:

- > Maintaining the previous aerobic fitness standard.
- > Modifying some strength and dexterity tasks to reflect the way work is currently performed.
- > Removing assessments that were repetitive.
- > Introducing new assessments.

As part of the implementation, the University will undertake further research to help the TFS establish scientifically-based objective performance standards for the physical abilities assessments.



OBJECTIVE 2

To have systems and strategies that enable our people to be productive in the workplace.

ORGANISATIONAL STRUCTURE AND JOB DESIGN

In 2005-06 the TFS undertook a review of all administrative and clerical Statements of Duties. The aim was to introduce consistent work descriptions, language and format across roles wherever practical. An external consultant was engaged to provide classification recommendations to the Chief Officer. As a result of this process, all Statements of Duties were brought up to date and, in a small number of cases, the classifications of some positions were changed.

TRAINING

The strategic development of TFS training policies and systems in partnership with divisional senior managers continued in 2005-06. The Development and Learning group commenced the design and development of a Learning Framework for both operation and non-operational areas of the TFS.

As an accredited Registered Training Organisation (RTO) the TFS reviewed and improved its systems and processes in order to meet the Australian Qualifications Training Framework (AQTF) standards for RTO's. Changes to the RTO scope of registration in 2005-06 included the addition of the Workplace Emergency Response units of competency and accredited courses for commercial delivery to industry; the development, approval and addition of an accredited course for FireComm officers and the addition of a course in Australian Interagency Incident Management System (AIIMS) for career firefighters.

Both operational and non-operational employees attended a range of short internal and external courses to meet identified skills and knowledge needs.

Leadership and Management Development

The TFS focus on leadership and management development has continued in 2005-06. During this period:

> The TFS continued its participation in the Australian Fire Authorities Council (AFAC) Leadership Profiles Project. The aim of the project is to design and develop a national fire industry Leadership Capability Framework

for agencies to adapt and use to assist with leadership development within the fire sector.

> A number of TFS officers participated in the AFAC Executive Leadership Program which leads to a Graduate Diploma in Executive Leadership; AFAC Executive Development Program (EDP) which leads to a Graduate Certificate in Applied Management and the AFAC Volunteer Leadership Program. These programs are all run through the Australian Institute of Police Management in Manly, NSW.

Career Training

> A very successful firefighter recruit course was completed on 30th September 2005. Recruits undertook competencies from the Public Safety Training Package qualifications and received training in essential skills which included technical, organisational and interpersonal learning. Recommendations from the evaluation of the program will be incorporated into the 2006-07 course.

> Twenty one members completed a course in *Understand Structural Collapse*, where people are trained in shoring techniques, cutting and breaching concrete, tunnelling and rescuing people who may be trapped below the surface of a collapse site.

> Four members returned from exchanges in 2005-06 from the United Kingdom and Canada which have been valuable learning experiences. For the first time a FireComm communications officer is on exchange with a Canadian operator to share learning and experiences in the area of emergency communications.

> A number of exercises were conducted to learn and test practical skills and to incorporate 'learnings' from the exercises into future training. Two examples were "Regional Skies" and the Cadbury Factory exercise. "Regional Skies" tested CBR capability where substances may be introduced at regional airports. Rescue capabilities were tested with a full-blown exercise at Cadbury's chocolate factory where three crews were faced with a technical rescue incorporating Incident Control System (ICS), aerial operations, confined space rescue, atmospheric monitoring and patient care.

> Two members travelled to Western Australia for the International Counter Terrorism and Consequences Management Exercise (ICMEX) as part of national counter terrorism training. In a complementary activity



Supporting Our People

Photo courtesy of The Advocate

two members attended training at the Police Academy for an *Exercise Writing* course.

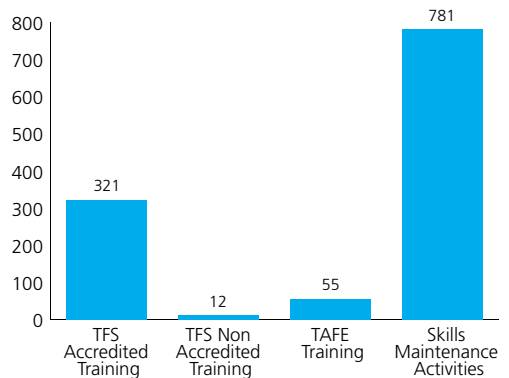
- > The Multi Agency Coordination Group (MAC) ran short courses for career and volunteer members which provided experienced officers with the knowledge and tools to undertake the role of safety adviser during all types of incidents both in a rural and urban environment.
- > In September 2005 officers attended the 2005 Compartment Fire Behaviour Training (CFBT) in South Australia. The seminar was extremely worthwhile providing ongoing support, training ideas and future development potential.
- > The development of Training Resource Kits for Public Safety Training package competencies continued in 2005-06. 321 Statements of Attainment were issued for competencies towards qualifications in the Public Safety Training Package and 781 personnel completed skills maintenance activities.

Volunteer Development

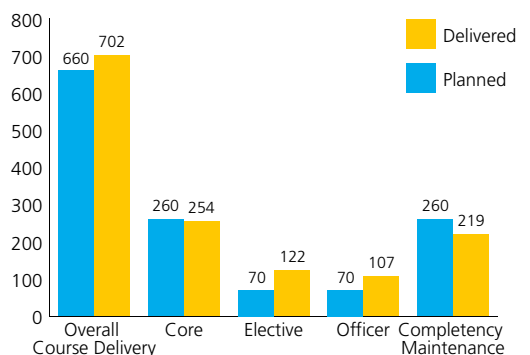
The TFS offers all our volunteers the opportunity to gain nationally recognised Statements of Attainment through training and assessment under the Public Safety Training Package. 4,629 volunteer members achieved training through the Public Safety Training Package and non-accredited TFS training courses.

TFS brigades participated in exercises and 'Group Days' to hone and develop skills. One example is the Quamby and Western Tiers brigade group annual exercise which was held in October 2005. The exercise activities included relay pumping, chainsaw operations, 4X4 wheel driving, emergency care and handline construction. The State hazardous materials and CBR specialist demonstrated

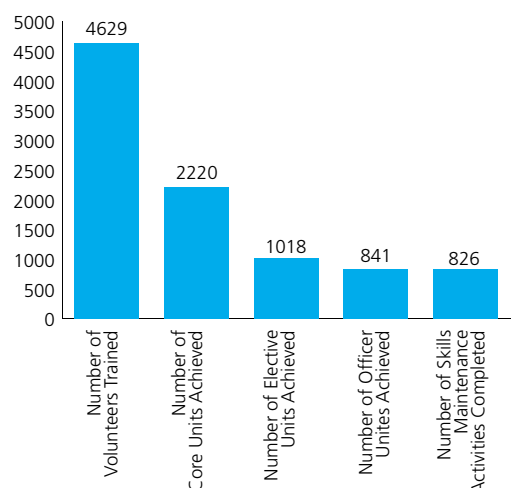
Career Training



Volunteer Training Course Delivery



Volunteer Training



and explained the complex range of equipment carried by the hazardous materials appliance for chemical and hazardous materials incidents. The firefighters were also able to learn new skills in working around aircraft. Breathing Apparatus (BA) crews undertook training in structural firefighting in the "hot fire" container.

Non-Operational Training

TFS has facilitated the learning and development of non-operational staff in the following key areas:

- > The development of a nationally accredited Course in: *Certificate III in Emergency Response Communications*. The new course will be undertaken by trainee Communications Officers in 2006-07.
- > In Community Fire Safety Division:
 - Tasmania Fire Equipment (TFE) members received their Certificate III in Asset Management in August 2005. The training requirements for Senior Fire Equipment Officers were revised in 2005-06 with the new competency framework giving an increased focus on developing and leading teams and client relationship management.
 - TasFire Training members upgraded their skills in Gas Detection and new members achieved their Certificate IV in Training and Assessment.

> In Corporate Services Division:

- Communications Services members completed rigging courses and two members achieved cabling licences.
- A number of administration employees completed the Certificate IV and Diploma in Business.
- Engineering Services members completed trades extension training in automotive electrics and fabrication to increase efficiency and effectiveness. A real achievement has been the gaining of engineering certification in structural welding. The upgrading of skills in Engineering Services has resulted in more work being able to be completed in-house. This has extended our capacity to tailor the construction of appliances to suit local conditions and meet the specific needs of stakeholders.

WORKPLACE FEEDBACK AND RECOGNITION

Workplace Feedback Systems

The implementation of a Workplace Feedback System has progressed with completion of a 12 month trial involving 25% of career members in all areas of TFS. The aims of the system are to encourage open and skilful communication about issues and performance, and to enable planned development for all members. The outcomes of the trial will determine the nature of the system that will be implemented across career members in 2006-07.

OBJECTIVE 3

To have a working environment that supports our people and the delivery of our services.

OCCUPATIONAL HEALTH AND SAFETY

2005-06 has seen the TFS continue to develop its safety systems. Some of the initiatives undertaken include:

- > Creating and implementing Regional and Divisional Safety Plans to ensure regions and divisions have documented their OH&S risks and developed strategies to address them;
 - > Establishing a network of volunteer Employee Safety Representatives (ESR's). The election and training of 19 volunteer ESR's was completed in 2006;
 - > Implementing noise management strategies. Over 340 employees with a potential exposure to excessive noise levels undertook hearing tests conducted by an external provider. Follow-up hearing tests will then take place every 2 years. Noise assessments were completed on new equipment as part of the on-going process of assessing all "noisy" equipment;
 - > Finalising sun safe procedures and selection of sun safe products for dissemination to all TFS members. Sun safe products to be issued include sun hats and a range of sunglasses and sunscreen. This will be an ongoing sun safe initiative that will help protect all TFS members from the harmful affects of UV rays;
 - > Commencing audit into the maintenance compliance of registered TFS plant and equipment;
 - > Developing Work at Height procedures; and
 - > Commencing the process of implementing a Wellness Programme to educate and assist all members in how to look after their own health and wellbeing.
- Other areas where significant progress has been made to improve safety in the workplace include; future appliance



Supporting Our People

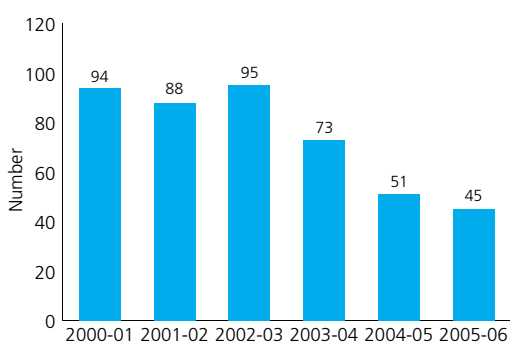
Photo courtesy of TFS Fireground

designs, database development, contractor management, station design, workplace inspection mechanisms and broadening the training and knowledge provided to ESR's. All of these initiatives will assist in continuing to provide a safe place of work.

Workers Compensation

TFS Workers Compensation performance continues to improve. It is pleasing to see the number of injuries requiring some form of medical treatment dramatically decreasing each year. This year's total of 45 new claims is approximately half the number of claims we were receiving three years ago. One of the primary reasons for this reduction has been the TFS's ongoing commitment to implementing safety systems across the organisation.

Workers Compensation Claims 2000-01 - 2005-06



MANAGING DIVERSITY

The implementation of the Harassment & Discrimination Education Project commenced with all district officers, managers and senior managers receiving awareness training. In 2006-07, a pool of Contact Officers will be established and staff in all career brigades and divisions will receive awareness training.

Nine members (volunteer, career and management) attended the National Women in Firefighting Conference. This was the first national conference held of this nature involving women from career, volunteer, land management and aviation firefighting organisations. All TFS participants gained useful information into operational, organisational and personal issues facing women in the firefighting industry.

There were no claims for harassment or discrimination lodged with the Office of the Anti-Discrimination Commissioner.

INTERNAL COMMUNICATION

The Volunteer State Consultative Committee project to review the administrative paperwork that brigades currently handle was completed, resulting in a significant reduction in the number of brigade forms.

TFS REGIONAL CONFERENCES

2005-06 saw a change from annual State Conferences to alternating regional conferences and State Conferences. It is hoped that this alternating system will provide a greater opportunity for volunteer member involvement and the discussion of regional issues on a regular basis. Regional Conferences were held in Hobart, Launceston and Burnie with approximately 650 members attending the three events.

The conferences featured speakers from South Australian Country Fire Service on the Eyre Peninsula fires, as well as presentations on a wide range of issues such as pre-incident planning, inter-agency protocols and aviation rescue and firefighting.

COMPETITIONS

The Tasmanian Fire Brigades Competitions Association (TFBCA) held five competitions around the State with the Open title being hosted by the Ulverstone Fire Brigade and the State titles being conducted at Franklin Fire Brigade. The 2005-06 season saw overall numbers maintained and a high standard of juniors being developed. The State Championships were won by Franklin in the seniors. Hobart won the under 17's and also the under 14's. Hobart Juniors competed at the Victorian State Championships at Yarrawonga.

The Tasmanian Volunteer Fire Brigades Association conducts

competitions using contemporary firefighting equipment in a number of events simulating operational activities. This year saw the 36th annual competitions being held at Wesley Vale. Sassafras Brigade won the senior event with Dunalley successful in the junior section.

A combined Tasmania team competed at the 2nd National Championships in Queensland finishing 5th out of 30 teams.

The constitution for the proposed single body to preside over all competitions in Tasmania is complete and is currently with the associations for endorsement. This should allow the closer integration of the two competitions.

PLANNED OUTCOMES / ACHIEVEMENTS 2006-07

- > Continue the implementation of the Workplace Feedback System for career members.
- > Complete the implementation of the harassment and discrimination policy and resolution process.
- > Complete the development of the TFS Learning Framework.

Awards and Medals

Australian Fire Service Medal

Gerald Leonard Smith

Gerald Smith joined the Queenstown Country Fire Brigade in February 1974 as a volunteer firefighter and later transferred to the Rosebery Fire Brigade in 1983. He served in several officer positions before his appointment as Brigade Chief of the Rosebery Brigade in 1995.

Since 1995 he has been an active member of the West Coast Fire Management Area Committee. In 1998 he was appointed as Group Officer for the West Coast.

Gerald is an outstanding volunteer, totally committed to keeping his local Rosebery community safe as well as a much larger area as Group Officer for the remote and at times, very fiery, West Coast.

He is a Volunteer Training Instructor and a Fire Permit Officer.

He was awarded the National Medal in 1991 and the 1st Clasp to the National Medal in 2001.

Gavin Michael Wagner

Gavin Wagner is Group Officer of the Dulverton Group of Brigades. He joined Parattah Fire Brigade in 1969 as a volunteer firefighter and since served in several officer positions before being promoted to his current position as Brigade Chief of the Parattah Brigade in February 2000. For many years whilst a member of Parattah Brigade he also served as a member of Oatlands Fire Brigade.

He is a member of the Dulverton Fire Management Area

Committee and for the past six years a permit officer.

Gavin is an exemplary leader who, as a volunteer, is always ready to lend a hand. He is held in high esteem by his fellow volunteers and the people of his local community alike.

He was awarded the National Medal in 1987 and the 1st Clasp to the National Medal in 1997.

Leon Paul Dewhurst

Leon Dewhurst has given outstanding service to TFS both as a firefighter and officer in the Hobart Fire Brigade and particularly as an active member of the State Fire Commission.

He commenced employment as a career firefighter with the Hobart Fire Brigade in 1974 and was promoted in 1981 to his current position of Station Officer.

Representing the United Firefighters Union, Leon has sat on the State Fire Commission since 1993 making him the longest serving current Commission member. In this capacity he has been influential in the strategic development and evolution of the TFS over the past 14 years.

He was awarded the National Medal in 1989 and the Clasp to the Medal in 1999.



Photo courtesy of J Barry Laurance Studios



Managing Our Resources

Photo courtesy of TFS Fireground

GOAL STATEMENT

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

OBJECTIVE 1

Provide a flexible communications system that meets the needs of our end users.

OBJECTIVE 2

Provide adequate protection for our resources.

OBJECTIVE 3

Provide adequate funding to ensure the SFC is able to achieve its corporate objectives.

OBJECTIVE 1

To provide a flexible communications system that meets the needs of our end users.

The SFC continues to upgrade its communications systems and provide greater flexibility to its end users. Infrastructure changes for 2005-06 included the replacement of 170 desktop personal computers as well as replacement servers for Cambridge (UNIX), Launceston (Windows) and the installation of an Outlook Web Access server in Hobart. The introduction of a number of mobile devices such as Blackberries, iMates and iPods have provided excellent flexibility to end users. Increases in network line speed and a major network redesign of web services (to improve security, performance, redundancy and consolidate the proxy) have also resulted in greater flexibility and enhanced services. Work also commenced on providing outstations with greater access speed for file sharing, emails and internet access.

Application upgrades and deployments this year include: Windows XP SP2, Office SP3, Windows Server SP1 and R2, Trim upgrade to version 6.0 and its deployment to Cambridge, and VetTrack deployment. Difficulty with filling positions with suitably qualified staff has reduced the efficiency of the Information Systems Branch, however it is expected to improve next year. A program of supplying volunteer brigades with PCs and access to TFS Online has been very successful this year and will be continued.

Enhancements to the TFS Internet and Intranet sites (TFS Online) include development of a feedback form, a significant number of reports from TFS's training database, changes to bushfire summary and fire mapping screens,

contact details screen modifications, and the ability to easily page brigade members. Access management and integrated authentication has been implemented to allow seamless access to TFS Online and the operational applications (FIRM, RMS, AIRS and Train). An Internet

email interface (Outlook Web Access) was also deployed to allow employees to access their email from any PC on the Internet. The business continuity of TFS's email system was greatly enhanced with the installation of the Outlook Web Access server and configuration changes.

OBJECTIVE 2

Provide adequate protection for our resources.

The SFC entered its second year of its initial five year rolling annual fire appliance replacement program. In the first year funding was allocated to fabricate 55 light tankers and 30 medium tankers funded in 2005-06.

An annual maintenance program for fire stations and buildings was developed in the latter part of 2004-05

and finalised in 2005-06. A number of key maintenance projects were identified with funding to be provided in the 2006-07 financial year.

The SFC remains committed to reviewing its disaster recovery plans and developing a risk management framework. Formal training of key personnel commenced in 2005-06 with further training and formal review of plans, processes and procedures planned for 2006-07. Key business functions critical to the success of the SFC will be identified, analyses and prioritised in 2006-07.

OBJECTIVE 3

Provide adequate funding to ensure the SFC is able to achieve its corporate objectives.

The SFC continued to work closely with the State Government in identifying its long term funding requirements and objectives. Following of the development of the SFC's five year capital programs for the fire appliance replacement and fabrication program and fire station building program, agreement was reached on the level of funding required by the SFC for 2005-06 with in principle support for the following two financial years.

The SFC continued to monitor both revenue and expenditure patterns and budgets throughout the year and overall the SFC recorded a healthy operating surplus for the financial year.

FINANCIAL OVERVIEW

The Net Surplus for the SFC for 2005-06 was \$1.6 million, compared to \$4.6 million for 2004-05, a decrease of \$3.0 million.

Revenue from Ordinary Activities for the twelve months to June 2006 was \$50.8 million compared to \$51.9 million for the same period last financial year. The major positive variations related to the Fire Service Contribution and the Motor Vehicle Fire Levy which increased by \$0.9 million and \$0.5 million respectively. A decline in State

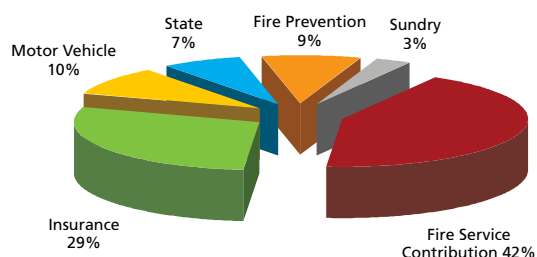
Government wildfire reimbursements of \$1.9 million and Sundry Revenue of \$0.7 million were also recorded.

Expenses from Ordinary Activities for the twelve months to June 2006 were \$49.3 million compared to \$47.2 million for the same period last financial year. The major variation related to Employee Related Expenses which increased by \$1.6 million as a result of enterprise bargaining agreements. Depreciation expenses increased by \$0.4 million and Financial and Other Expenses by \$0.6 million. Protective Clothing and Uniforms declined by \$0.3 million in 2005-06 and Insurance by \$0.5 million.

Net Assets for 2005-06 totalled \$69.7 million as compared to \$58.6 million for 2004-05, an increase of \$11.1 million.

An overview of the major revenue sources is detailed below.

Revenue 2005-06 (\$50.8 Million)

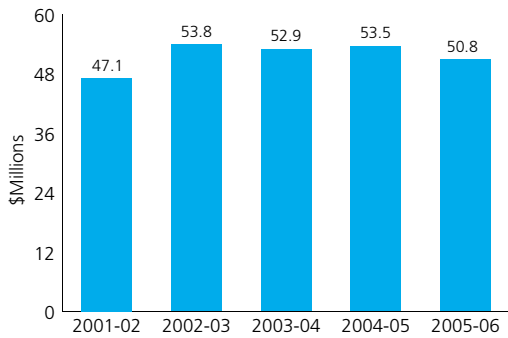




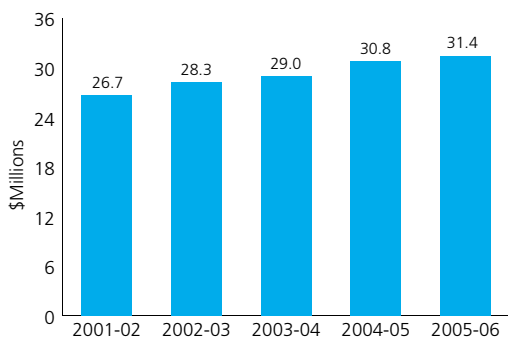
Managing Our Resources

Photo courtesy of TFS Fireground

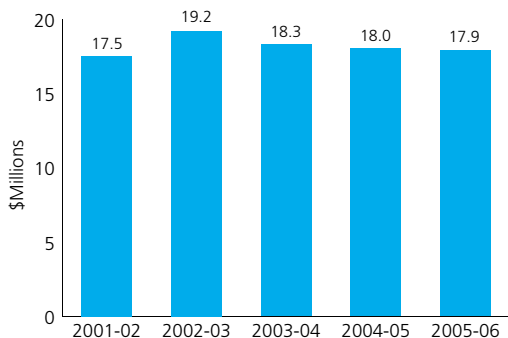
Total Revenue in 2005-06 Dollars



Salaries in 2005-06 Dollars



Other Operating Expenses in 2005-06 Dollars

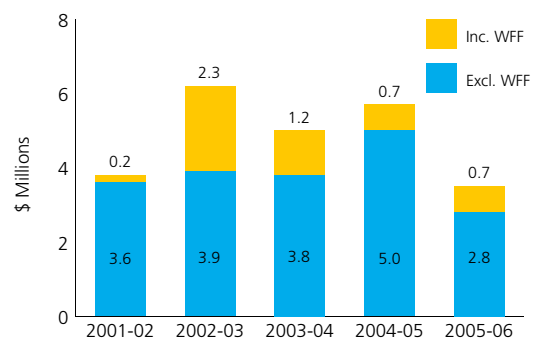


State Government Contribution

The Treasurer must pay to the SFC, out of money appropriated by the Parliament for the purpose, such amount as the Treasurer determines is appropriate towards defraying the operating costs of the Commission. The contribution in 2005-06 was \$3.5 million and represented seven per cent of the total revenue of the SFC for 2005-06.

The cost of fighting wildfires is partly funded by the State Government. From 1 July 1987, these costs have been funded by the State Government in the same year in which the expenditure was incurred. By arrangement with the Department of Treasury and Finance, the Commission is required to meet the first \$35,000 for wildfire fighting (WFF) costs and the State Government meets the remainder. In 2005-06, the State Government reimbursed the Commission \$0.7 million and this amount is included as part of the total State Government Contribution of \$3.5 million.

State Contribution in 2005-06 Dollars



Commonwealth Government Contribution

The Commonwealth Government provided a small contribution of \$336,000 which was less than one per cent of the total revenue for 2005-06. The major purpose of this contribution is to meet the costs associated with providing fire prevention and protection to Commonwealth Government buildings and property in Tasmania. As part of the National Aerial Firefighting strategy Tasmania also received \$150,000 from the Commonwealth through the National Aerial Firefighting Centre towards the standing charges of a medium capacity helicopter assigned to Tasmania during January and February 2006. The Commonwealth also provided \$30,000 to assist in maintaining CBR equipment on loan to the State. As part of the Volunteer Recruitment program the State Fire Commission was also provided with \$40,000 from the Commonwealth Government.

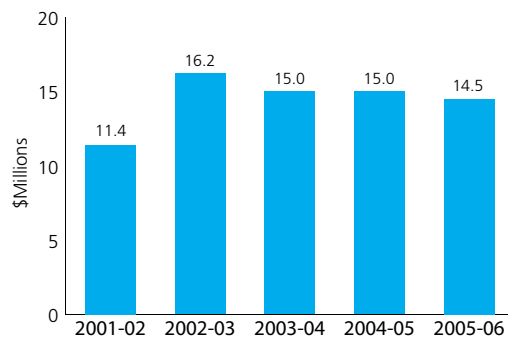
Insurance Fire Levy

Insurance companies are responsible for the collection of the Insurance Fire Levy. Collections for 2005-06 were \$14.5 million which equated to 29 per cent of total revenue. These funds were applied directly to both operating costs and the appliance replacement program. The contribution rate is an amount equal to two per cent of gross premium income on marine cargo insurance, 14 per cent on aviation hull insurance and 28 per cent of gross premium income on all other prescribed classes of insurance.

Motor Vehicle Fire Levy

The Motor Vehicle Fire Levy for 2005-06 of \$5.0 million which was collected by the Department of Infrastructure, Energy and Resources represents 10 per cent of total revenue. The general levy for motor vehicles was \$13 per vehicle, effective from 1 July 2003 and for pensioners \$9 per vehicle, effective from 1 July 2004. Motor cycles are excluded.

Insurance Fire Levy in 2005-06 Dollars



Motor Vehicle Fire Levy 2005-06 Dollars

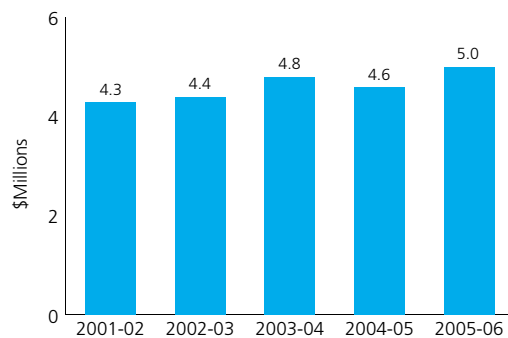


Photo courtesy of TFS Fireground

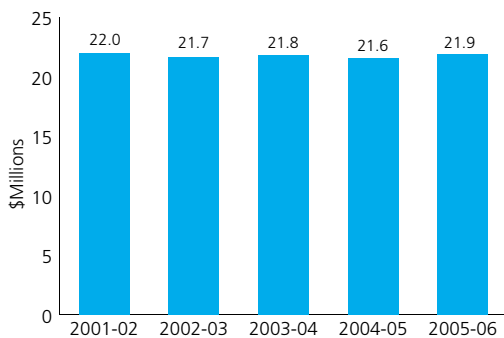




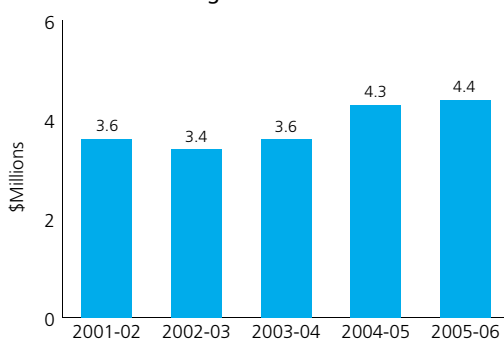
Managing Our Resources

Photo courtesy of TFS Fireground

Fire Service Contribution in 2005-06 Dollars



Fire Prevention Charges in 2005-06 Dollars



Fire Service Contribution

The Fire Service Contribution is collected by local councils on a fee for service basis on behalf of the SFC. Fire Service Contributions on properties for 2005-06 amounted to \$21.9 million and represented 42 per cent of total revenue. The levels of contribution payable by ratepayers vary throughout the State according to whether the ratepayer is in an urban or country area. However, the objective of the demand on ratepayers is to ensure that an equitable contribution is applied to each ratepayer, based on the assessed annual value of their respective urban or country

properties and the level of fire protection provided. Local authorities are paid a four per cent collection fee by the SFC and this amounted to \$863,000 in 2005-06.

Fire Prevention Charges

The SFC generates revenue through its community fire safety activities including the sale and servicing of fire safety equipment, commercial training, alarm rentals, inspection fees and avoidable false alarm fees. Revenue raised in 2005-06 was \$4.4 million or nine per cent of total revenue.

Sundry Income

Sundry income is derived from a number of sources including profit on sale of non-current assets, donations, interest received, rent and other sundry sources. Revenue raised in 2005-06 was \$1.1 million or two per cent of total revenue.

PHYSICAL RESOURCE MANAGEMENT

Building Program

Development of the Cambridge Training Complex was commissioned in 2005, providing significant and much needed training opportunities for career and volunteer firefighters and also for the general public.

During 2005-06 the refurbishment of new North West Regional Headquarters (3 Mile Line, Burnie) was completed, providing improved and combined services for Regional Management, Training, Communications, Engineering Services and Community Fire Safety. In addition the construction of the new Huonville Fire Station commenced in 2005-2006 and is due for completion in early July 2006.

ENGINEERING SERVICES

Appliance production

The second year of the initial five year appliance replacement program saw the fabrication of 30 Mitsubishi Canter Medium Tanker appliances. Of these, 13 appliances were completed during the 2005-06 financial year with the remaining 17 to be completed during the 2006-07 reporting period. The project timeframe has been extended due to an increase in workload resulting in the fabrication of transport modules and components for CBR and USAR, as well as two major heavy pumper refurbishments.

Appliance replacement strategy

The remaining three years of the five year replacement program will see the fabrication and commissioning of a further 90 appliances, leading to the decommissioning of all petrol single cab appliances from service. The formulation of an additional two years (2009-2011) has been formalised, establishing a rolling five year plan. 2009-2011 will see the retrofitting and upgrade of fire bodies on the Mercedes 911 and ACCO 610A heavy tankers and the subsequent remount on new crew cab four wheel drive appliances.

COMMUNICATIONS SERVICES

Communications Services during the year completed the following projects:

Radio Site Infrastructure Upgrade

> Radio site telemetry system was installed at nine sites across the state. This monitors radio site performance and automatically logs and reports critical system parameters and system faults, which enable technical management of system infrastructure to be proactive as well as ensuring most faults are rectified before system failure occurs.

- > An additional paging transmitter was installed near Devonport to improve coverage and response for both the Tasmania Fire Service and Tasmanian Ambulance Service for the area behind Devonport between Latrobe and Spreyton.
- > As part of the building program new communications infrastructure was installed at Burnie in the new North West Regional Headquarters and also at the new District Office at Huonville.
- > The trial for fire alarm monitoring over Internet Protocol (IP) for government buildings continued with a trial to be completed by the end of 2006 with an assessment to follow. If successful it has the potential of reducing the cost to government for fixed rentals of up to one million dollars per year.

INFORMATION SERVICES

Electronic security of the computers and information continues to be one of the highest priorities for information systems in the TFS. Vigilance and the installation and maintenance of a variety of systems have kept the TFS security breach and virus attack free this year.

The quantity and criticality of corporate information and systems continues to drive changes in the data and system recovery area. The initial stages have seen the implementation of a tape library, tape drives and server, disk shadowing, and backup software to enable greater centralisation and staging to disk. This allows for faster and more reliable recovery and backup, and user recovery of files.

PLANNED OUTCOMES/ACHIEVEMENTS 2006-07

- > Review, update and implement planned annual maintenance programs for TFS buildings.
- > Complete and implement a business continuity plan.
- > Develop a risk management framework and register.
- > Update and implement five year capital rolling build programs for fire appliances and buildings.
- > Continue to develop intranet and internet services.
- > Implement International Financial Reporting Standards (IFRS).

Financial Report 2005-06

STATE FIRE COMMISSION FINANCIAL STATEMENTS 2005-06

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

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CERTIFICATION OF FINANCIAL STATEMENTS

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

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

- the financial statements are drawn up so as to give a true and fair view of the results and cash flows for the period 1 July 2005 to 30 June 2006 and the statement of affairs at 30 June 2006 of the State Fire Commission;
- the accounts have been prepared in accordance with the provisions of the *Fire Service Act 1979*, and
- at the date of this statement, there are reasonable grounds to believe that the Commission will be able to pay its debts as and when they fall due.

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



J. B. Gledhill BSc, FIFire E, AFSM

CHIEF OFFICER



L. P. Dewhurst AFSM

COMMISSION MEMBER

21 September 2006



INDEPENDENT AUDIT REPORT

To the Members of the Parliament of Tasmania

STATE FIRE COMMISSION

Financial Statements for the Year Ended 30 June 2006

Matters Relating to the Electronic Presentation of the Audited Financial Statements

This audit report relates to the financial statements published in both the annual report and on the website of the State Fire Commission for the year ended 30 June 2006. The Members of the State Fire Commission are responsible for the integrity of both the annual report and the website.

The audit report refers only to the financial statements and notes named below. It does not provide an opinion on any other information which may have been hyperlinked to/from the audited financial statements.

If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial statements in the State Fire Commission's annual report.

Scope

The financial report and the Members' responsibilities

The financial statements comprise the income statement, statement of recognized income and expense, balance sheet, cash flow statement, accompanying notes to the financial statements and the certification by Members of the State Fire Commission for the year ended 30 June 2006.

Members of the Commission are responsible for the preparation and true and fair presentation of the financial report in accordance with Section 107D of the *Fire Service Act 1979*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial statements.

Audit approach

I conducted an independent audit in order to express an opinion to the Members of the Parliament of Tasmania. My audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial statements are free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

I performed procedures to assess whether in all material respects the financial statements present fairly, in accordance with the *Fire Service Act 1979*, the Treasurer's Instructions, Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with my understanding of the State Fire Commission's financial position, and of its performance as represented by the results of its operations and cash flows.

I formed my audit opinion on the basis of these procedures, which included:

- Examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial statements, and
- Assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Members.

While I considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of my procedures, my audit was not designed to provide assurance on internal controls.

The Audit Opinion expressed in this report has been formed on the above basis.

Independence

In conducting my audit, I have met applicable independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In my opinion the financial statements of the State Fire Commission

- a) Presents fairly the financial position of the State Fire Commission as at 30 June 2006, and the results of its operations and its cash flows for the year then ended and
- b) Is in accordance with the *Fire Service Act 1979* and applicable Accounting Standards and other mandatory financial reporting requirements in Australia.

TASMANIAN AUDIT OFFICE

E R DeSanti

DEPUTY AUDITOR-GENERAL

DELEGATE OF THE AUDITOR-GENERAL

HOBART

28 September 2006

State Fire Commission

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2006

	Note	2006 \$'000	2005 \$'000
Income			
Fire Service Contribution	1(q)	21,882	20,940
Insurance Fire Levy	1(p)	14,486	14,498
State Government Contribution	11	3,538	5,453
Motor Vehicle Fire Levy	1(r)	5,023	4,533
Fire Prevention Charges	12	4,413	4,221
Sundry Income	13	1,136	1,886
Commonwealth Government Contribution	11	336	322
Total Income		50,814	51,853
Expenses			
Employee Related Expenses	1(j),(k), 14	31,398	29,780
Public Relations, Subscriptions and Consultants	15	798	801
Training and Education		581	578
Operations Expenses	16	5,088	4,976
Protective Clothing and Uniforms	17	668	982
Depreciation	7	4,374	3,974
Financial and Other Expenses	18	3,225	2,629
Insurance		622	1,085
Borrowing Costs	19	332	290
Repairs and Maintenance	20	1,418	1,394
Minor Equipment	21	751	742
Total Expenses		49,253	47,231
Net Surplus/(Deficit)	22	1,561	4,622

STATEMENT OF RECOGNISED INCOME AND EXPENSE

FOR THE YEAR ENDED 30 JUNE 2006

	Note	2006 \$'000	2005 \$'000
Income and Expenses Recognised Directly in Equity			
Gain/(Loss) on movement in SFC Super Scheme obligation	22	7,537	679
Increase/(Decrease) in Asset Revaluation Reserve	23	2,033	1,550
Net Income Recognised Directly in Equity		9,569	2,229
Net Surplus/(Deficit) for the Year	22	1,561	4,622
Total Recognised Income/(Expense) for the Year	24	11,130	6,851

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



BALANCE SHEET

AS AT 30 JUNE 2006

	Note	2006 \$'000	2005 \$'000
CURRENT ASSETS			
Cash and Cash Equivalents	1(n),2,10,27(a)	2,115	1,109
Receivables	1(e),3,10	891	1,209
Inventories	1(d)	1,143	1,021
Assets Held for Sale	5, 7	99	-
Other Current Assets	4	2,057	2,150
Total Current Assets		6,305	5,489
NON-CURRENT ASSETS			
Work in Progress	1(f)	3,454	4,669
Property, Plant and Equipment	1(g),(h),(i), 7	74,746	70,892
SFC Superannuation Fund Net Asset	1(k), 9	1,029	-
Total Non-Current Assets		79,229	75,561
TOTAL ASSETS		85,534	81,050
CURRENT LIABILITIES			
Bank Overdraft	10, 27(a)	-	595
Payables	1(o), 8,10	2,643	2,686
Provision for Employee Related Expenses	1(j), 9	7,236	3,014
Interest Bearing Liabilities	1(m), 10	1,830	2,868
Total Current Liabilities		11,709	9,163
NON-CURRENT LIABILITIES			
Provision for Employee Related Expenses	1(j), 9	1,233	4,955
SFC Superannuation Fund Net Liability	1(k), 9	-	6,508
Interest Bearing Liabilities	1(m), 10	2,868	1,830
Total Non-Current Liabilities		4,101	13,293
TOTAL LIABILITIES		15,810	22,456
NET ASSETS		69,724	58,594
EQUITY			
Retained Operating Surpluses	22	66,068	56,970
Reserves	23	3,657	1,624
		69,724	58,594
TOTAL EQUITY	24	69,724	58,594

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

State Fire Commission

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2006

	Note	2006 \$'000	2005 \$'000
Cash Flows from Operating Activities			
Cash Receipts from Operating Activities		50,320	48,662
Cash Payments from Operating Activities		(43,473)	(40,407)
Interest Paid		(332)	(290)
Interest Received		45	97
Net Cash provided by Operating Activities	27(b)	<u>6,560</u>	<u>8,062</u>
Cash Flows from Investing Activities			
Proceeds from Sale of Equipment		680	2,263
Payments for Property, Plant and Equipment		(5,639)	(14,296)
Net Cash used in Investing Activities		<u>(4,959)</u>	<u>(12,033)</u>
Cash Flows from Financing Activities			
Repayment of loan		(2,868)	(1,500)
Proceeds from loan		2,868	1,500
Net Cash used in Financing Activities		<u>-</u>	<u>-</u>
Net Increase/(Decrease) in Cash and Cash Equivalents		1,601	(3,971)
Cash and Cash Equivalents at the Beginning of the Financial Period		514	4,484
Cash and Cash Equivalents at the End of the Financial Period	27(a)	<u>2,115</u>	<u>514</u>

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



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

1. STATEMENT OF ACCOUNTING POLICIES

(a) Business Details of the State Fire Commission

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

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

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

At 30 June the Commission had 436.7 employees (full time equivalents). Last year it had 437.3 employees.

(b) Basis of Financial Statements

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

This is the Commission's first financial report prepared in accordance with the Australian Equivalents to the International Financial Reporting Standards (AIFRS) and AASB1 *First-Time Adoption of Australian Equivalents to International Financial Reporting Standards* has been applied. An explanation of how the transition to AIFRS has affected the reported financial position and financial performance of the Commission is provided in Note 28.

(c) System of Accounting

The accompanying financial statements are prepared in accordance with the accrual basis of accounting that brings to account known assets and liabilities at balance date. All amounts shown in the financial

statements are in thousands of dollars unless otherwise stated. The system of accounting complies with the requirements of the *Fire Service Act 1979*.

(d) Inventories

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

(e) Receivables

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

(f) Work in Progress

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

(g) Plant, Property and Equipment

Asset Revaluation

On revaluation, the Provision for Depreciation accounts are transferred to the related asset accounts. The assets are then depreciated over their estimated remaining useful lives using their revalued amount as the base.

When a class of assets is revalued upwards, that part of the revaluation increment that reverses previously expensed revaluation decrements for that class of assets is treated as revenue, and any excess is credited to the Asset Revaluation Reserve.

When a class of assets is revalued downwards, that part of the revaluation decrement that reverses a credit balance in the Asset Revaluation Reserve relating to that class of assets is debited to the Reserve, and any excess decrement is expensed.

Land and Buildings

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

During the year ended 30 June 2006, Land was revalued upwards by \$1,326,000 and this revaluation increment was credited to the Asset Revaluation Reserve. Buildings were also revalued upwards, by \$767,116, and \$60,001 of this revaluation increment was credited to Sundry Income to reverse previously expensed revaluation decrements in this asset class, with the balance of \$707,115 being credited to the Asset Revaluation Reserve.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

Fire Appliances, Passenger Vehicles and Plant and Equipment

Internal expenses incurred in the fabrication of Fire Appliances and the construction of Radio and Communications Equipment are capitalised.

Passenger vehicles are valued at cost.

Plant and Equipment is at cost and is comprised of Fire Fighting Equipment, Workshop and Other Equipment, Radio and Communications Equipment, Office Furniture and Equipment and Computer Equipment.

Items of Plant and Equipment with a purchase price of less than \$1,000 are expensed at time of purchase. Items of Plant and Equipment with a cost of \$1,000 or more are shown at cost less depreciation and are written off over their expected useful life to the Commission on a straight line basis. Equipment is not depreciated until full operational status is attained.

Costs incurred in relation to plant and equipment subsequent to initial acquisitions are capitalised when it is probable that future economic benefits, in excess of the originally assessed performance of the assets will flow to the Commission in future years. Where these costs represent separate components they are accounted for as separate assets and are separately depreciated over their useful lives.

Provision for Depreciation

Items of Property, Plant and Equipment, including buildings, are depreciated over their estimated useful lives.

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and held ready for use. All items are depreciated using the straight line method of depreciation at the following range of rates:

Asset Class	Range of Rates
Buildings	1% to 3.3%
Motor Vehicles	4% to 20%
Fire Appliances	4% to 5%
Plant and Equipment	6.6% to 33.3%

(h) Impaired Assets

Assets are reviewed at balance date for impairment using a range of impairment indicators. Where an asset is deemed to be impaired, its recoverable amount is estimated, and if materially lower than its carrying amount, the carrying amount is reduced to its recoverable amount. Any resulting impairment loss (or gain) is recognised in the Income Statement in *Financial and Other Expenses (or Sundry Revenue)* unless the asset has previously been revalued upwards,

in which case it is recognised as a reversal up to the amount of the previous revaluation and any excess is recognised through profit or loss.

(i) Assets Held for Sale

In accordance with AASB 5 *Non-current Assets held for Sale and Discontinued Operations*, Non-Current Assets are reclassified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are stated at the lower of carrying value and fair (net recoverable) value less disposal costs. Provision for Depreciation accounts are transferred to the related asset accounts and the assets are then revalued to their estimated net recoverable value with any resulting impairment gains or losses disclosed in the Income Statement. Non-Current Assets held for resale are transferred to Current Assets and are not depreciated.

(j) Provision for Employee Related Expenses

No cash reserve has been set aside to meet commitments from the Provision for Employee Related Expenses and commitments will be met as they fall due. The Provision is comprised of Provisions for Long Service Leave, Annual Leave, Superannuation and Payroll Tax.

Provision for Long Service Leave is made for all employees. The liability is the sum of the existing entitlements and an estimate of future entitlements expected to arise from service completed at 30 June.

In determining the liability for expected future entitlements, consideration has been given to known future increases in wage and salary rates, and experiences with staff separations. Estimated future accrued leave has been discounted using the rates applied to national government securities at balance date, which best match the terms of maturity of the related liabilities.

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

The **Provision for Annual Leave** represents employee entitlements due and accrued as at 30 June. The provision has been calculated using the remuneration rates the Commission expects to pay when the obligations are settled.

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



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

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

(k) Superannuation

The Commission up until 30 April 2006, by virtue of the *State Fire Commission Superannuation Scheme Act 1994*, operated the State Fire Commission Superannuation Scheme for employees of the State Fire Commission classified under the *Tasmanian Fire Fighting Industry Employees Award*. This scheme was closed to new members on 30 June 2005. Effective 1 May 2006 the *State Fire Commission Superannuation Scheme Act 1994* was repealed by the *Retirement Benefits (State Fire Commission Superannuation Scheme) Act 2005*. The Scheme is now administered by the Retirement Benefits Board and the defined benefits component of the Scheme is now a subfund of the Retirement Benefits Fund. The accumulation benefits component was transferred to the Tasmanian Accumulation Scheme and forms part of the Retirement Benefits Fund. The Commission remains responsible for ensuring adequate funding of the defined benefits component of the Scheme. The Commission's net obligation in relation to the Scheme is recorded in the SFC Superannuation Fund Net Liability if it is a liability or in SFC Superannuation Fund Net Asset if it is an asset and net movement in the obligation is recorded in the Statement of Recognised Income and Expense. Actuarial gains and losses in relation to this fund are recognised in the year they are incurred. (Note 9)

The Commission also makes employer superannuation contributions based as a minimum on the Commonwealth's Superannuation Guarantee rate for State Award employees. These employees may elect to have their contributions forwarded to any complying superannuation scheme.

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

(l) Investments

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

Investments are carried at fair (face) value. Interest revenue is accrued at the market or contractual rate.

(m) Interest Bearing Liabilities

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

(n) Cash and Short Term Deposits

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

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

(o) Payables, Accrued Expenses and Commitments

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

(p) Insurance Fire Levy

Contributions are received from insurance companies in respect of premium income on certain prescribed classes of insurance where the risks insured are situated in Tasmania. Contributions are received monthly with an approved lodgement return. The current insurance fire levy is 2% on marine cargo insurance, 14% on aviation hull insurance, and 28% on other classes of insurance. The first two rates were established in November 1986 and the last was increased from 14% in October 1990.

(q) Fire Service Contribution

Contributions are received from Local Councils through a fire service contribution raised on properties. A minimum contribution was initially implemented in 1991 to provide additional funds to re-equip volunteer brigades. The minimum contribution was \$30 for the year ended 30 June 2006 and this was increased from \$29 in 2005.

(r) Motor Vehicle Fire Levy

The State Fire Commission receives income raised through a fire levy applied to all registered vehicles. This is collected by the Registrar of Motor Vehicles via the vehicle registration fee and forwarded to the State Fire Commission. The current fire levy raised through vehicle registration is \$13 per vehicle and this was last increased from \$12 in July 2003.

State Fire Commission

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

	2006 \$'000	2005 \$'000
2. Cash and Cash Equivalents		
Cash on Hand	9	9
Cash at Bank	<u>2,106</u>	<u>1,100</u>
Total	2,115	1,109
3. Receivables		
Trade Debtors	901	1,219
Less Provision for Doubtful Debts	<u>(10)</u>	<u>(10)</u>
Total	891	1,209
4. Other Current Assets		
Accrued Revenue	1,304	1,501
Prepayments	<u>754</u>	<u>649</u>
Total	2,057	2,150
5. Assets Held for Sale		
Motor Vehicles	91	-
Fire Appliances	<u>8</u>	<u>-</u>
Total	99	-
<p>These assets are to be sold in accordance with the Commission's policy in relation to the useful life of assets. It is expected that these assets will be sold within twelve months. Motor vehicles and Fire Appliances are disposed of at auction or other public sale.</p>		
6. Capital Commitments		
Capital Work in Progress excludes certain commitments for outstanding purchase orders and unperformed work under existing contracts.		
Capital Expenditure contracted but not provided in the accounts, and payables: - within one year.	<u>525</u>	<u>542</u>
	525	542
7. Property, Plant and Equipment		
Land		
At Fair Value at 30 June	<u>7,997</u>	<u>6,671</u>
Buildings		
At Fair Value at 30 June	36,678	34,793
Accumulated Depreciation	<u>(2,886)</u>	<u>(2,567)</u>
Written Down Value	33,792	32,227
Motor Vehicles		
At Cost	5,528	5,085
Accumulated Depreciation	<u>(4,093)</u>	<u>(3,689)</u>
Provision for Impairment Gains/(Losses)	70	-
Transferred to Assets Held for Sale	<u>(91)</u>	<u>-</u>
Written Down Value	1,415	1,396
Fire Appliances		
At Cost	42,637	40,247
Accumulated Depreciation	<u>(15,940)</u>	<u>(15,360)</u>
Provision for Impairment Gains/(Losses)	5	-
Transferred to Assets Held for Sale	<u>(8)</u>	<u>-</u>
Written Down Value	26,694	24,887
Plant and Equipment		
At Cost	19,586	19,285
Accumulated Depreciation	<u>(14,738)</u>	<u>(13,573)</u>
Written Down Value	4,848	5,711
Total Property, Plant and Equipment		
Total Gross Value	112,427	106,081
Accumulated Depreciation	<u>(37,657)</u>	<u>(35,189)</u>
Provision for Impairment Gains/(Losses)	74	-
Transferred to Assets Held for Sale	<u>(99)</u>	<u>-</u>
Written Down Value	74,746	70,892



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

7. Property, Plant and Equipment (Continued)

Reconciliation of Property, Plant and Equipment as at 30 June 2006

	Land	Buildings	Motor Vehicles	Fire Appliances	Plant and Equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying Amount 30 June 05	6,671	32,227	1,396	24,887	5,711	70,892
Additions	-	1,777	1,614	3,168	535	7,094
Revaluations	1,326	767	-	-	-	2,093
Depreciation Expense	-	(676)	(1,011)	(1,289)	(1,398)	(4,374)
Impairment Gains/(Losses)	-	-	70	5	-	74
Transfer to Assets Held for Sale	-	-	(91)	(8)	-	(99)
Disposals	-	(302)	(563)	(69)	-	(935)
Carrying Amount 30 June 06	7,997	33,792	1,415	26,694	4,848	74,746

Reconciliation of Property, Plant and Equipment as at 30 June 2005

	Land	Buildings	Motor Vehicles	Fire Appliances	Plant and Equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying Amount 30 June 04	5,381	28,023	1,657	19,712	5,400	60,173
Additions	30	4,900	1,814	6,067	1,672	14,483
Revaluations	1,549	551	-	-	-	2,100
Depreciation Expense	-	(628)	(1,134)	(851)	(1,361)	(3,974)
Disposals	(289)	(619)	(941)	(41)	-	(1,890)
Carrying Amount 30 June 05	6,671	32,227	1,396	24,887	5,711	70,892

	2006 \$'000	2005 \$'000
8. Payables		
Accrued Expenses	307	559
Trade Creditors	2,040	2,071
Capital Works Payables	297	56
Total	2,643	2,686

9. Provision for Employee Related Expenses

Current Provisions

Provision for Long Service Leave	3,871	452
Provision for Annual Leave	2,135	2,061
Provision for Superannuation (1)	812	327
Provision for Payroll Tax (1)	417	174
	7,236	3,014

Non-Current Provisions

Provision for Long Service Leave	1,026	4,138
Provision for Superannuation (1)	136	532
Provision for Payroll Tax (1)	71	285
	1,233	4,955

(1) Provisions for Superannuation and Payroll Tax represent superannuation and payroll tax payable in relation to the Provisions for Long Service Leave and Annual Leave.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

9. Provision for Employee Related Expenses (continued)

The following information relates to the State Fire Commission Superannuation Scheme net liability. It only relates to the defined benefits parts of the scheme and excludes any other liabilities or assets in relation to the scheme. The scheme is managed by the Retirement Benefits Fund.

	2006	2005	2004
Number of defined benefit members at 30 June	313	321	321
	\$'000	\$'000	\$'000
Total Annual Salaries	\$16,684	\$17,166	\$15,640
Total Accumulation Accounts	(\$354)	(\$327)	(\$236)

Assumptions

The following actuarial assumptions have been used in calculating the assets and liabilities associated with the State Fire Commission Superannuation Fund.

	2006	2005	2004
<i>Discount rate p.a.</i>			
Gross of Tax	5.80%	5.10%	5.90%
Net of Tax	4.95%	4.35%	5.00%
<i>Salary increases p.a.</i>			
2004/05	n/a	n/a	11.7%
2005/06	n/a	7.6%	7.6%
2006/07 and after	4.0%	4.0%	4.0%
<i>Crediting interest rate</i>	Equal to discount rate	Equal to discount rate	Equal to discount rate
<i>Return on investments p.a.</i>	7.5%	7.0%	7.0%
<i>Tax on investment income (adjustment to discount rate)</i>	15%	15%	15%
<i>Tax on employer contributions</i>	15%	15%	15%
<i>Member movements</i>	As per last full actuarial review at 30 June 2003	As per last full actuarial review at 30 June 2003	As per last full actuarial review at 30 June 2003
	2006 \$'000	2005 \$'000	2004 \$'000

Assets and Liabilities Recognised

Present value of defined benefit obligation at end of year	(55,435)	(56,057)	(53,148)
Fair value of plan assets at end of year	56,464	49,550	45,961
Net Asset/(Liability) Recognised	1,029	(6,508)	(7,187)

Income/expense Recognised

Current service cost	889	4,739	
Interest cost	2,327	2,521	
Expected return on plan assets (1)	(3,456)	(3,160)	
Net Actuarial (gains)/losses	(5,338)	(2,619)	
Net (Income)/Expense Recognised	(5,579)	1,482	

Note (1) The expected return on plan assets is determined by weighting the expected long term return for each asset class by the expected long term allocation of assets to each asset class. Returns are net of investment tax and investment fees.

Reconciliation of Income/Expense Recognised

Gain/(Loss) on movement in SFC Super Scheme obligation (Disclosed in Statement of Recognised Income and Expense)	7,537	679	
Employer Contributions (Defined Benefit) (Disclosed in Employee Related Expenses)	(1,958)	(2,161)	
Net Income/(Expense) Recognised	5,579	(1,482)	



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

9. Provision for Employee Related Expenses (continued)

	2006 \$'000	2005 \$'000
Movement in Recognised Liability/(Asset)		
Superannuation Liability/(Asset) at Beginning of Year	6,508	7,187
Recognised in Statement of Recognised Income and Expense	<u>(7,537)</u>	<u>(679)</u>
Superannuation Liability/(Asset) at Year-end	(1,029)	6,508

Asset allocation

As at 30 June 2004 and 2005 the Scheme assets were invested in a balanced strategy with a benchmark allocation of 65% in growth asset classes (e.g. shares and property) and about 35% in defensive asset classes (e.g. fixed interest and cash). The investment strategy of the fund manager has a weighting of 80% to growth assets and 20% to defensive assets. The table below shows the benchmark (target) asset allocation of the Scheme assets as at 30 June 2006.

Strategic Asset Allocation	2006 Benchmark	2005 Benchmark
Australian shares	38%	35%
International shares	18%	20%
Property	24%	10%
Australian Fixed Interest	18%	18%
International Fixed Interest	Not stated	7%
Cash	2%	10%
Total	100%	100%

The benchmark allocation in 2006 for Property and Australian Fixed Interest include alternative investments and international fixed interest investments respectively.

	2006 \$'000	2005 \$'000
Reconciliation of the Present Value of the Defined Benefit Obligation		
Present value of defined benefit obligation at start of year	56,057	53,148
Current service cost	889	4,739
Interest cost	2,327	2,521
Member contributions and transfers from other funds	899	1,111
Actuarial (gains)/losses	(1,531)	(494)
Benefits and tax paid	<u>(3,206)</u>	<u>(4,968)</u>
Present value of defined benefit obligation at end of year	55,435	56,057

Reconciliation of the Fair Value of Plan Assets

Fair value of plan assets at start of year	49,550	45,961
Expected return on plan assets	3,456	3,158
Actuarial gains/(losses)	3,807	2,127
Employer contributions	1,958	2,161
Member contributions and transfers from other funds	899	1,111
Benefits and tax paid	<u>(3,206)</u>	<u>(4,968)</u>
Fair value of plan assets at end of year	56,464	49,550

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

9. Provision for Employee Related Expenses (continued)

General plan information

The Scheme was closed to new members on 30 June 2005. Members of the Scheme are entitled to receive lump sum benefits on leaving service due to retirement, death, total and permanent disablement and resignation. The most recent actuarial investigation into the Scheme was performed as at 30 June 2003 by David Quinn-Watson BSc(Hons) FIAA for Financial Synergy Actuarial Pty Ltd. The investigation showed the following figures determined in accordance with AAS 25 Financial Reporting by Superannuation Plans:

	\$'000
Defined Benefits	51,977
Accumulation Benefits	574
Total Accrued Benefits	<u>52,551</u>

The actuary recommended that the Employer contribute at the following rates:

- 14% of salaries, being 11% of salaries towards the defined benefits and 3% of salaries to an accumulation account in each member's name, in accordance with the relevant award(s), plus
- Additional contributions to improve the financial position of the Scheme.

The funding method used to make the contribution recommendation was the "entry age normal method". The economic assumptions used in the investigation were:

Rate of investment return	7.0% p.a.
Rate of inflationary salary increases	4.0% p.a.

	2006 \$'000	2005 \$'000
Historical information		
Present value of defined benefit obligation at end of year	55,435	56,057
Fair value of plan assets at end of year	(56,464)	(49,550)
(Surplus)/Deficit in plan	(1,029)	6,508
Experience adjustments - plan liabilities	713	1,391
Experience adjustments - plan assets	3,807	2,127
Actual return on Scheme assets	7,263	5,285

Expected Contributions

The expected contributions to the Scheme for the year ending 30 June 2007 are as follows.

	\$'000
Expected employer contributions	1,817
Expected member contributions (including deemed member contributions)	826

In-house Assets

The fair value of Scheme assets does not include any of the Employer's financial instruments, property occupied by the Employer or other assets used by the Employer.

Effect of Curtailments and Settlements

No material curtailments or settlements occurred during the year.

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

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



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

10. Financial Instruments Disclosures

The Commission's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and liabilities for 2005-06 are detailed below:

	Weighted Average Interest Rate	Non Interest Bearing \$'000	Floating Interest Rate \$'000	Fixed Interest 1 year or less \$'000	Maturing Over 1 year to 5 years \$'000	Total \$'000	Market Value \$'000
Financial Assets							
Cash	5.69%	9	2,106	-	-	2,115	2,115
Receivables		891	-	-	-	891	891
		900	2,106	-	-	3,006	3,006
Financial Liabilities							
Interest Bearing Liabilities	6.22%	-	-	1,830	2,868	4,698	4,715
Payables		2,643	-	-	-	2,643	2,643
		2,643	-	1,830	2,868	7,341	7,358

Comparative figures for 2004-05 are detailed below:

	Weighted Average Interest Rate	Non Interest Bearing \$'000	Floating Interest Rate \$'000	Fixed Interest 1 year or less \$'000	Maturing Over 1 year to 5 years \$'000	Total \$'000	Market Value \$'000
Financial Assets							
Cash	5.62%	9	1,100	-	-	1,109	1,109
Receivables		1,209	-	-	-	1,209	1,209
		1,218	1,100	-	-	2,318	2,318
Financial Liabilities							
Bank overdrafts	8.97%	-	595	-	-	595	595
Interest Bearing Liabilities	6.01%	-	-	2,868	1,830	4,698	4,739
Payables		2,686	-	-	-	2,686	2,686
		2,686	595	2,868	1,830	7,979	8,020

	2006 \$'000	2005 \$'000
Bank Overdraft Facility		
Total Facility (unsecured and subject to an annual review)	500	2,500
Overdraft	-	595
Unused Facility	500	1,905
Credit Card Facility		
Total Facility	270	57
Allocated Facility	250	49
Facility Available	20	8

Loans

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

Credit Risk Exposures

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The credit risk on the Commission's financial assets excluding investments, has been recognised in the Balance Sheet as the carrying amount, net of any provision for doubtful debts.

State Fire Commission

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

11. Contributions from State and Commonwealth Governments

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

Funds provided to the Commission are detailed below:-

	2006 \$'000	2005 \$'000
State Government Contributions		
General Contribution	2,810	2,810
Capital Contribution	-	2,000
Wildfire Fighting Reimbursements	728	643
	3,538	5,453
Commonwealth Government Contributions		
General Contribution	116	148
Helicopter Hire	150	131
Maintenance of Chemical, Biological and Radiation Equipment on loan to the State	30	30
Volunteer Recruitment	40	-
Bushfire Mitigation Programme	-	13
	336	322

12. Fire Prevention Charges

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

Fire Prevention Charges comprise:-

	2006 \$'000	2005 \$'000
Sale of Fire Safety Services and Equipment	1,688	1,511
Alarm Rental	664	634
Avoidable False Alarms	82	89
Commercial Training	1,097	1,090
Inspection Fees - TasFire Equipment	736	755
Inspection Fees - Building Safety	146	143
Total	4,413	4,221

13. Sundry Income

Reimbursement by Tasmanian Ambulance Service (1)	171	167
Interest Received	45	97
Insurance Recoveries	9	11
Rent	26	33
Wildfire Fighting Reimbursements (2)	168	120
Worker's Compensation Refunds	10	40
Gain on Sale of Assets	-	373
Gains on Impaired Assets	74	-
Building Revaluation Increment	60	551
Other	572	493
Total	1,136	1,886

(1) Contribution for shared facilities and reimbursement for costs incurred in upgrading and maintaining the Tasmanian Ambulance Service radio network and communication centre. (Note 21)

(2) Reimbursement from Forestry Tasmania and the Parks and Wildlife Service for wildfire fighting.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

	2006 \$'000	2005 \$'000
14. Employee Related Expenses		
Salaries, Wages and Allowances	22,551	20,940
Payroll Tax	1,785	1,633
Annual Leave	2,857	2,842
Long Service Leave	860	1,051
Superannuation (1)	3,344	3,314
Total	31,398	29,780
(1) Superannuation Contributions:		
<i>State Fire Commission Superannuation Scheme</i>	2,565	2,654
<i>Retirement Benefits Fund</i>	644	567
<i>Other Funds</i>	47	93
<i>Superannuation related to movement in provisions for Long Service Leave and Annual Leave</i>	88	-
<i>Total Superannuation Expense</i>	3,344	3,314
15. Public Relations, Subscriptions and Consultants		
Advertising	333	356
Functions	97	119
Grants and Donations	34	22
Other	24	24
Professional Fees	110	96
Subscriptions	201	184
Total	798	801
16. Operations Expenses		
Communication Expenses	1,150	1,142
Computer Expenses	404	621
Consumables	255	223
Electricity	389	380
Fire Suppression & Control	32	26
Hire of Equipment	28	24
Motor Vehicle Expenses	1,009	933
Municipal Rates	323	295
Office Cleaning	121	133
Other	149	173
Printing and Stationery	176	195
Removal Expenses	22	8
Rental of Premises	33	22
Travel Expenses	948	758
Wildfire Fighting Equipment Hire	49	42
Total	5,088	4,976
17. Protective Clothing and Uniforms		
Protective Clothing	372	639
Uniforms	296	343
Total	668	982

State Fire Commission

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

	2006 \$,000	2005 \$,000
18. Financial and Other Expenses		
Audit Fees	34	28
Cost of Goods Sold re: Sale of Fire Safety Services and Equipment	896	763
Fringe Benefits Tax	90	116
Local Government Collection Fees	863	841
Loss on Sale of Assets	254	-
Pensioner Rebates (Municipal)	640	622
Pensioner Rebates (Transport)	337	179
Stock Expenses and Write Offs	7	17
Other	102	63
Total	3,225	2,629
19. Borrowing Costs		
Interest on Bank Overdraft	50	2
Interest on Capital Debt	282	288
Total	332	290
20. Repairs and Maintenance		
Communication Expenses	66	68
Computer Equipment	21	11
Fire Fighting Equipment	103	118
Land and Buildings	492	494
Motor Vehicles	680	655
Office Furniture	17	14
Workshop Equipment	38	33
Total	1,418	1,394
21. Minor Equipment		
Communication Expenses	162	107
Computer Equipment	28	34
Fire Fighting Equipment	280	369
Office Furniture and Related Equipment	114	99
Tasmanian Ambulance Service Communications Equipment (Note 13)	89	44
Workshop Equipment	66	77
Other	12	14
Total	751	742
22. Retained Operating Surpluses		
Accumulated Surplus at the beginning of the year	56,970	51,670
Net Surplus for year	1,561	4,622
Other movements in Retained Operating Surpluses reported in the Statement of Recognised Income and Expense	7,537	679
Retained Operating Surpluses at year end	66,068	56,970
23. Reserves		
Asset Revaluation Reserve		
Accumulated Balance at beginning of year	1,624	74
(Less)/Add Net Revaluation of Assets	2,033	1,550
Asset Revaluation Reserve at year end	3,657	1,624
24. Reconciliation of Total Equity		
Total Equity at the beginning of the year	58,594	51,744
Total changes in equity reported in the Statement of Recognised Income and Expense	11,130	6,851
Total Equity at year end	69,724	58,594



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

25. Remuneration of Commissioners

There are seven Commissioners and three of these are State Servants. Commissioners not employed under the *Tasmanian State Service Act 2001* are remunerated on an annual basis and superannuation is also paid to these commissioners in accordance with the superannuation guarantee legislation. All Commissioners are reimbursed for reasonable out-of-pocket expenses.

Commissioners were paid the following remuneration:	2006 \$	2005 \$
Annual Remuneration	24,000	24,000
Superannuation	1,076	1,076
Total Remuneration	<u>25,076</u>	<u>25,076</u>

26. Remuneration of Auditors

The Tasmanian Audit Office audits the accounts for the State Fire Commission. The total remuneration to the Tasmanian Audit Office exclusive of GST was \$31,400 in 2006 and \$28,280 in 2005.

27. Notes to the Cash Flow Statement

(a) Reconciliation of Cash and Cash Equivalents

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

	2006 \$'000	2005 \$'000
Bank Account	378	-
11am Call Account	1,728	1,100
On hand	9	9
Cash and Cash Equivalents in the Balance Sheet	<u>2,115</u>	<u>1,109</u>
Overdraft	-	(595)
Cash and Cash Equivalents in the Cash Flow Statement	<u>2,115</u>	<u>514</u>

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

Net Surplus	1,561	4,622
Add (Less) Non-Cash Items:		
Depreciation	4,374	3,974
Asset Revaluation treated as revenue	(60)	(552)
Asset Impairment Gain	(74)	-
(Profit)/Loss on disposal of assets	254	(372)
Net cash used in operating activities before change in assets and liabilities	<u>6,055</u>	<u>7,670</u>

Changes in Assets and Liabilities during the financial period

(Increase)/Decrease in receivables	318	(128)
(Increase)/Decrease in accrued revenue	197	(375)
(Increase)/Decrease in inventory	(121)	(52)
(Increase)/Decrease in prepayments	(104)	(49)
Increase/(Decrease) in payables/accruals	(284)	169
Increase/(Decrease) in provisions	499	825
Net Cash from Operating activities	<u>6,560</u>	<u>8,062</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

28. Transition to Australian Equivalents to International Financial Reporting Standards
(a) Reconciliation of Equity at 1 July 2004

	Note	Previous GAAP 2004 \$'000	Effect of transition to Australian equivalents to IFRAs \$'000	Australian equivalents to IFRSs 2004 \$'000
CURRENT ASSETS				
Cash Assets		4,485		4,485
Receivables		1,082		1,082
Other Assets		1,726		1,726
Inventories		969		969
Total Current Assets		<u>8,262</u>		<u>8,262</u>
NON-CURRENT ASSETS				
Work in Progress		5,593		5,593
Property, Plant and Equipment		60,173		60,173
Total Non-Current Assets		<u>65,766</u>		<u>65,766</u>
TOTAL ASSETS		74,028		74,028
CURRENT LIABILITIES				
Payables		3,256		3,256
Provision for Employee Related Expenses		2,646		2,646
Interest Bearing Liabilities		1,500		1,500
Total Current Liabilities		<u>7,402</u>		<u>7,402</u>
NON-CURRENT LIABILITIES				
Provision for Employee Related Expenses	(a)	4,498		4,498
SFC Superannuation Fund Net Liability		-	7,187	7,187
Interest Bearing Liabilities		3,198		3,198
Total Non-Current Liabilities		<u>7,696</u>		<u>14,883</u>
TOTAL LIABILITIES		15,098		22,285
NET ASSETS		<u>58,930</u>		<u>51,743</u>
EQUITY				
Retained Operating Surpluses	(a)	58,856	(7,187)	51,670
Reserves		74		74
TOTAL EQUITY		<u>58,930</u>		<u>51,744</u>

Explanation of movements

a) The Commission is responsible for the funding of the State Fire Commission Superannuation Scheme. At 1 July 2004, this scheme was underfunded by \$7.187m. (Notes 1(k), 9)



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

28. Transition to Australian Equivalents to International Financial Reporting Standards (continued) (b) Reconciliation of Equity at 30 June 2005

	Note	Previous GAAP 2005 \$'000	Effect of transition to Australian equivalents to IFRSs \$'000	Australian equivalents to IFRSs 2005 \$'000
CURRENT ASSETS				
Cash Assets		1,109		1,109
Receivables		1,209		1,209
Other Assets		2,150		2,150
Inventories		1,021		1,021
Total Current Assets		<u>5,489</u>		<u>5,489</u>
NON-CURRENT ASSETS				
Work in Progress		4,669		4,669
Property, Plant and Equipment		70,892		70,892
Total Non-Current Assets		<u>75,561</u>		<u>75,561</u>
TOTAL ASSETS		81,050		81,050
CURRENT LIABILITIES				
Bank Overdraft		595		595
Payables		2,686		2,686
Provision for Employee Related Expenses		3,014		3,014
Interest Bearing Liabilities		2,868		2,868
Total Current Liabilities		<u>9,163</u>		<u>9,163</u>
NON-CURRENT LIABILITIES				
Provision for Employee Related Expenses	(a)	4,955		4,955
SFC Superannuation Fund Net Liability		-	6,508	6,508
Interest Bearing Liabilities		1,830		1,830
Total Non-Current Liabilities		<u>6,785</u>		<u>13,293</u>
TOTAL LIABILITIES		15,948		22,456
NET ASSETS		<u>65,102</u>		<u>58,594</u>
EQUITY				
Retained Operating Surpluses	(a)	63,478	(6,508)	56,970
Reserves		1,624		1,624
TOTAL EQUITY		<u>65,102</u>		<u>58,594</u>

Explanation of movements

a) The Commission is responsible for the funding of the State Fire Commission Superannuation Scheme.

At 1 July 2005, this scheme was underfunded by \$6.506m. (Notes 1(k), 9)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

28. Transition to Australian Equivalents to International Financial Reporting Standards (continued)

(c) Reconciliation of Income Statement at 30 June 2005

	Note	Previous GAAP 2005 \$'000	Effect of transition to Australian equivalents to IFRSs 2005 \$'000	Australian equivalents to IFRSs 2005 \$'000
Income				
Fire Service Contribution		20,940		20,940
Insurance Fire Levy		14,498		14,498
State Government Contribution		5,453		5,453
Motor Vehicle Fire Levy		4,533		4,533
Fire Prevention Charges	(a)	3,459	(763)	4,222
Sundry Revenue		1,886		1,886
Commonwealth Government Contribution		322		322
Total Income		51,090		51,853
Expenses				
Employee Related Expenses		29,780		29,780
Public Relations, Subscriptions and Consultants		801		801
Training and Education		578		578
Operations Expenses		4,976		4,976
Protective Clothing and Uniforms		982		982
Depreciation		3,974		3,974
Financial and Other Expenses	(a)	1,866	763	2,629
Insurance		1,085		1,085
Borrowing Costs		290		290
Repairs and Maintenance		1,394		1,394
Equipment under \$1,000		742		742
Total Expenses		46,468		47,231
Net Surplus/(Deficit)		4,622		4,622

STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE YEAR ENDED 30 JUNE 2005

		Previous GAAP 2005 \$'000	Effect of transition to Australian equivalents to IFRSs 2005 \$'000	Australian equivalents to IFRSs 2005 \$'000
Income and Expenses Recognised Directly in Equity				
Gain on movement in SFC Super Scheme obligation	(b)	-	679	679
Increase/(Decrease) in Asset Revaluation Reserve		1,550		1,550
Net Income Recognised Directly in Equity		1,550		2,229
Net Surplus/(Deficit) for the Year		4,622		4,622
Total Recognised Income/(Expense) for the Year		6,172		6,851

Explanation of movements

- a) Cost of Goods Sold previously netted against income, is now recognised in Financial and Other Expenses.
- b) The Commission is responsible for the funding of the State Fire Commission Superannuation Scheme. For the year ended 2005, the net obligation of the scheme reduced by \$0.679m. (Notes 1(k), 9)

STATE FIRE MANAGEMENT COUNCIL

The State Fire Management Council is established under Section 14 of the *Fire Service Act 1979*. The Council's primary role is to develop a State Vegetation Fire Management Policy to be used as the basis for all fire management planning. The Council comprises:

- > Chairperson nominated by the Minister (Stephen Geard);
- > Chief Officer of the Tasmania Fire Service (John Gledhill);
- > Chief Executive Officer of the Forestry Corporation (Evan Rolley);
- > General Manager of National Parks and Wildlife (Peter Mooney);
- > Nominee of the Chief Officer, Tasmania Fire Service (Peter Alexander);
- > Nominee of the Chief Executive Officer of the Forestry Corporation (Tony Blanks);
- > Nominee of the Director of National Parks and Wildlife (Adrian Pyrke);
- > Nominee of the Tasmanian Farmers and Graziers Association (Lyndley Chopping);
- > Nominee of the Forest Industries Association of Tasmania (Greg Hickey); and
- > Nominee of the Local Government Association of Tasmania (Rod Sweetnam)

2005-2006 Chairperson's Annual Report

As Chairman of the State Fire Management Council I am pleased to report on the activities of the Council which met four times in the year ended 30 June 2006.

During the year the Council has given considerable attention to the development of the Tasmanian Government Radio Network (TASGRN). The Council is anxious to ensure that this project results in there being radio communications on the fireground that are at least as good as what is presently available. The Council will continue to monitor the development of the TASGRN.

The Council has also commenced discussions with representatives of the Forest Practices Authority with regard to clarifying the impact of recent changes to the *Forest Practices Regulations* on fire management practices.

The advice of the Council continues to be sought on matters relating to air quality and fire management (including on the development of the proposed *Environmental Management & Pollution Control (Air Quality) Regulations 2006*).



S D Geard, Chairman

29 August 2006

COMPLIANCE AND CERTIFICATION – SUPERANNUATION

Superannuation Declaration

I, John Brian Gledhill, Chief Fire Officer, State Fire Commission, hereby certify that the State Fire Commission has met its obligations under the *Superannuation Guarantee (Administration) Act 1992* of the Commonwealth in respect of any employee who is a member of a complying superannuation scheme to which the State Fire Commission contributes.



J. B. Gledhill BSc, FIFire E, AFSM
CHIEF OFFICER

21 September 2006



L. P. Dewhurst AFSM
COMMISSION MEMBER



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