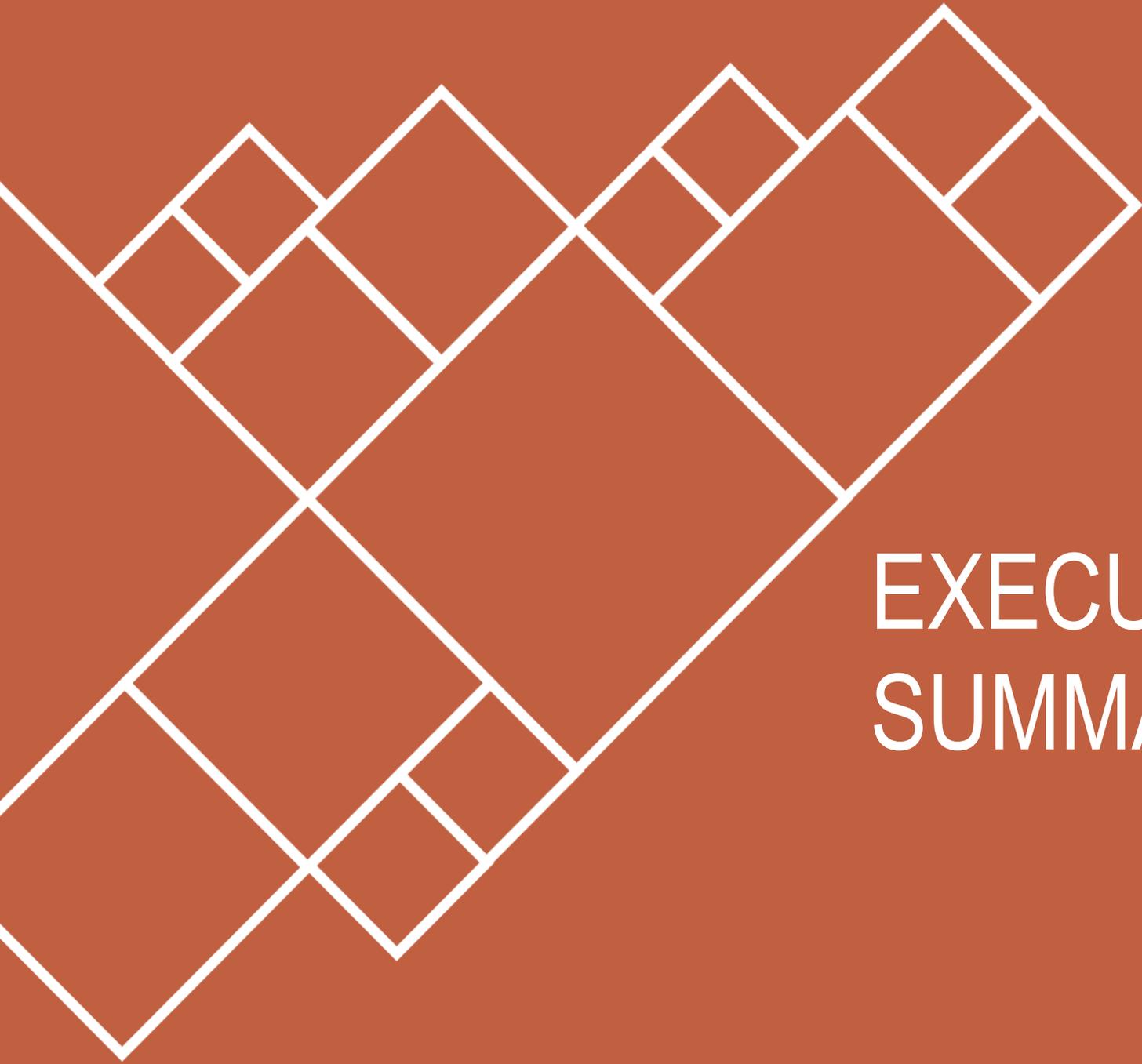




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EXECUTIVE SUMMARY



STATEMENT OF LEGISLATIVE COMPLIANCE

for the year ended 30 June 2017

To the Honourable Francis Logan
MLA, Minister for Emergency Services



The Honourable Francis Logan MLA,
Minister for Emergency Services

In accordance with section 63 of the *Financial Management Act 2006*, I hereby submit the Annual Report of the Department of Fire and Emergency Services for the financial year ended 30 June 2017, for your information and presentation to Parliament.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006* as well as the *Fire and Emergency Services Act 1998*, the *Fire Brigades Act 1942* and the *Bush Fires Act 1954*.

W Gregson APM BA MBA PhD.I
Accountable Authority
1 September 2017

Contact Details

POSTAL ADDRESS
GPO Box P1174
Perth WA 6844

STREET ADDRESS

Emergency Services Complex
20 Stockton Bend
Cockburn Central WA 6164

ELECTRONIC

Email dfes@dfes.wa.gov.au
Website www.dfes.wa.gov.au
Telephone [08] 9395 9300
Facsimile [08] 9395 9384

[dfes_wa](#)

[dfeswa](#)

This publication is available in alternative formats on request.



COMMISSIONER'S FOREWORD



Fire and Emergency Services Commissioner
Wayne Gregson APM, BA, MBA, PhD.I

I am pleased to present the Department of Fire and Emergency Services 2016/17 Annual Report, which details our organisational performance and results for the reporting year.

Throughout 2016/17, we sustained our focus on supporting frontline services in incident planning, response and control. I am exceptionally proud of the professionalism, integrity and loyalty of all those involved at DFES who worked together in delivering emergency services to the communities of Western Australia.

Together with our valued stakeholders and emergency services partners, we have collectively implemented a number of significant initiatives which are designed to improve safety practices and provide quality and effective emergency services to the State.

The DFES' EmergencyWA website was launched, offering the people of Western Australian a one source, one message system for emergency information and warnings. This initiative enables the provision of critical data to the public that is faster and with more information than ever before.

The threat of bushfire and its impact in recent years to our communities in the south west of the State will never be forgotten. Our establishment of specific bushfire risk management planning, supporting systems and standards for bushfire prone areas was introduced to make our communities safer. In addition, we have commissioned a new emergency rescue helicopter based in Bunbury, aimed at extending our life-saving capability to the regional areas of the State.

Other initiatives achieving significant progress during the year include a rollout of crew protection for firefighting appliances and an automated vehicle location system. This provides real-time visibility and automated features that enhance fire crew safety.

In addition our legal team continues to work towards a new Emergency Services Act which will deliver real benefits to both our firefighters and volunteers.

Advances have also been made in relation to inter-operability, command control, coordination, and the way that we work and share information with our emergency service partners. We continue to recognise the vital importance of our volunteers and have developed strategies designed to improve their experience and increase attraction and retention rates to promote the sustainability of this critical resource.



These are just some of the complex projects that have been delivered and have enhanced our operational landscape. In addition, like almost every business in the State, we continue to pursue financial efficiencies wherever possible and look hard at all expenditure to ensure our operating costs are used as efficiently as possible.

In March 2017 a new Government was elected to the Western Australian Parliament and the Honourable Francis Logan MLA was appointed Minister for Emergency Services. DFES continues to work closely with the Minister's Office to achieve the best outcomes for the Western Australian community.

As I complete my tenure as Commissioner, and consider the last six years under my stewardship, I reflect with gratitude on the efforts of our dedicated and talented staff and committed volunteers. I thank them for their continued efforts as they embark on the next phase of the DFES journey and embrace the technology revolution that will help us deliver the emergency services of the future.



THE YEAR IN REVIEW

The 2016/17 southern bushfire season was one of the quietest seasons we've had for some time.

A record-breaking wet season in the Kimberley caused by monsoonal troughs resulted in resupply operations in the region from December 2016 to April 2017.

In February 2017, a tropical low across much of the State resulted in 114.2 millimeters of rain falling in Perth in 24 hours, recording its second wettest day on record. Elsewhere, the low caused road and rail closures, isolating towns and stations. Numerous rescues resulted, including 15 people caught in floods on the outskirts of Ravensthorpe after a bridge was washed away. Unfortunately, two fatalities were recorded near Esperance.

While the number of responses for the year remained consistent, the reduced complexity of those incidents has enabled significant progress to be made improving interoperability.

Recent bushfire reviews highlighted the need to have 'one source of truth' for the community to access during an emergency incident. Considerable development work with the Parks and Wildlife Service has resulted in the launch of DFES' new website EmergencyWA. Launched on 23 October 2016, over the next eight months 884,715 people visited the EmergencyWA website 7,113,884 times.

DFES, Parks and Wildlife Service and the WA Local Government Association have established five inter-agency pre-formed teams made up of staff from the agencies, local governments and volunteer emergency services.

As part of our efforts to minimise the impact of emergencies, a restricted access permit system is implemented at fire grounds to enable residents, business owners and utility companies to apply for a permit to access the area when there is an urgent need to return.

With safety as a prime concern, almost 400 portable tracking devices have been deployed across the State and over 1,300 vehicles have had tracking hardware installed. The devices include a distress alarm button which, when activated, alerts ComCen staff who send emergency support.

The reprogramming of approximately 1,200 handheld, vehicle and base radios for Australian Communications and Media Authority 400MHz compliance ensures clearer communications for all response staff and volunteers, increasing interoperability across services.

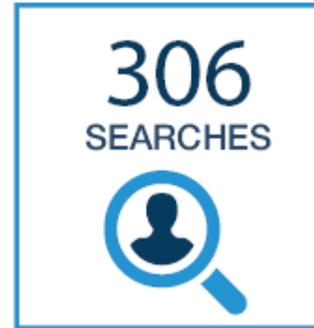
Working with staff and volunteers from Volunteer Marine Rescue Services and State Emergency Service, the Royal Automobile Club of Western Australia (RAC) Rescue helicopter successfully assisted a fisherman with life threatening injuries 114 nautical miles east of Esperance. The rescue lasted 12.5 hours and Western Australia Police (WA Police) has nominated the RAC Rescue helicopter crew for a national search and rescue award.

Our focus on improving the capability of our staff and volunteers has seen the implementation of the eAcademy, which enables staff and volunteers to manage their own development by requesting access to relevant training courses, attend training and complete assessments online.

The rollout of identification cards for DFES volunteers continues. To date, ID cards have been issued to 100 percent of volunteers who have requested one.



OUR YEAR AT A GLANCE 2016/17





ORGANISATIONAL PROFILE

DFES is comprised of the:

- Career Fire and Rescue Service (CFRS)
- Fleet and Equipment Technicians
- Public Service and Government Officers
- State Emergency Service (SES)
- Volunteer Fire and Emergency Services (VFES)
- Volunteer Fire and Rescue Service (VFRS)
- Volunteer Marine Rescue Services (VMRS).

DFES also supports local governments in administering, training and funding the Bush Fire Service (BFS) and the participation of young volunteers through our Emergency Services Cadets and junior programs. DFES is also responsible for the service level agreement for Surf Life Saving Western Australia's 5,000 volunteers who provide a range of essential services to the beach going community.

The Fire and Emergency Services Commissioner is the Hazard Management Agency in Western Australia for:



OUR LOCATIONS AND RESOURCES



KIMBERLEY

2	22	11	506

PILBARA

2	27	10	727

MIDWEST GASCOYNE

2	111	42	2,437

GOLDFIELDS MIDLANDS

3	131	39	3,341

PERTH METROPOLITAN

30	95	1,475	4,607

GREAT SOUTHERN

4	239	44	8,162

SOUTH WEST

2	50	59	1,750

LOWER SOUTH WEST

1	126	15	4,666



SHARED RESPONSIBILITIES WITH OTHER AGENCIES

Weather Warnings

DFES and the Bureau of Meteorology (BOM) each have a responsibility to ensure Western Australian communities are informed and supported in preparing for emergencies caused by severe weather events. The agencies have a close working relationship, underpinned by a Memorandum of Understanding. A BOM meteorologist is based in the State Operations Centre and provides forecasting services to support incident management. The primary objective is to improve response planning by providing incident managers with an understanding of current and predicted weather conditions.

Arson Reduction

DFES works closely with WA Police and the Department of Biodiversity, Conservation and Attractions (Parks and Wildlife Service) to reduce arson. A joint agency campaign encourages the community, particularly those vulnerable to bushfire, to be vigilant against arsonists and report suspicious behaviour. The DFES Extinguish Arson Database is an important tool that enables Fire Investigation Officers and WA Police to identify trends and monitor suspicious fire activity to combat arson.

Search and Rescue

WA Police has management responsibility for the State's land and marine search and rescue operations. DFES' SES and VMRS units are tasked to carry these out and provide search and rescue teams and local area knowledge.

State Operations Air Desk

DFES and Parks and Wildlife Service have joint management responsibilities for the State's aerial suppression assets. The State Operations Air Desk operates from the Emergency Services Complex, Cockburn. It is jointly resourced to carry out the tasks of dispatch and co-ordination of fire suppression aircraft.

State Emergency Rescue Helicopter Service

DFES manages the contracts for the State's two emergency rescue helicopters. Sponsorship is provided by the RAC and critical care paramedics are provided under a contract arrangement with St John Ambulance. Helicopters and crews are provided under contract by CHC Helicopters.



Administered legislation and changes to written law

DFES was established on 1 November 2012 and operates under the *Fire and Emergency Services Act 1998*.

Administered legislation

DFES administers the following Acts along with associated subsidiary legislation:

- *Bush Fires Act 1954*
- *Emergency Services Levy Act 2002*
- *Fire and Emergency Services Act 1998*
- *Fire Brigades Act 1942*.

Changes to written law

The *Bush Fires Amendment Act 2016* was assented to on 21 September 2016 and commences on 1 July 2017. The Act will protect occupiers of land from prosecution under other State laws when undertaking bushfire risk treatments on their land as set out in the risk treatment standards issued by the Commissioner after consultation with the Minister.

The *Firefighters and Emergency Volunteers Legislation Amendment (Compensation) Act 2016* was assented to on 21 September 2016. Part 4 of the Act which supports a presumption for volunteers, former career and other State employed firefighters commenced on 21 January 2017.

The other provisions of the Act, which will be enacted after supporting regulations have been drafted, will:

- provide uniform legislated insurance provisions for emergency services responders carrying out statutory functions under the *Fire Brigades Act 1942*, *Bush Fires Act 1954* and the *Fire and Emergency Services Act 1998* (the emergency services Acts)
- amend the emergency services Acts so if an emergency services volunteer or State employed firefighter contracts a prescribed cancer, it shall be a rebuttable presumption the disease is the result of performing a statutory firefighting function and is compensable.



VISION MISSION AND VALUES

Vision

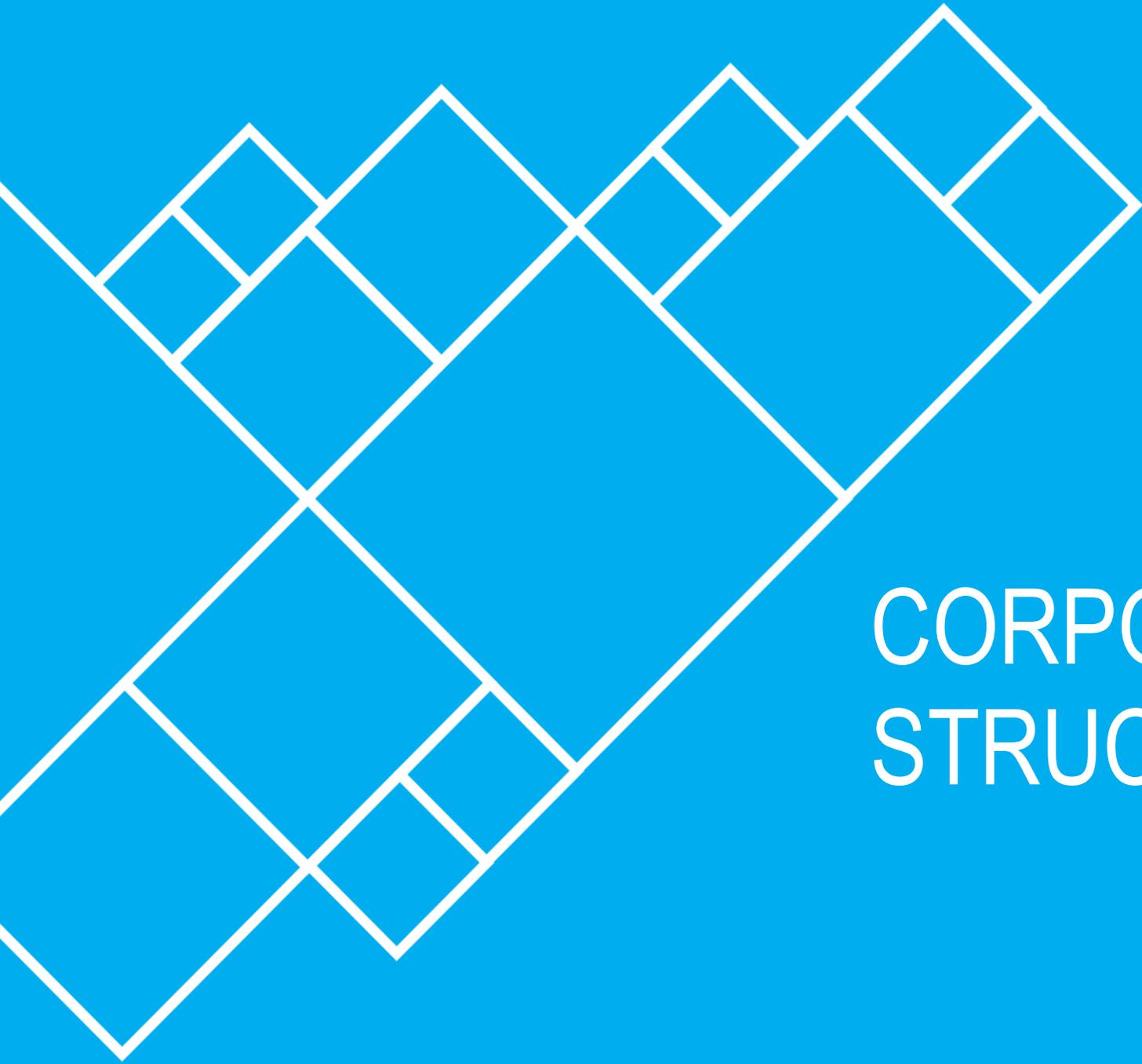
Resilient Western Australian communities that work together to build capability and capacity to prevent, prepare for, respond to and recover from emergencies

Mission

To improve community safety practices and provide timely, quality and effective emergency services, in partnership with local communities and emergency management partners

Values

<p>Put the community first</p> <p>We share the responsibility to prevent and mitigate hazards with the community</p>	<p>Work together as a committed team</p> <p>We cannot do it alone</p>	<p>Respect and value each other</p> <p>People are respected and diversity is embraced at DFES</p>	<p>Continuously improve our services</p> <p>DFES continuously looks for better ways to work</p>	<p>Act with integrity and honesty</p> <p>We acknowledge that we are in a position of trust and are an example to others</p>	<p>Have open, honest and two way communication</p> <p>DFES shares its objectives and goals</p>	<p>Strive to keep ourselves and others safe</p> <p>We don't put ourselves or others in harm's way</p>
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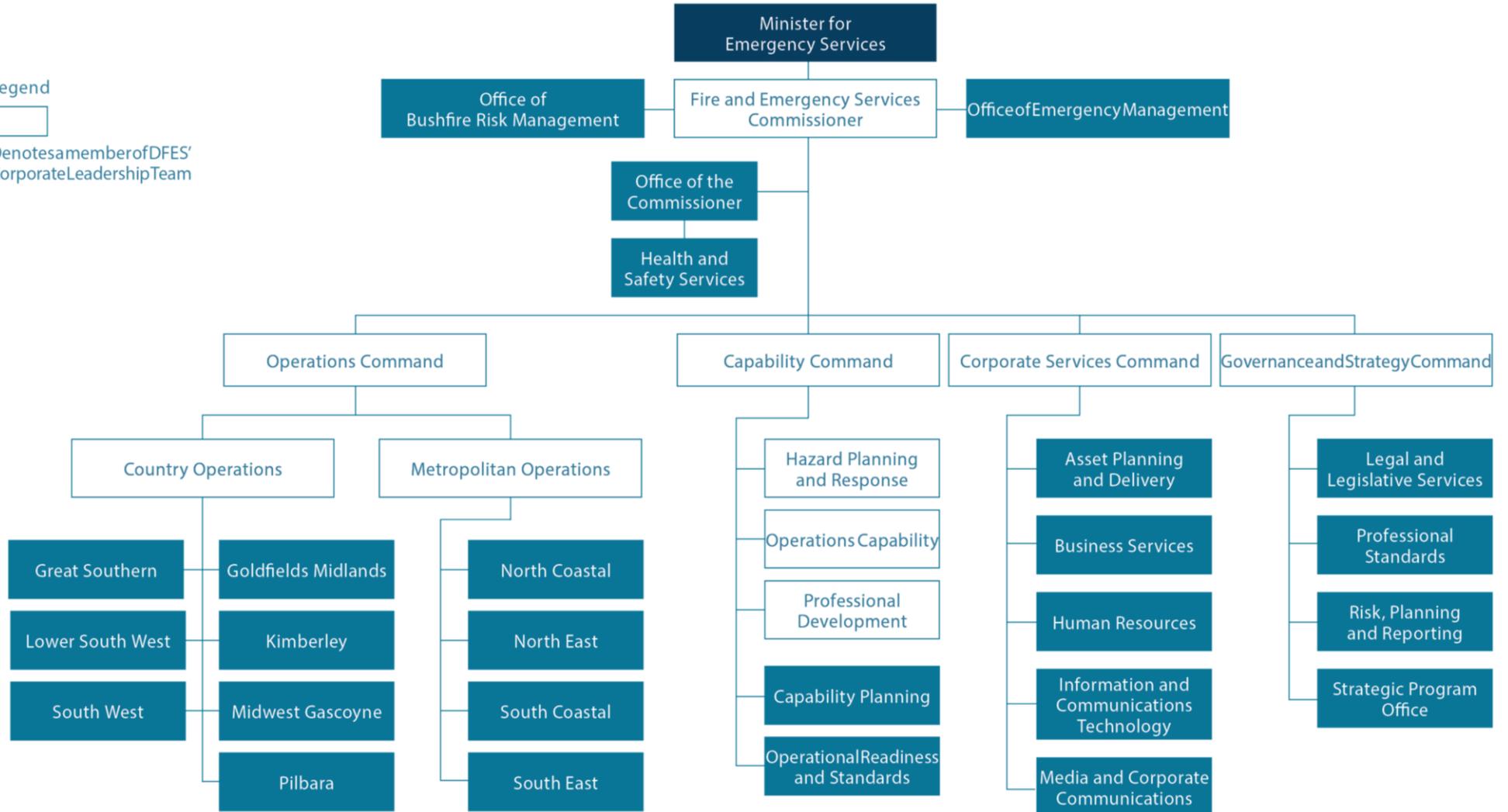
CORPORATE STRUCTURE

ORGANISATIONAL CHART AS AT 30 JUNE 2017

Legend



Denotes a member of DFES' Corporate Leadership Team





Commissioner Wayne Gregson
APM BA MBA PhD.I
(Fire and Emergency Services)

Commissioner Gregson joined the Fire and Emergency Services Authority of Western Australia (FESA) in September 2011 from WA Police, where he held the rank of Assistant Commissioner.

He was appointed Commissioner when DFES was established on 1 November 2012.

Commissioner Gregson holds a Master of Business Administration from Edith Cowan University, Graduate Certificate in Applied Management from the Australian Institute of Police Management, a Bachelor of Arts from the University of Western Australia and a Doctor of Philosophy (Innovation), University of New England, New South Wales.

He was awarded the Australian Police Medal in 2006.

The Office of the Commissioner is made up of:

- Health and Safety Services
- Ministerial Services.



Deputy Commissioner Lloyd Bailey AFSM
(Operations Command)

Deputy Commissioner Bailey has more than 40 years experience in fire and emergency services.

He held a number of roles within FESA before it became DFES, and was promoted to his current position in March 2012.

Deputy Commissioner Bailey holds a Diploma of Fire Engineering Management, a Graduate Certificate in Applied Management from the Australian Institute of Police Management and a Graduate Business qualification from Curtin University. He was awarded the Australian Fire Service Medal in 2003.

Operations Command is made up of:

- Country Operations
- Metropolitan Operations.



Deputy Commissioner Stephen Fewster BA(Mil) MSc
(Capability Command)

Deputy Commissioner Fewster has worked in both the State and Commonwealth public sectors for the past 40 years.

Deputy Commissioner Fewster holds a Bachelor of Arts in Military Studies from the University of New South Wales, a Master of Science in Explosive Ordnance Engineering from Cranfield, United Kingdom and a Diploma of Explosives Handling and Management.

Capability Command is made up of:

- Capability Planning
- Hazard Planning and Response
- Operational Readiness and Standards
- Operations Capability
- Professional Development.



Mr Frank Pasquale BCom
(Executive Director,
Corporate Services
Command)

Mr Pasquale has 27 years experience in the public sector.

At DFES, Mr Pasquale has managed significant financial reform projects, in particular the challenging implementation of the Financial Management Information System and the Emergency Services Levy.

Mr Pasquale holds a Bachelor of Commerce (Accounting) from Curtin University.

Corporate Services Command is made up of:

- Asset Planning and Delivery
- Business Services
- Human Resources
- Information and Communications Technology
- Media and Corporate Communications.



Ms Sue Paterson
BSc (Hons) EMPA
(Executive Director,
Governance and Strategy
Command)

Ms Paterson has more than 30 years experience in the public sector. She joined DFES in July 2015 after being at the Office of the Auditor General, leading audits on the effectiveness and efficiency of agency programs and functions, including in emergency management.

Ms Paterson has a Bachelor of Science (Hons) and an Executive Masters of Public Administration from the Australian and New Zealand School of Government.

Governance and Strategy Command is made up of:

- Legal and Legislative Services
- Professional Standards
- Risk, Planning and Reporting
- Strategic Program Office.



**Assistant Commissioner
Graham Swift** BBA
(Country Operations)

Assistant Commissioner Swift has 37 years experience in fire and emergency services.

Assistant Commissioner Swift holds a Bachelor of Business Administration from Curtin University.

Country Operations is responsible for:

- Delivery of operational services in regional areas through the CFRS, VFRS, VFES and SES
- Support local governments in areas of the administration, training and funding of the BFS.



Assistant Commissioner Darren Klemm
(Metropolitan Operations)

Assistant Commissioner Klemm has more than 27 years experience in fire and emergency services.

Assistant Commissioner Klemm holds a Graduate Certificate of Management.

Metropolitan Operations is responsible for:

- Delivery of operational services in metropolitan areas through the CFRS, VFRS, VFES and SES
- Support local governments in areas of the administration, training and funding of the BFS.



Assistant Commissioner Gary Gifford
ESM
(Operations Capability)

Assistant Commissioner Gifford has 40 years experience in the defence and emergency services industries.

He has been involved in emergency management at a national level for more than 15 years and holds a Graduate Certificate in Emergency Management. Assistant Commissioner Gifford was awarded the Australian Emergency Services Medal in 2010.

Operations Capability is responsible for:

- Aviation Services
- Built Environment
- Marine Rescue Services
- Special Operations
- State Wide Operational Response Division.



Assistant Commissioner Paul Ryan
(Hazard Planning and Response)

Assistant Commissioner Ryan has 28 years experience in fire and emergency services.

Assistant Commissioner Ryan is a Graduate of the Australian Institute of Company Directors, holds a Graduate Certificate in Applied Management from the Australian Institute of Project Management and an Advanced Diploma of Management from Bluestone.

Hazard Planning and Response is responsible for:

- Advisory Services
- Bushfire and Environmental Protection
- Bushfire Risk Management
- Community Engagement
- Joint Intelligence Capability
- State Operations Centre.



Assistant Commissioner Brad Stringer
(Professional Development)

Assistant Commissioner Stringer has 28 years experience in fire and emergency services.

Assistant Commissioner Stringer is a Graduate of the Australian Institute of Company Directors.

Professional Development is responsible for:

- Command and Academic Delivery
- Operational Delivery
- Professional Development.

CURRENT AND EMERGING ISSUES AND TRENDS

Bushfire mitigation

The *Reframing Rural Fire Management: Report of the Special Inquiry into the January 2016 Waroona Fire* (Ferguson Inquiry) identified the role of bushfire mitigation as an important element in reducing the impact on the community. Funding has been secured for 2017/18 to continue with the Bushfire Risk Management Planning process which will enable DFES to continue to work with priority local governments to include bushfire treatment and mitigation strategies into their Bushfire Risk Management Plans.

Volunteer Marine Rescue Services (VMRS)

The VMRS resourcing is a matter that is raised for consideration by the Economic Regulatory Authority (ERA) Emergency Services Levy (ESL) review. Funding to provide the required capacity to improve VMRS operational effectiveness remains an issue.

Site contamination

DFES is investigating the extent of the perfluorooctane sulphonate and perfluorooctanoic acid site contamination arising from firefighting foam used from the late 1960s to 2003.

Emergency Services Act

Drafting of the new Emergency Services Act is anticipated to commence in 2017/18. The proposed legislation will clarify agency and stakeholder responsibilities for prevention, mitigation and response to emergencies.

Communications strategy

A significant achievement will be the development of DFES' replacement Computer Aided Dispatch system (CAD), where, through interagency collaboration on the *WA Emergency Services Communications Strategy: 2016 Roadmap and Implementation Plan and State Government Information Technology Strategy*, DFES leveraged off the WA Police CAD contract to realise significant savings.

GovNext

DFES' Information, Communication and Technology Strategy aligns to the State's Digital Transformation Strategy, endorsed by Cabinet in 2016. Plans are underway to transition to GovNext services during 2017/18.

Rural fire service and the ESL review

The issue of a rural fire service was raised in the Ferguson Inquiry. A Bushfire Mitigation Summit was held on 23 June 2017, which included a period for public submissions. Any Government policy decisions arising from this review, as well as any decisions about the rural fire service capability within the State, will be considered in conjunction with any legislative change. The outcome of the Economic Regulatory Authority's review into the emergency services levy is scheduled for completion in late September 2017.

Performance Management Framework

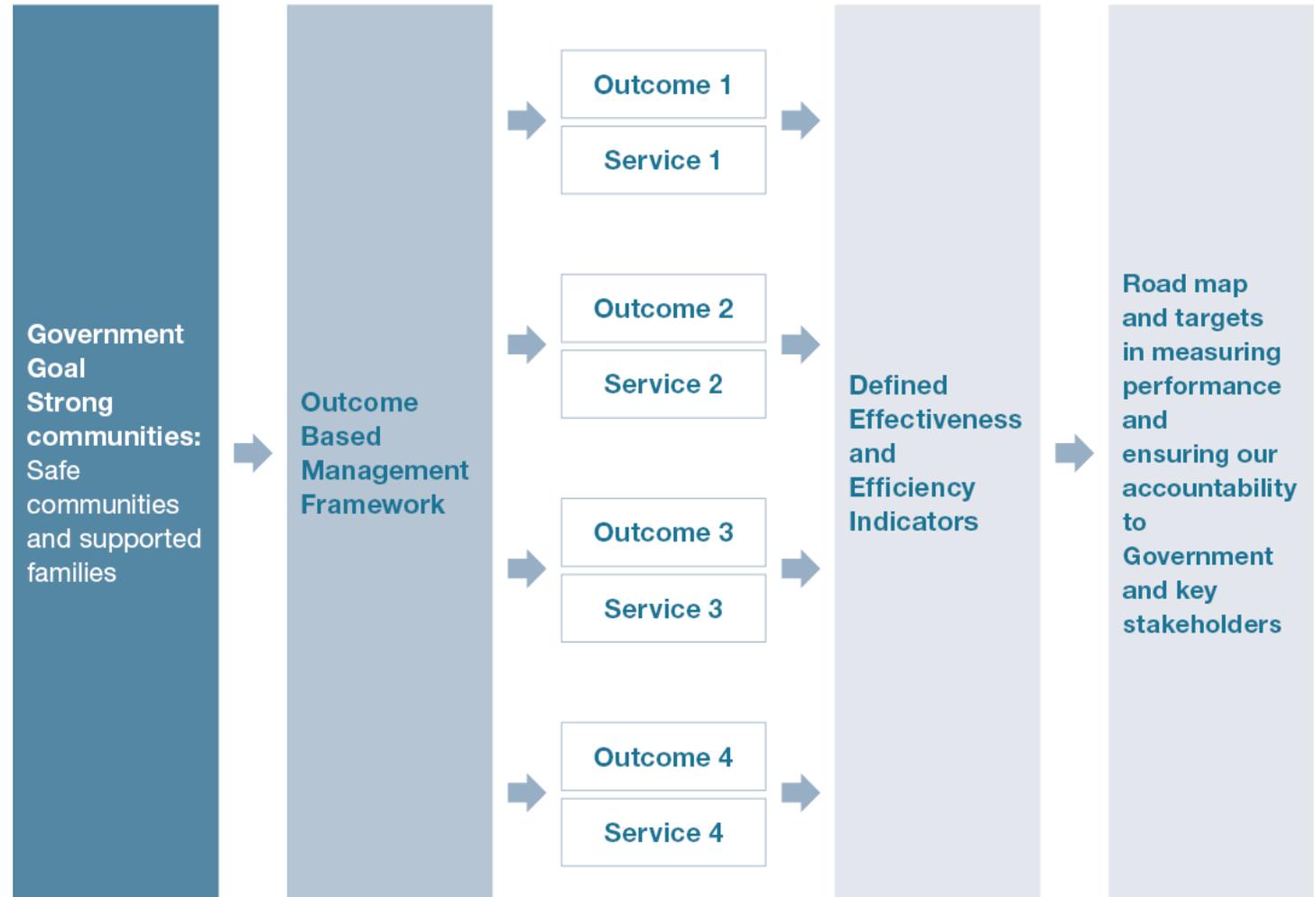
Changes to Outcome Based Management Framework

During 2015/16 DFES conducted a review of its Outcome Based Management Framework. The review had two objectives:

- provide a greater level of detail on the outcomes DFES is seeking to achieve and the related services DFES delivers to the community
- ensure key performance indicators used in the structure measure what is important to the agency and the achievement of community outcomes.

The *revised framework* was approved by the Under Treasurer on 11 December 2015 and applies from 1 July 2016.

This report is aligned to the new Outcome Based Management Framework.





REPORT ON OPERATIONS

Resource Agreement (Treasurer's Instruction 808)

The following performance information (financial and non-financial) is the subject of a Resource Agreement signed by the Minister for Emergency Services, DFES and the Treasurer under Part 3, Division 5 of the *Financial Management Act 2006*. Resources are provided for the delivery of four services, which are linked to four agency level outcomes.

Minimised occurrence and impact of preventable emergencies

Community Awareness, Education and Information Services.

Minimised impact of natural hazard emergencies

Compliance and Technical Advisory Services.

An operational workforce that is trained and equipped to respond

Training and Organisational Resourcing Services.

Minimised impact from emergencies through timely and effective response
Frontline services.

FINANCIAL TARGETS SUMMARY

(FURTHER DETAIL IS PROVIDED IN THE FINANCIAL STATEMENTS)

Performance is monitored against financial targets and through our key performance indicators. Performance results for 2016/17 are shown below. Further explanations are contained in Note 42 'Explanatory statement' to the financial statements.

	2016/17 Target \$000	2016/17 Actual \$000	Variation \$000	Reason for Significant Variation between Target and Actual
Total cost of services (expense limit) (sourced from Statement of Comprehensive Income)	385,764	396,174	10,410	The variance is mainly due to unanticipated expenditure on wildfire suppression and SES response and recovery operations, increased expenditure on the cost of fitting high risk bushfire firefighting appliances with crew protection and delivery of the 2015/16 backlog of local government bushfire firefighting appliances in 2016/17.
Net cost of services (sourced from Statement of Comprehensive Income)	28,485	33,910	5,425	The variance is mainly due to unanticipated expenditure on wildfire suppression and SES response and recovery operations, increased expenditure on the cost of fitting high risk bushfire firefighting appliances with crew protection and delivery of the 2015/16 backlog of local government bushfire firefighting appliances in 2016/17. These increases in expenditure were offset by additional revenue recognised due to higher than anticipated assessment of the ESL liability on properties and false fire alarm incidents subject to charging.
Total equity (sourced from Statement of Financial Position)	390,402	376,830	(13,572)	The variance mainly reflects land revaluation decrements partially offset by equity injections from the Royalties for Region Community Services Fund relating to the south west emergency services helicopter and the fire crew protection projects plus crown land transferred to DFES, as well as the impact of the higher net cost of services as detailed above.

	2016/17 Target \$000	2016/17 Actual \$000	Variation \$000	Reason for Significant Variation between Target and Actual
Net increase/ (decrease) in cash held (sourced from Statement of Cash Flows)	(16,572)	(22,886)	6,314	The decrease in cash balances largely reflects the unforeseen costs related to wildfire suppression and SES response and recovery, which were funded through internal cash resources.
Approved salary expense level	176,421	173,068	(3,353)	The variation arose due to the lag time in filling vacancies following the 2015/16 recruitment freeze and a lower than anticipated increase in the long service and annual leave provisions due to an increase in the discount rate determined by the Actuary in valuing the provisions.
Agreed borrowing limit	77,498	48,386	(29,112)	The variation is largely due to delays in the DFES capital works program and hence the reduced need for borrowing in 2016/17 to fund this program.
	2016/17 Target	2016/17 Actual	Variation	Reason for Significant Variation between Target and Actual
Approved average Full Time Equivalent (FTE) staff level	1,575.12	1,575.57	(0.45)	

KEY PERFORMANCE INDICATOR RESULTS

KEY

- ✓ We are achieving our goals
- ✗ Desired result not achieved – taking action

	Target	Achieved	Status	Page
Outcome 1: Minimised occurrence and impact of preventable emergencies				
Number of accidental residential structure fires per 100,000 households	65	63.41	✓	139
Proportion of hazardous materials sites with current Fire and Emergency Service Emergency Response Guides (FES ERG)	90%	90.93%	✓	140
Proportion of building plans assessed within specified timeframe	95%	97.03%	✓	141
Outcome 2: Minimised impact of natural hazard emergencies				
Number of community based Bushfire Ready Groups established	207	236	✓	143
Outcome 3: An operational workforce that is trained and equipped to respond				
Number of operational personnel endorsed as L3 Incident Managers	22	23	✓	147
Proportion of DFES operational volunteers actively engaged in Pathways training	43%	39.21%	✗	148
Proportion of assets within specified replacement period parameters	85%	87%	✓	149
Proportion of first round Local Government Grant Scheme offers accepted	70%	71.89%	✓	150
Outcome 4: Minimised impact from emergencies through timely and effective response				
Proportion of responses to ESL 1 and ESL 2 incidents within target timeframes	90%	90.79%	✓	152
Proportion of DFES volunteer turnouts within target timeframes	90%	92.27%	✓	153
Proportion of structure fires confined to object or room of origin	72%	76.38%	✓	154
Proportion of Level 2 and Level 3 bushfires where no structures are lost or significantly damaged	95%	98.41%	✓	155

	Target	Achieved	Status	Page
Service 1: Community Awareness, Education and Information Services				
Average cost per WA household to deliver emergency hazard information and awareness programs	\$9.50	\$7.84	✓	142
Service 2: Compliance and Technical Advisory Services				
Average cost per Fire and Emergency Service Emergency Response Guide reviewed		Result not reported.		
Average cost per building plan assessed	\$300	\$237.75	✓	145
Average cost per engaged local government to support Bushfire Risk Management programs	\$30,233	\$24,972.53	✓	146
Service 3: Training and Organisational Resourcing Services				
Average cost per participant to deliver operational pathways training	\$4,125	\$1,374.64	✓	151
Service 4: Frontline Services				
Average cost to deliver frontline services per Western Australian	\$171.78	\$113.21	✓	156

OUR KEY ACHIEVEMENTS ACROSS FOUR OUTCOMES

- Launched the EmergencyWA critical messaging system
- *Firefighters and Emergency Volunteers Legislation Amendment (Compensation) Act 2016* was passed
- Implemented the inter-agency preformed level 3 incident management teams
- Implemented the restricted access permit system
- Delivered the south west rescue helicopter
- Deployed an automated vehicle location device
- Implemented eAcademy online training
- Delivered
 - Two Trainee Firefighter Schools
 - Three Senior Firefighter Leadership Programs
 - Two Station Officer Development Programs
 - Two District Officer Development Programs
- Won four awards for excellence
 - Human Resource Management Practitioner of the Year
 - Leader of the year working within a Division/Team/Organisation
 - The Mentally Healthy Workplace Award
 - Resilient Australia Government Award
- Finalist for two awards for excellence
 - Best Practice in Health and Wellbeing - DFES Mental Health First Aid (MHFA)
 - Best Practice in Collaboration across Government Agencies for the EmergencyWA website
- Received nomination for a national award for the RAC Rescue helicopter crew in recognition of the Esperance rescue

OUTCOME 1 Minimised occurrence and impact of preventable emergencies

EmergencyWA (critical messaging)

Recommendations from *A Shared Responsibility: The Report of the Perth Hills Bushfire February 2011 Review* and the *Ferguson Inquiry* included the development of a critical messaging system that would provide ‘one source of truth’

data to the community during an emergency incident.

The EmergencyWA website provides a trusted source of real-time, accurate, regular, engaging and accessible emergency information for Western Australians through a range of popular digital and social media platforms.

The website broadcasts live feeds from DFES’ Fire Dispatch System, the Bureau of Meteorology and Geoscience Australia to create community safety warnings when required.

It provides a real time feed of incidents, burn offs and prescribed burns, using Google maps to display them enabling community members to instantly see any hazards near them.

The map also shows total fire bans and fire danger ratings information.

EmergencyWA has achieved W3C AA accessibility certification, ensuring visually or hearing impaired users have full access to the website.

EmergencyWA issues community warnings to email accounts, websites, Facebook, Twitter and DFES’ primary emergency management system WebEOC.

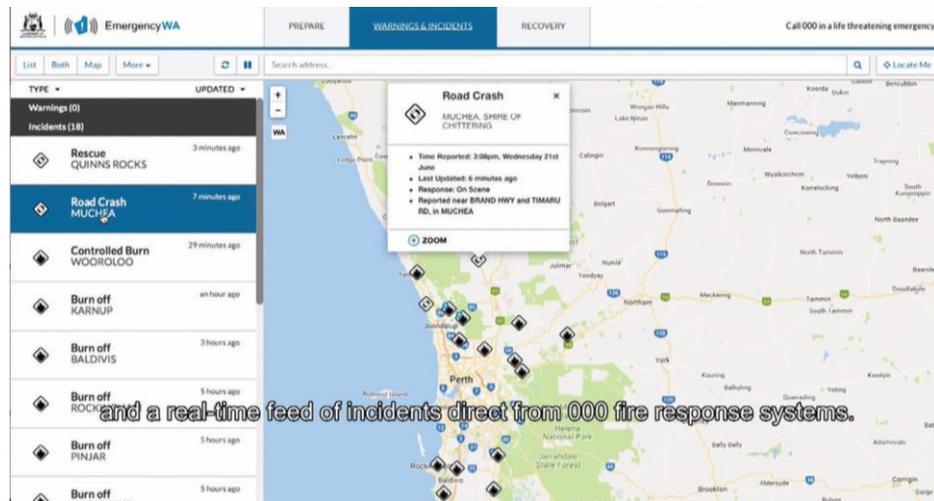
Next steps include the development of a comprehensive social media intelligence gathering and verifying function, to support real-time situational intelligence.

Recognition for Bushfire Risk Management Planning

DFES and the Office of Bushfire Risk Management (OBRM) were awarded the prestigious Resilient Australia Government Award in September 2016.

The award recognises the establishment of the ‘Guidelines for Preparing a Bushfire Risk Management Plan (BRMP)’, which contains the first State-wide standard for bushfire risk management. DFES oversees the development and implementation of local government ‘whole of shire’ BRMPs, while OBRM ensures they are compliant with the Guidelines.

DFES has made significant progress in the development of local government BRMPs. Taking a tenure-blind, whole of shire approach to planning, sixteen priority local governments have completed draft plans. A further fourteen local governments have commenced the development of their plans in DFES’ Bushfire Risk Management System (BRMS).



and a real-time feed of incidents direct from 000 fire response systems.

Seven more local governments have received training, while DFES continues to consult with a further 24 local governments regarding their participation in this initiative.

The Guidelines and BRMS support Western Australian communities, in high bushfire risk areas, to better prepare and be more disaster resilient.

The system also supports local governments to put in place integrated planning to identify, assess and manage important community assets and critical infrastructure such as hospitals, schools, communication towers and bridges, that may be exposed to bushfire risk.

Currently over 8,500 assets have been identified in BRMS, with a risk assessment applied to approximately 8,000 of those assets. DFES is working with stakeholders, including other State Government agencies and local governments, to determine the appropriate treatments to address the bushfire risk to these assets.

The system also enables improved co-ordination, analysis and oversight of bushfire risk management. The information provided by local governments assists in understanding the level of bushfire risk across the State.

Integrated planning and a collaborative approach at a local level is vital in mitigating bushfire risk.

School aged education strategy 2015-2020

DFES' School Aged Education Strategy, which sets out to build disaster resilience in young people, is now in its second year of operation. During this year:

- the strategy was distributed to the education sector and leading researchers in disaster resilience education
- DFES' school education website was redeveloped to provide easier access to online teaching resources and interactive games for teachers, parents and students

- the Bushfire Patrol online education tool was updated to align with the Fire Danger Rating scale
- DFES' school newsletter was distributed to teachers at the start of each school term. The newsletter features articles on new and updated programs and resources, natural hazards in the news and the latest research and information on disaster resilience education.

Through the implementation of this strategy, school education activities including incursions, excursions and online resources for the education sector has grown and continues to be accessed by teachers, parents and students.

Road safety education to save lives

DFES' firefighters and other emergency service personnel re-enacted a road crash rescue in front of 8,700 high school students in April 2017 to highlight the importance of road safety.

Delivered during the annual RAC bstreetsmart event, the re-enactment demonstrated what can happen to people involved in a road crash, the role of emergency services personnel and the trauma faced by those involved. The students had the opportunity to listen to speakers who have been directly impacted by road trauma and talk with emergency services personnel.

Unfortunately, road crashes are a familiar scene for Western Australian firefighters and SES volunteers who attended 2,852 road crashes in 2016/17. Some 235 people lost their lives on Western Australian roads during 2016. The bstreetsmart event aims to promote safe road behaviours in drivers, riders and passengers.



Click on photo to view video on bstreetsmart

RAC's bstreetsmart event is run with the help of DFES, WA Police, Royal Perth Hospital, St John Ambulance and the Theatrical Response Group.

Working with the building industry

DFES hosted two information sessions for designers and regulators within the building industry to enhance their understanding of the importance of fire safe building design.

The information sessions were attended by a broad mix of stakeholders from State and local governments, fire engineering and building surveying professional bodies and private industry building companies.

Attendees observed firefighting crews turn out to simulated second and third alarm property fires and participated in search and rescue activities.

These exercises demonstrate the:

- importance of fire safe and performance based building design
- requirement to comply with DFES' specified physical requirements for buildings
- operational needs of firefighters
- contemporary firefighting techniques employed by firefighters
- life and safety issues faced by occupants and first responders during a property fire.

The invitation to attend the information sessions received an overwhelming response and planning for additional sessions later in 2017 is underway.



Click on photo to view video on working with the building industry

Children's book warns of dangers of playing with fire

Aaron's Promise, an illustrated educational children's book, was launched on 17 October 2016 to inform young children about the dangers of fire.

Written by volunteer firefighter and Juvenile and Family Fire Awareness (JAFFA) Support Officer Chris Cairns, the book calls on young readers to share in Aaron's promise to never play with lighters.

Aaron's Promise is aimed at children between four and eight years old and tells the tale of a young boy whose curiosity has disastrous consequences after finding a lighter in the park.

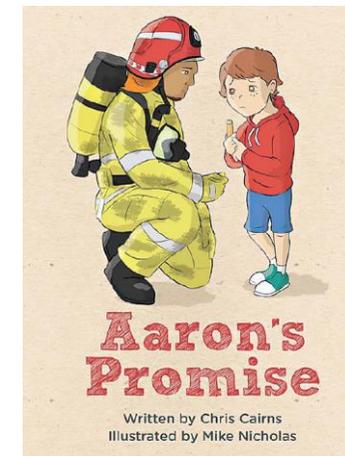
Every year there are hundreds of fires caused by children playing with fire.

Over the past three years more than 800 bushfires and 145 structural fires have been caused by people under 18 years of age.

DFES has a number of educational programs and resources to educate young people about fire safety, and Aaron's Promise is one more tool to increase awareness of the dangers of fire.

Aaron's Promise has been distributed to local government libraries and primary schools, parents of children who are referred to the JAFFA program and firefighters who deliver the Firefighter School Visit Program.

The book is also available online on the [DFES website](#).



Click on photo to read *Aaron's Promise*

Easier access to compensation and equalisation of volunteer insurance

Volunteer and former career firefighters who develop one of 12 prescribed cancers¹ stand to have easier access to compensation under the *Firefighters and Emergency Volunteers Legislation Amendment (Compensation) Act 2016* which was assented to on 21 September 2016 and Part 4 of the Act which supports a presumption for volunteers, former career and other State employed firefighters commenced on 21 January 2017.

The other provisions of the Act, which will be enacted after supporting regulations have been drafted, will:

- include provisions for volunteer insurance cover to be equalised across all emergency services volunteer types

¹ The 12 prescribed cancers are primary site brain cancer, primary site bladder cancer, primary site kidney cancer, primary non-Hodgkin's lymphoma, primary leukemia, primary site breast cancer, primary site testicular cancer, multiple myeloma, primary site prostate cancer, primary site ureter cancer, primary site colorectal cancer, and primary site oesophageal cancer.

- amend the emergency services Acts so if an emergency services volunteer or State employed firefighter contracts a prescribed cancer, it shall be a rebuttable presumption the disease is the result of performing a statutory firefighting function and is compensable.

The benefit of the cancer presumption will be applied retrospectively from 13 November 2013.



[Click on photo to view video on volunteer insurance](#)

New hub for volunteers

The Volunteer Hub (hub) will replace DFES' Volunteer Portal by 2018/19. It will be an important resource for volunteers to access their profile, volunteer support services, information, documents and DFES systems.

The second phase of the project started this year with a focus on the design of the hub to ensure it is easy to use and meets the varying needs of regional and metropolitan volunteers across all emergency services.



[Click on photo to view video on Volunteer Hub](#)

The project team visited regional volunteers to build awareness of the hub and incorporate their feedback into the design.

Over 140 volunteers across Western Australia have had input on its design.

Volunteer participation is a critical element of the successful design of the hub and will continue over the next phase.

OUTCOME 2 Minimised impact of natural hazard emergencies

Restricted access permit system

DFES has developed a new procedure to simplify the process for community members seeking approval to enter areas impacted by fire.

The Restricted Access Permit System will enable residents, business owners and utility companies to apply for a permit to access the fire ground when there is an urgent need to return.

Reasons may be to manage livestock, check on infrastructure, activate their emergency plan or transport various commodities such as milk, water, stock feed and store supplies.

If approved, restricted access permits can be issued with specific conditions, such as authorising travel to a specific address, time the permit is valid for and whether the permit holder can enter the area more than once.

A permit is only available once the risk has reduced significantly as DFES' priority is to keep the community safe.

Prior to a permit being issued, a risk assessment is undertaken, as areas impacted by a bushfire can present many hazards including falling trees, blocked roads, toxic or hazardous materials, live power lines, fire or smoke and stray animals.

This initiative was first trialled during the Parkerville bushfire in January 2014.

DFES providing advice to the community

A package of bushfire reforms was introduced in December 2015 to increase community safety.

Specifically, the new State Planning Policy 3.7 – Planning for Bushfire Prone Areas and associated Guidelines for Planning in Bushfire Prone Areas were released to achieve effective, risk-based land use planning and development to preserve life, and reduce the impact of bushfire on property and infrastructure.

In support of these reforms and to assist industry to engage with DFES, planning advice is now managed through a single point advisory service to ensure it is responsive, professional and accessible.

DFES' role in the planning process is to provide bushfire related advice to assist in understanding location specific bushfire risk.

In the first year of operation, DFES has managed more than 800 land use planning and development proposals within bushfire prone areas.

Ultimately, it is now easier for government, industry and stakeholders to access bushfire planning information, reflecting DFES' commitment to meet the changing needs of stakeholders, improve business processes and collaborate with others to address current and emerging risks.

DFES and Parks and Wildlife Service shrub project

DFES is undertaking a joint project with Parks and Wildlife Service to better understand shrub land fuel loads and their flammability.

With field study sites located within the Yanchep National Park, the project involves remote sensing of the flammability of shrub land live fuel moisture contents (LFMC) of varying flammability.

Regular vegetation and soil sampling and analysis is undertaken through remotely sensed satellite data from the Sentinel-2 satellite. This satellite is the first optical Earth observation mission of its kind which includes a sensor specific to vegetation health surveys called “red edge”.

Building the capability to regularly monitor shrub land LFMC conditions across the State and therefore their potential flammability will support the

development of the new National Fire Danger Rating System.

400MHz project

As part of the recent 400MHz spectrum changes required by the Australian Communications and Media Authority (ACMA), DFES is completing changes to UHF radio systems.

To comply with regulatory changes, DFES must transition to new UHF channels.

Training continues, with career staff and volunteers across 82 brigades, groups and units trained to date. Approximately 1,200 UHF handheld, vehicle and base radios have been reprogrammed for ACMA compliance.

Once complete, the new channels will reduce known interference issues for DFES, giving clearer communications for career and volunteer firefighters using breathing apparatus. The new functionality will support all services, including the SES, increasing interoperability.



This project will ensure that DFES UHF radios are compliant with Federal Government frequency regulation,

[Click on photo to view video on 400MHz project](#)

Volunteer advisory groups

An important part of successfully managing change is the involvement of operational personnel and the development of systems and structures which support their response.

One such area is DFES' approach to the provision of equipment necessary for responders to meet expected capability, which is a change from an engineering focus to an effects focus. In recognising that volunteers play a pivotal role in the development of functional specifications and in response to the *Ferguson Inquiry*, four Volunteer Advisory Groups have been established to fully understand user requirements:

- Volunteer Vehicle Advisory Group
- Volunteer Personal Protective Clothing and Uniform Advisory Group
- Volunteer Operational Equipment Advisory Group
- Volunteer Pathways Advisory Group

Membership of these groups is made up of Metropolitan, Country North and Country South representatives from each Volunteer Association.

State Emergency Management Plans – Westplans

The *Emergency Management Act 2005* provides that the State Emergency Management Committee (SEMC) arrange for the preparation of State emergency management plans. In Western Australia these are known as Westplans and provide strategic, State level arrangements for managing the particular hazards to which they apply.

Westplans are reviewed every five years, or as required. Reviews are conducted through extensive consultation with relevant stakeholders to ensure the plans are current and meet community and emergency service agency needs.

Westplans are tested through incident activation or interagency operational exercises. The exercises provide the opportunity to improve State preparedness by clarifying legislative responsibilities, testing systems and procedures, identifying gaps and improving interagency co-operation.

The frequency of operational exercises is determined by the SEMC.

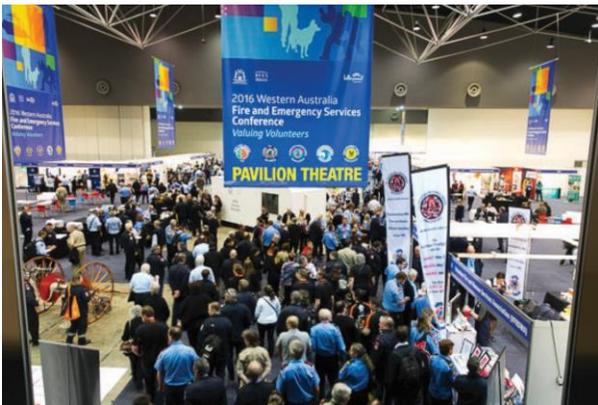
DFES is responsible for nine Westplans.

Current Status of Westplans:	Status	2016/17 Activations/Exercises
CBRN (Chemical Biological Radiological and Nuclear)	Current	October 2016 – Nuclear powered warship exercise with WA Police Westplan is under review to combine CBRN and HAZMAT (DFES owned), with Nuclear Powered Warships, Terrorist Act and Space Re-Entry Debris (SPRED) (WA Police owned)
Collapse	Current	10 – 11 October 2016 – (Exercise Waterboard) – Multi-agency urban search and rescue annual exercises
Earthquake	Current	Nil
Fire	Current	28 October 2016 – (Exercise Spiro) – State level multi-agency cyclone and multiple bushfire exercise
Flood	Current	16 August 2016 – (Exercise Aqua) – Metropolitan multi-agency flood and storm involving State Operations Centre, Metropolitan Operations Centre and Incident Management Team
HAZMAT (Hazardous Materials)	Current	October 2016 – Multiple Level 2 HAZMAT incidents with Kwinana Industries (over the duration of the month) involving the Metropolitan Operations Centre Westplan is under review to combine CBRN and HAZMAT (DFES owned), with Nuclear Powered Warships, Terrorist Act and SPRED (WA Police owned)
Storm	Current	16 August 2016 – (Exercise Aqua) – Metropolitan multi-agency flood and storm involving State Operations Centre, Metropolitan Operations Centre and Incident Management Team
Telecommunications	N/A	Westplan Telecommunications was revoked at the 4 December 2016 SEMC meeting
Tropical Cyclone	Current	28 October 2016 – (Exercise Spiro) – State level multi-agency cyclone and multiple bushfire exercise
Tsunami	Current	7 September 2016 – (Exercise Indian Ocean Wave) – State table top exercise

OUTCOME 3 An operational workforce that is trained and equipped to respond

Western Australian Fire and Emergency Services Conference

The sixth annual Western Australian Fire and Emergency Services Conference was held from 9 to 11 September 2016.



Western Australian Fire and Emergency Services Conference interactive display area

Designed in partnership with representatives from all volunteer services, the conference attracted over 700 delegates. The majority of delegates were emergency services volunteers from across the State as well as staff and external stakeholders.

Keynote speakers included 2016 Australian of the Year, Lieutenant General David Morrison AO, Professor Fiona Wood AM and Woodside Chief Operating Officer Michael Utsler.

The conference included tours of key DFES and WA Police facilities. A range of practical demonstrations were performed to showcase the latest operational techniques and equipment appliances. Interactive displays of fire and emergency service related products, services and initiatives were available throughout the weekend.

A number of DFES Service Award ceremonies were also held during the conference. The awards recognise the excellence of career and volunteer firefighters, as well as marine rescue volunteers and SES volunteers.

DFES' Facebook page was also launched as a platform to disseminate emergency information and connect with the community.

Future fleet and crew protection

The fire appliance crew protection program, jointly funded by DFES and the Department of Regional Development's Royalties for Regions Program is part of the ongoing initiative focusing on the safety and welfare of emergency services personnel, particularly in a bushfire context where burnover and entrapment can occur. It is a complex, comprehensive State-wide initiative being delivered over four years.

Existing firefighting appliances are being retrofitted with:

- burnover blankets
- radiant heat shields
- deluge, lagging and fire resistant panel systems
- in-cabin air systems
- automated vehicle location devices.

The installation of 3,700 burnover blankets and radiant heat shields in 981 appliances was completed in early 2016. At the end of June 2017, 311 existing appliances had been completely retrofitted and 130 new appliances were brought into service with crew protection systems.



The Future Fleet project aligns to Strategy 3.3

[Click on photo to view video on crew protection](#)

USAR Canine handler course an Australian first

DFES' Urban Search and Rescue's (USAR) Canine Unit is deployed to assist in the search for live people trapped in building collapses and vehicle accidents as a result of manmade or natural disasters.

A training course, which recognises the unique skills and knowledge required by handlers and their dogs in emergency situations, has now been developed.

The course is designed to train suitable canines into top level search and rescue dogs and to equip handlers with the skills they need in emergency situations.

Since the inaugural course was held, it has been completed by 11 handlers and their dogs.

The four day course is the first recognised in Australia based on the national competencies outlined in the Australian Quality Training Framework.

The course focuses on canine selection, understanding canine behaviour, canine first aid and health care, training methods and the requirements necessary to achieve operational standards. Another major component is learning how dogs detect scent and how to work as a scent specialist.

As part of the training, the handlers have ongoing assessments for up to two years before the dogs are operational.

Participants from South Australia and Queensland Fire and Rescue Service, New South Wales State Emergency Service, Search and Rescue Dogs Australia and Victoria Police will attend the next course in August 2017.



[Click on photo to view video on Pathways](#)

Professional Pathways

The Professional Pathways project has implemented training and developmental 'Pathways' for staff and volunteers and an eAcademy to allow delivery of training electronically. The eAcademy enables staff and volunteers to manage their own development by requesting access to relevant training courses, attending training and completing assessments online.

eAcademy is delivering benefits in the form of consistent, accurate and accessible development data allowing for a targeted training program delivering the training best suited to each person and their development goals.

Ongoing, the Pathways will allow staff and volunteers to complete training requirements, reducing re-training and improving volunteer retention.

DFES team takes on global challenge

As part of a continual focus on fostering strong working relationships with its international counterparts, DFES has participated in the Singapore Global Firefighters and Paramedics Challenge (SGFPC) for the past four years.

The SGFPC provides an opportunity for rescue and firefighting teams to develop close bonds with members of the international emergency services community and share their skills, knowledge and experience across a range of emergency management practices and techniques.

From 11 to 12 November 2016, 19 teams from countries including Bangladesh, China, Saudi Arabia, France, as well as the United Kingdom competed. DFES' team competed in both the Rip-It-Off (RIO) Challenge and the individual Braveheart Challenge, receiving seven medals for their efforts.

The team, led by Senior Firefighter Justin Foureur,

achieved second place in the RIO Challenge – a timed team event where competitors carry out road traffic accident scenarios.

Senior Firefighter Caddy claimed second place in the highly competitive Braveheart Challenge, which saw participants undertaking strenuous firefighting and rescue related tasks.

Senior Firefighter Reay and Special Operations Paramedic Screen also took on team leader roles in the Global Exchange Challenge, where multi-national teams undertook a timed race incorporating height and ground rescue challenges.

The close relationship developed between DFES and St John Ambulance Special Operations Paramedics over the years meant the team was able to work together seamlessly.

While the team was in Singapore they were also involved in the International Elite Rescuers Exchange Workshop from 8 to 10 November 2016, which had a strong USAR focus.

The team also participated in the inaugural 4.8 kilometre 'Run for Responders' around Marina Bay alongside the Singapore Civil

Defence Force Commissioner and divisional officers, who undertook the run in Level 2 personal protective clothing.



(L to R) Senior Firefighter Josh Caddy, Team Leader and Senior Firefighter Justin Foureur, Senior Firefighters Dominic Reay, and St John Ambulance's Special Operations Paramedic Brett Screen

Award winners

Human Resources Director Karen Roberts won two Institute of Public Administration Australia’s (IPAA) Awards this year. They were Human Resource Management Practitioner of the Year and Leader of the year working within a Division/Team/Organisation. The awards recognise her qualities of professionalism, tenacity and tireless determination to ensure DFES is agile and adaptable to the challenges of its workers, volunteers and the community it serves.

DFES’ Wellness Branch won the Western Australian Association for Mental Health’s 2017 Mentally Healthy Workplace Award. The award was given in recognition of their success in creating a supportive workplace culture, implementation of a range of initiatives to raise awareness and



Award winners L-R Robert Kingma, Mitchell Sewell, Farhana Siddique, Director Karen Roberts, Charlotte Hunter, Anneliese Smith and Brian Corkery

promote positive mental health/ wellbeing/ work-life balance, actively preventing and addressing bullying/ discrimination/ stigma, and working collaboratively across business areas to ensure comprehensive support for those in need.

The team was also a finalist in IPAA’s Best Practice in Health and Wellbeing – DFES Mental Health First Aid Training award.

DFES was a finalist in IPAA’s Best Practice in Collaboration across Government Agencies award for the EmergencyWA website.

International partner

Fire and Emergency Services Commissioner Wayne Gregson met with the SCDF Commissioner Eric Yap in November 2016 to enhance the beneficial reciprocal arrangements built between DFES and SCDF over a number of years.

It remains important to maintain these contacts given Western Australia’s proximity to SCDF’s USAR capability in the event of an incident, and to maintain a common understanding of the respective capabilities of each service.

During the visit, Commissioners Gregson and Yap signed an extension to the existing Memorandum of Understanding (MOU). First established in 2005, the MOU sets out the commitment to, and principles of, sharing ideas and expertise, professional development of staff and facilitation of collaborative projects that benefit both parties.

The extension of the MOU continues on from the May 2013 MOU which expanded interagency co-operation particularly around shared training and skills enhancement of firefighters. The response arrangements around USAR capability with the SCDF was reinforced as well as the provision of surge support capability. There was also further discussion on enhancing arrangements for additional exchanges with the SCDF.

The visits by Commissioner Gregson along with the active participation of DFES officers at the annual SGFPC, further reinforces the mutual benefits of the relationship with the SCDF and the strong ties that DFES has with this important partner.

Executive leadership attachment program

DFES had the pleasure of hosting two senior officers from the SCDF as part of a joint Executive Leadership Attachment Program.

The program is designed to expose senior managers from both organisations to international emergency management arrangements, equipment, innovations and training resources.

The SCDF officers were afforded a first-hand look into the operations of DFES, an emergency service that uniquely has the largest geographical area of responsibility in the world. They also had the opportunity to form part of the response team to a bushfire in Armadale.

In a reciprocal arrangement, Superintendent Allan Riley visited the SCDF for four weeks.

Whilst the operating environments differ, there are many similarities in the roles of each service. Studying and sharing each other's operating environments assists in developing new and innovative

ways in emergency management. Superintendent Riley has been able to introduce a range of innovations for investigation and implementation in DFES.



Captain Mohamed Faizal s/o Latiff and Major Lok Wee Keong from the SCDF together with District Officer Paul Brampton and Chief Superintendent Ricky Curtis from DFES.

OUTCOME 4 Minimised impact from emergencies through timely and effective response

Aerial fleet all set for bushfire season

Western Australia’s aerial firefighting fleet for the 2016/17 bushfire season was strengthened with the arrival of the Erickson Aircrane water bomber named ‘Georgia Peach’.

The Aircrane joined 21 other rotary and fixed-wing aircraft in the joint DFES and Parks and Wildlife Service aerial fleet.

The fleet was a vital part of Western Australia’s firefighting capability dropping more than six million litres of suppressants during the 2016/17 bushfire season.

The aerial fleet is based in Perth, Bunbury, Busselton, Manjimup and Albany.

South west rescue helicopter flying high from new base

DFES opened the State’s newest rescue helicopter base at Bunbury Airport on 14 December 2016.

The purpose-built facility houses the second emergency rescue helicopter, known as RAC Rescue, which flew more than 330 missions this year. These missions have provided critical medical and transport services to people involved in road crashes, farming accidents and marine rescues since it commenced operations in February 2016.

The new facility includes modern engineering workshops, training rooms with a helicopter simulator, winch simulator, weather station, six crew dormitory rooms, wireless blood bank monitoring and planning and operations rooms.

DFES consulted with St John Ambulance, CHC Helicopters and aircraft maintenance engineers to design the base.

The new base was made possible by \$6.91 million in funding through the Department of Regional Development’s Royalties for Regions Program.

Aerial intelligence automatic turnout trial

The Jandakot-based aerial intelligence helicopter ‘Air Intel’ can be rapidly deployed to incidents within a 120 kilometers radius, to gain a helicopter view of an incident.

Air Intel complements existing intelligence gathering mechanisms and situation reporting used through current incident management systems.

During the 2016/17 southern bushfire season, Air Intel was deployed on a daily basis to DFES and local government bushfires within a 60 kilometer radius of the Perth central business district.

At an incident, Air Intel:

- plots the fire, identifying the location of the head fire and spot fires
- identifies community members or infrastructure at risk near the fire
- provides Redflag Warning or Safety Message to the public or first responders on the ground, if required
- maps the fire perimeter.

Together saving a life

On 6 November 2016, Esperance VMRS was involved in a successful joint operation with the RAC Rescue helicopter. Esperance VMRS was originally tasked to assist a life threateningly injured fisherman on a commercial fishing vessel at Israelite Bay, about 114 nautical miles east of Esperance.

With high seas and worsening weather conditions, Esperance VMRS volunteers had to abandon their attempts to reach the vessel.

Still wanting to help, they returned to shore as RAC Rescue flew from Perth and reached the sailor with limited fuel left in the fuel tanks.

Esperance VMRS, in co-operation with SES volunteers, ferried several drums of aviation fuel to an isolated property in Condingup and established a temporary refuelling point for RAC Rescue.

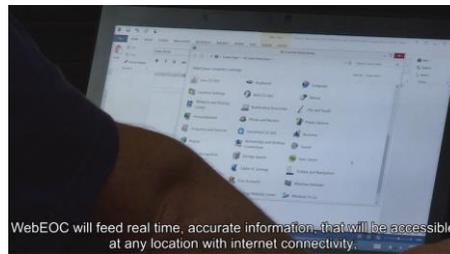
Following the refuelling, the patient was transferred to the Royal Flying Doctor Service for transport to Perth.

The rescue lasted 12.5 hours. WA Police have nominated the crew of the RAC Rescue helicopter for a national search and rescue award due to the complexity of the rescue. Assistance from DFES staff, VMRS, SES and members of the community made the mission a success.

WebEOC incident management system

As part of the ongoing enhancement of WebEOC a complementary incident Resource Management System (iRMS) has been developed.

The iRMS integrates appliance data from the computer-aided dispatch system and all of DFES and Parks and Wildlife Service's incident personnel data. This is a major step forward in improving the interoperability of these agencies at incidents as all available resources can be tracked and personnel fatigue can be more easily managed.



Click on photo to view video on WebEOC

Interagency pre formed teams

The *Ferguson Inquiry* recommended the establishment of Level 3 Bushfire Incident Management Teams be integrated and pre-formed prior to the 2016/17 southern bushfire season.

DFES, Parks and Wildlife Service and the WA Local Government Association have established five inter-agency pre-formed teams (PFT) made up of staff from the agencies, local governments and volunteer emergency services.

These PFT undertook training in November 2016 and commenced operations on Thursday 1 December 2016.

Recorded voice announcements

Major emergencies in Western Australia result in an increase in the number of Triple Zero (000) calls received by the Communications Centres of DFES, WA Police and St John Ambulance. This increase impacts on their capacity to answer 000 phone calls in a timely manner.

A national protocol has been developed with all Emergency Call Service (ECS) providers to ensure a consistent approach to 000 Recorded Voice Announcements (RVA).

The purpose of activating an RVA is to direct 000 callers (but not allow connection) to an alternative number such as 132 500 or 13 3337 should their call not be an emergency.

An activated RVA will assist in removing non-emergency 000 calls from the ECS queue.

For example, when the system is activated, a 000 caller could expect to hear: "Emergency Triple Zero in Western Australia is extremely busy due to bushfire. If you require emergency assistance from police, fire or ambulance please stay on the line. For bushfire information please call 13 3337."

DFES will continue to provide timely information through a range of communication channels, including the Emergency WA website and DFES information line (13 3337) prior to and during emergency periods to further reduce the likelihood of people calling 000 for incident related information.

Automated vehicle location (AVL)

DFES' AVL solution continues to improve the safety of crews on the fireground and enable better tracking of resources as recommended in the [Ferguson Inquiry](#).



Click on photo to view video on AVL

This year almost 400 portable tracking devices have been deployed across the State, over 1,300 vehicles have had tracking hardware installed and over 140 awareness and training sessions have been delivered for career firefighters and volunteers.

The portable devices and in-cab installations include a distress alarm button which, when activated, alerts ComCen staff who deploy emergency support. The web-based AVL tracking display highlights the distress alert to allow faster emergency response.

The system records data including the activation of lights and sirens and can be used to play back incident response activities to assist in training and staff development, as well as incident reviews and investigations.

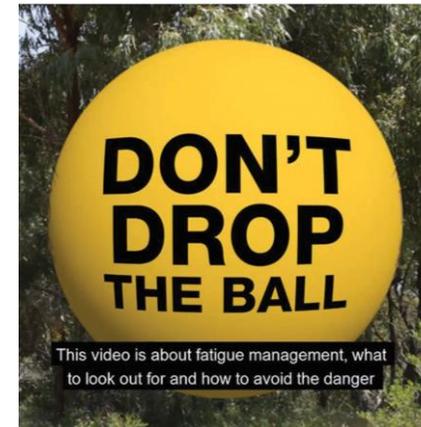
DFES' fatigue management

DFES has released a new educational awareness package on fatigue management called [Don't Drop the Ball on Fatigue](#).

The awareness package includes a video, posters and 'Check Me, Check You' reference cards designed to help staff and volunteers stay safe.

Consultation with the United Firefighters Union of Western Australia on DFES' interim fatigue management policy is also ongoing.

Once completed, the policy will be revised accordingly and re-issued. Until this occurs, the interim policy and guidelines will provide the direction and guidance for managing fatigue at DFES.



Click on photo to view video on fatigue management

This is important as fatigue has the potential to cause significant injury. The effective management of fatigue is a shared responsibility through the identification and management of factors that occur within and outside of the workplace.

There are many unique factors impacting fatigue management in the emergency services environment which include the:

- unexpected nature of emergencies
- need for working outside of normal hours

- inherent health and safety risks in emergency management
- difficulty in prescribing the activities of emergency services volunteers given the range of roles and responsibilities undertaken during an incident.

To address these complexities, DFES has adopted a risk management approach in developing strategies and programs to manage fatigue.

Lending a helping hand

In September 2016 Superintendent Amanda Williamson led a contingent of 38 volunteers to assist with the response and recovery efforts following severe weather in South Australia. The volunteers from the Perth metropolitan area, south west and lower south west regions provided their expertise and specialist skills in flood and storm damage response, including working from heights, tarping roofs and removing large fallen trees.

At the end of the five day deployment, the 38 volunteers returned to Perth and were relieved by a second rotation of 33 volunteers.

The deployment gave volunteers the opportunity to gain valuable operational experience in another jurisdiction while applying their skills to assist communities under severe threat. It was also an invaluable experience for volunteers who had the unique opportunity to share their skills with their South Australian SES counterparts.

Future of volunteering in fire and emergency services

There are around 26,000 fire and emergency services volunteers across the State, however demographic shifts across Western Australia, declining numbers of regional volunteers and a steady increase in average age, is impacting volunteers' capability and capacity to respond to incidents. The average age of a fire and emergency services volunteer is 48 years.

The traditional volunteering model doesn't align with the values or the lifestyle commitments of contemporary Australians. In the last year, volunteers were involved in the response to more than 8,700 incidents.

DFES' heavy reliance on the support of volunteers, necessitates a change in how volunteers are attracted and retained.



The Volunteer Sustainability Strategy aims to diversify volunteer roles, introduce flexibility with time commitments and engage through social media to improve recruitment and retention rates.

DFES' Volunteer Sustainability Strategy, launched in February 2017 is a blueprint for increasing volunteer recruitment and retention by:

- diversifying volunteer roles
- being more flexible with time commitments
- engaging people through digital and social media.

Under the new strategy DFES has already commenced a range of initiatives including:

- research into recruitment and retention in emergency services
- increasing the competency of volunteer leaders through the Volunteer Leadership Program
- better ways of communicating with volunteers such as the redevelopment of the volunteer portal
- building the capacity of Cadets and juniors through first aid and recreational skippers ticket training
- introducing the Duke of Edinburgh Youth Leadership Program.

Initiatives implemented this year include:

- redeveloping programs for Emergency Services Cadet Corp (ESCC) and cadets and juniors based in brigades, groups and units
- developing and implementing the ESCC training framework.

DFES coordinates volunteers from the VFES, VFRS, SES and the VMRS, with support also provided to local government Bush Fire Brigades.

The *Volunteer Sustainability Strategy 2016-2024* is available on the DFES website.

The Accelerator – emerging female development initiative

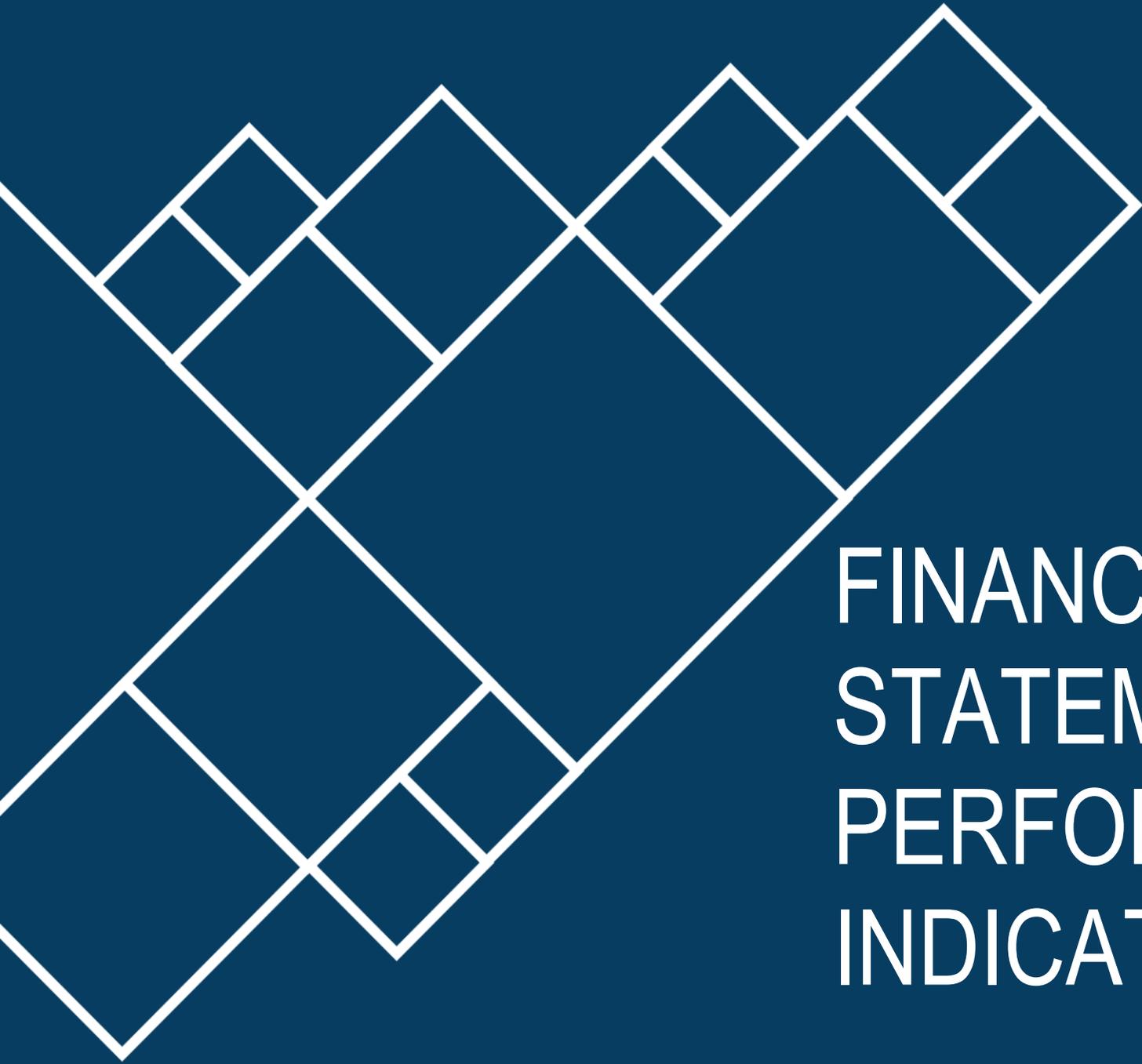
The Accelerator initiative supports DFES' commitment to diversity within the workplace.

The initiative targeted nearly 40 female staff looking to move into more senior positions where they would be expected to:

- take initiative
- be innovative
- be influential
- achieve results.

The Accelerator initiative is designed to enable eligible staff reach their career goals and develop their potential within DFES. The initiative provided:

- training opportunities for professional competencies
- a professional speaker series including a Psychiatric Clinical Director, Director General, Senior Counsel and WA Country Health Service Board Director/ Rio Tinto Manager
- networking opportunities.



FINANCIAL
STATEMENTS AND
PERFORMANCE
INDICATORS

CERTIFICATION OF FINANCIAL STATEMENTS

for the year ended 30 June 2017

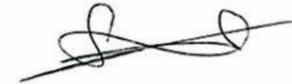
The accompanying financial statements of the Department of Fire and Emergency Services have been prepared in compliance with the provisions of the Financial Management Act 2006 from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2017 and the financial position as at 30 June 2017.

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



G Camarda BCom CPA
Chief Finance Officer

1 September 2017



W Gregson APM BA MBA PhD.I
Accountable Authority

1 September 2017

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2017

	Note	2017 (\$'000)	2016 (\$'000)
COST OF SERVICES			
Expenses			
Employee benefits expense	6	198,819	192,352
Supplies and services	8	109,797	112,110
Depreciation and amortisation	9	18,348	15,972
Finance costs	10	2,171	2,580
<u>Accommodation expenses</u>	11	7,141	7,999
Grants and subsidies	12	54,423	35,640
Other expenses	13	5,475	10,122
Total cost of services		396,174	376,775
Income			
<i>Revenue</i>			
User fees and charges	15	351,548	333,026
Commonwealth grants and contributions	16	4,846	4,168
Interest revenue	17	109	104
Other revenue	18	5,545	7,216
Total revenue		362,048	344,514
<i>Gains</i>			
Gain on disposal of non-current assets	19	216	311
Total gains		216	311
Total income other than income from State Government		362,264	344,825

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2017

	Note	2017 (\$'000)	2016 (\$'000)
NET COST OF SERVICES		33,910	31,950
Income from State Government	20		
Service appropriation		19,603	37,107
Services received free of charge		1,166	1,386
Royalties for Regions Fund		12,605	12,298
Total income from State Government		33,374	50,791
SURPLUS/(DEFICIT) FOR THE PERIOD		(536)	18,841
OTHER COMPREHENSIVE INCOME			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus	36	(6,805)	(4,198)
Total other comprehensive income		(6,805)	(4,198)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(7,341)	14,643

See also the 'Schedule of Income and Expenses by Service'.

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

for the year ended 30 June 2017

	Note	2017 (\$'000)	2016 (\$'000)
ASSETS			
Current assets			
Cash and cash equivalents	21	49,271	66,175
Restricted cash and cash equivalents	22	235	6,852
Inventories	23	12,565	17,902
Receivables	24	9,257	7,128
Other assets	26	3,508	672
Non-current assets held for sale	27	8,000	–
Total current assets		82,836	98,729
Non-current assets			
Restricted cash and cash equivalents	22	635	–
Amounts receivable for services	25	31,682	25,261
Property, plant and equipment	28, 29, 31	358,699	353,297
Intangible assets	30	3,137	625
Other assets	26	–	851
Total non-current assets		394,153	380,034
TOTAL ASSETS		476,989	478,763

STATEMENT OF FINANCIAL POSITION

for the year ended 30 June 2017

	Note	2017 (\$'000)	2016 (\$'000)
LIABILITIES			
Current liabilities			
Payables	32	10,083	6,204
Borrowings	33	9,390	2,440
Provisions	34	28,093	25,541
Other current liabilities	35	3,589	2,555
Total current liabilities		51,155	36,740
Non-current liabilities			
Borrowings	33	38,996	48,386
Provisions	34	10,008	10,267
Other non-current liabilities	35	–	3,484
Total non-current liabilities		49,004	62,137
TOTAL LIABILITIES		100,159	98,877
NET ASSETS		376,830	379,886
EQUITY			
	36		
Contributed equity		350,102	345,817
Reserves		43,806	50,611
Accumulated deficit		(17,078)	(16,542)
TOTAL EQUITY		376,830	379,886

See also the 'Schedule of Assets and Liabilities by Service'.
The Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2017

	Note	Contributed equity ('000)	Reserves ('000)	Accumulated surplus / (deficit) ('000)	Total equity ('000)
Balance at 1 July 2015	36	334,700	54,809	(35,383)	354,126
Surplus/(Deficit) for the year		–	–	18,841	18,841
Other comprehensive income		–	(4,198)	–	(4,198)
Total Comprehensive income for the period		–	(4,198)	18,841	14,643
Transactions with owners in their capacity as owners:					
Capital appropriations		161	–	–	161
Other contributions by owners		11,114	–	–	11,114
Distributions to owners		(158)	–	–	(158)
Total		11,117	–	–	11,117
Balance at 30 June 2016	36	345,817	50,611	(16,542)	379,886
Balance at 1 July 2016		345,817	50,611	(16,542)	379,886
Surplus/(deficit) for the year		–	–	(536)	(536)
Other comprehensive income		–	(6,805)	–	(6,805)
Total Comprehensive income/(loss) for the period		–	(6,805)	(536)	(7,341)
Transactions with owners in their capacity as owners:					
Capital appropriations		–	–	–	–
Other contributions by owners		4,285	–	–	4,285
Distributions to owners		–	–	–	–
Total		4,285	–	–	4,285
Balance at 30 June 2017	36	350,102	43,806	(17,078)	376,830

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

for the year ended 30 June 2017

	Note	2017 (\$'000)	2016 (\$'000)
CASH FLOWS FROM STATE GOVERNMENT			
Receipts			
Service appropriation		13,182	31,609
Capital appropriations		–	161
Royalties for Regions Fund		14,050	20,242
Net cash provided by State Government		27,232	52,012
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(196,399)	(189,280)
Supplies and services		(104,016)	(112,691)
Finance costs		(2,213)	(2,723)
Accommodation		(7,093)	(7,852)
Grants and subsidies		(49,093)	(44,013)
GST payments on purchases		(20,274)	(20,227)
Other payments		(5,096)	(9,902)
Receipts			
User fees and charges		352,710	335,073
Commonwealth grants and contributions		1,766	4,168
Interest received		109	74
GST receipts on sales		1,401	1,845
GST receipts from taxation authority		18,936	17,160
Other receipts		3,235	8,453
Net cash used in operating activities	37	(6,027)	(19,915)

STATEMENT OF CASH FLOWS

for the year ended 30 June 2017

	Note	2017 (\$'000)	2016 (\$'000)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current assets		(42,034)	(35,276)
Receipts			
Proceeds from the sale of non-current assets		383	363
Net cash used in investing activities		(41,651)	(34,913)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments			
Repayment of borrowings		(2,440)	(14,890)
Net cash used in financing activities		(2,440)	(14,890)
Net (decrease)/increase in cash and cash equivalents		(22,886)	(17,706)
Cash and cash equivalents at the beginning of the period		73,027	90,733
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	37	50,141	73,027

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

SCHEDULE OF INCOME AND EXPENSES BY SERVICE

for the year ended 30 June 2017

	Community Awareness, Education and Information Services		Compliance and Technical Advisory Services		Training and Organisational Resourcing Services		Frontline Services		Total	
	2017 (\$'000)	2016 (\$'000)	2017 (\$'000)	2016 (\$'000)	2017 (\$'000)	2016 (\$'000)	2017 (\$'000)	2016 (\$'000)	2017 (\$'000)	2016 (\$'000)
COST OF SERVICES										
Expenses										
Employee benefits expense	6,330	6,295	12,189	11,302	26,255	28,088	154,045	146,667	198,819	192,352
Supplies and services	1,383	1,496	4,421	2,864	24,841	21,401	79,152	86,349	109,797	112,110
Depreciation and amortisation	387	360	861	710	3,241	3,305	13,859	11,597	18,348	15,972
Finance costs	45	58	102	115	384	534	1,640	1,873	2,171	2,580
Accommodation expenses	6	5	8	10	6,659	7,235	468	749	7,141	7,999
Grants and subsidies	83	51	747	1,305	7,652	15,338	45,941	18,946	54,423	35,640
Other expenses	115	228	254	450	957	2,075	4,149	7,369	5,475	10,122
Total cost of services	8,349	8,493	18,582	16,756	69,989	77,976	299,254	273,550	396,174	376,775

SCHEDULE OF INCOME AND EXPENSES BY SERVICE

for the year ended 30 June 2017

	Community Awareness, Education and Information Services		Compliance and Technical Advisory Services		Training and Organisational Resourcing Services		Frontline Services		Total	
	2017 (\$'000)	2016 (\$'000)	2017 (\$'000)	2016 (\$'000)	2017 (\$'000)	2016 (\$'000)	2017 (\$'000)	2016 (\$'000)	2017 (\$'000)	2016 (\$'000)
Income										
User fees and charges	7,409	7,507	16,489	14,811	62,106	68,920	265,544	241,788	351,548	333,026
Commonwealth grants and contributions	102	94	227	185	856	863	3,661	3,026	4,846	4,168
Interest revenue	3	2	5	5	19	22	82	75	109	104
Other revenue	117	163	260	321	980	1,493	4,188	5,239	5,545	7,216
Gain on disposal of non-current assets	4	7	10	14	38	64	164	226	216	311
Total income other than income from State Government	7,635	7,773	16,991	15,336	63,999	71,362	273,639	250,354	362,264	344,825
NET COST OF SERVICES	714	720	1,591	1,420	5,990	6,614	25,615	23,196	33,910	31,950

SCHEDULE OF INCOME AND EXPENSES BY SERVICE

for the year ended 30 June 2017

	Community Awareness, Education and Information Services		Compliance and Technical Advisory Services		Training and Organisational Resourcing Services		Frontline Services		Total	
	2017 (\$'000)	2016 (\$'000)	2017 (\$'000)	2016 (\$'000)	2017 (\$'000)	2016 (\$'000)	2017 (\$'000)	2016 (\$'000)	2017 (\$'000)	2016 (\$'000)
Income from State Government										
Service appropriation	413	836	919	1,650	3,463	7,679	14,808	26,942	19,603	37,107
Services received free of charge	25	31	55	62	206	287	880	1,006	1,166	1,386
Royalties for Regions Fund	266	277	591	547	2,227	2,545	9,521	8,929	12,605	12,298
Total income from State Government	704	1,144	1,565	2,259	5,896	10,511	25,209	36,877	33,374	50,791
SURPLUS/ (DEFICIT) FOR THE PERIOD	(10)	424	(26)	839	(94)	3,897	(406)	13,681	(536)	18,841

The Schedule of Income and Expenses by Service should be read in conjunction with the accompanying notes. The comparatives have been restated to reflect the increase in the number of services within the Department's Outcome Based Management (OBM) reporting structure.

SCHEDULE OF ASSETS AND LIABILITIES BY SERVICE

as at 30 June 2017

	Community Awareness, Education and Information Services		Compliance and Technical Advisory Services		Training and Organisational Resourcing Services		Frontline Services		Total	
	2017 (\$'000)	2016 (\$'000)	2017 (\$'000)	2016 (\$'000)	2017 (\$'000)	2016 (\$'000)	2017 (\$'000)	2016 (\$'000)	2017 (\$'000)	2016 (\$'000)
Assets										
Current assets	1,746	2,226	3,885	4,391	14,634	20,432	62,571	71,680	82,836	98,729
Non-current assets	8,307	8,567	18,488	16,902	69,633	78,648	297,725	275,917	394,153	380,034
Total assets	10,053	10,793	22,373	21,293	84,267	99,080	360,296	347,597	476,989	478,763
Liabilities										
Current liabilities	1,078	828	2,399	1,634	9,037	7,603	38,641	26,675	51,155	36,740
Non-current liabilities	1,033	1,401	2,298	2,763	8,657	12,859	37,016	45,114	49,004	62,137
Total liabilities	2,111	2,229	4,697	4,397	17,694	20,462	75,657	71,789	100,159	98,877
NET ASSETS	7,942	8,564	17,676	16,896	66,573	78,618	284,639	275,808	376,830	379,886

The Schedule of Assets and Liabilities by Service should be read in conjunction with the accompanying notes. The comparatives have been restated to reflect the increase in the number of services within the Department's Outcome Based Management (OBM) reporting structure.

SUMMARY OF CONSOLIDATED ACCOUNT APPROPRIATIONS AND INCOME ESTIMATES

for the year ended 30 June 2017

	2017 Estimate ('000)	2017 Actual ('000)	Variance ('000)	2017 Actual ('000)	2016 Actual ('000)	Variance ('000)
Delivery of Services						
Item 91 Net amount appropriated to deliver services	17,661	18,562	(901)	18,562	36,091	(17,529)
Amount authorised by other Statutes						
– Salaries and Allowances Act 1975	1,041	1,041	–	1,041	1,016	25
Total appropriations provided to deliver services	18,702	19,603	(901)	19,603	37,107	(17,504)
Capital						
Capital appropriations	–	–	–	–	161	(161)
GRAND TOTAL	18,702	19,603	(901)	19,603	37,268	(17,665)
Details of Expenses by Service						
Community Awareness, Education and Information Services	9,962	8,349	1,613	8,349	8,493	(144)
Compliance and Technical Advisory Services	18,763	18,582	181	18,582	16,756	1,826
Training and Organisational Resourcing Services	82,194	69,989	12,205	69,989	77,976	(7,987)
Frontline Services	274,845	299,254	(24,409)	299,254	273,550	25,704
Total cost of services	385,764	396,174	(10,410)	396,174	376,775	19,399
Less Total income	(357,279)	(362,264)	4,985	(362,264)	(344,825)	(17,439)
Net cost of services	28,485	33,910	(5,425)	33,910	31,950	1,960
Adjustments	(9,783)	(14,307)	4,524	(14,307)	5,157	(19,464)
Total appropriations provided to deliver services	18,702	19,603	(901)	19,603	37,107	(17,504)

SUMMARY OF CONSOLIDATED ACCOUNT APPROPRIATIONS AND INCOME ESTIMATES

for the year ended 30 June 2017

	2017 Estimate ('000)	2017 Actual ('000)	Variance ('000)	2017 Actual ('000)	2016 Actual ('000)	Variance ('000)
Capital expenditure						
Purchase of non-current assets	41,343	42,034	(691)	42,034	35,276	6,758
Repayment of borrowings	4,823	2,440	2,383	2,440	14,890	(12,450)
Adjustments for other funding sources	(46,166)	(44,474)	(1,692)	(44,474)	(50,005)	5,531
Capital appropriations	-	-	-	-	161	(161)

Adjustments comprise movements in cash balances and other accrual items such as receivables, payables and superannuation.

[Note 42](#) 'Explanatory statement' provides details of any significant variations between estimates and actual results for 2017 and between the actual results for 2017 and 2016.

The comparatives have been restated to reflect the increase in the number of services within the Department's Outcome Based Management (OBM) reporting structure.

NOTES TO THE FINANCIAL STATEMENTS

as at 30 June 2017

1 Australian Accounting Standards

General

The Department's financial statements for the year ended 30 June 2017 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standards Board (AASB). The Department has adopted any applicable new and revised Australian Accounting Standards from their operative dates.

Early adoption of standards

The Department cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. There has been no early adoption of any other Australian Accounting Standards that have been issued or amended (but not operative) by the Department for the annual reporting period ended 30 June 2017.

2 Summary of significant accounting policies

(a) General statement

The Department is a not-for-profit reporting entity that prepares general purpose financial statements in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB as applied by the Treasurer's instructions. Several of these are modified by the Treasurer's instructions to vary application, disclosure, format and wording.

The *Financial Management Act 2006* and the Treasurer's instructions impose legislative provisions that govern the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

2 Summary of significant accounting policies (continued)

(b) Basis of preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, except for land, buildings and infrastructure which have been measured at fair value.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial statements are presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000).

Note 3 'Judgements made by management in applying accounting policies' discloses judgements that have been made in the process of applying the Department's accounting policies resulting in the most significant effect on amounts recognised in the financial statements.

Note 4 'Key sources of estimation uncertainty' discloses key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(c) Reporting entity

The reporting entity comprises the Department of Fire and Emergency Services.

Mission

The Department's mission is to improve community safety practices and provide timely, quality and effective emergency services, in partnership with the local communities and emergency management partners.

Services

Service 1: Community Awareness, Education and Information Services
Minimised occurrence and impact of preventable emergencies.

Service 2: Compliance and Technical Advisory Services
Minimised impact of natural hazard emergencies.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

2 Summary of significant accounting policies (continued)

(c) Reporting entity (continued)

Service 3: Training and Organisational Resourcing Services

An operational workforce that is trained and equipped to respond.

Service 4: Frontline Services

Minimised impact from emergencies through timely and effective response.

(d) Contributed equity

AASB Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by TI 955 *Contributions by Owners made to Wholly Owned Public Sector Entities* and have been credited directly to Contributed Equity.

The transfers of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal (see note 36 'Equity').

(e) Income

Revenue Recognition

Revenue is recognised and measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

Emergency Services Levy

The Emergency Services Levy (ESL) funds Western Australia's fire and emergency services. The majority of the ESL is raised and collected by local government authorities (LGA) on behalf of the Department by including it on their council rates notices. The ESL is calculated on the Gross Rental Value (GRV) of most urban properties, with a fixed rate charge per property in rural and remote areas. The Department raises assessment notices during the financial year for the ESL directly for properties owned by the State Government (General Sector), Local Governments and State Government instrumentalities (corporations).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

2 Summary of significant accounting policies (continued)

(e) Income (continued)

LGAs either elect to remit the ESL to the Department on a monthly basis as they collect it (Option A), or enter into a memorandum of understanding (Option B) authorised by the Minister and pay the ESL they assess in four quarterly instalments (30%, 30%, 30% and 10%) or one annual instalment. The annual payment option is generally selected by local governments that raise a small amount of ESL and wish to further simplify the ESL administrative arrangements.

All LGAs submit a Declaration of Annual Emergency Services Levy Billing Assessment Profile Return (Form A) within 14 days of issue of rates notices. Revenue is recognised when an invoice is issued to the LGAs. See note 15 'User charges and fees'.

Late payment interest of 11% per annum is charged if a property owner does not pay either the full or part payment of ESL on time. However, late ESL payment penalty interest will not be charged when eligible pensioners choose to defer the payment of their ESL charge.

Direct Brigade Alarm

The DFES Direct Brigade Alarm (DBA) network monitors over 3,500 premises across Western Australia. Categories of monitored premises include (but not limited to):

- commercial properties
- schools/universities
- hospitals
- aged care facilities
- high rise buildings.

Fire Safety Pty Ltd trading as Fire Alarm Monitoring Services (FAMS) – Chubb delivers customer service, administration (including annual billing and debt management) and 24/7 monitoring services to DFES and all DFES' monitored customers.

The recovery of the DBA monitoring charge is based on a full cost recovery methodology and the revenue is recognised at the time of raising the invoice for the service.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

2 Summary of significant accounting policies (continued)

(e) Income (continued)

False Fire Alarm

In accordance with section 36ZL(1)(d)(i) of the Fire and Emergency Services Act 1998, the Department enforces a false fire alarm fee. The fee applies after the third false fire alarm attendance to a premises in any financial year.

The fee is used as a measure to encourage the proper maintenance of alarm systems and reflect the cost of Departmental resources in responding to false alarms. The revenue is recognised at the time of raising the invoice for the service.

Sale of goods

Revenue is recognised from the sale of goods and disposal of other assets when the significant risks and rewards of ownership transfer to the purchaser and can be measured reliably.

Interest

Revenue is recognised as the interest accrues.

Service appropriations

Service Appropriations are recognised as revenues at fair value in the period in which the Department gains control of the appropriated funds. The Department gains control of appropriated funds at the time those funds are deposited to the bank account or credited to the 'Amounts receivable for services' (holding account) held at Treasury. See note 20 'Income from State Government'.

Net Appropriation Determination

The Treasurer may make a determination providing for prescribed receipts to be retained for services under the control of the Department. In accordance with the most recent determination, as quantified in the 2016–17 Budget Statements, the Department retained \$361.3 million in 2017 (\$344.5 million in 2016) from the following:

- proceeds from fees and charges
- sale of goods
- Commonwealth specific purpose grants and contributions
- other departmental revenue.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

2 Summary of significant accounting policies (continued)

(e) Income (continued)

Grants, donations, gifts and other non-reciprocal contributions

Revenue is recognised at fair value when the Department obtains control over the assets comprising the contributions, usually when cash is received.

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated.

Royalties for Regions funds are recognised as revenue at fair value in the period in which the Department obtains control over the funds. The Department obtains control of the funds at the time the funds are deposited into the Department's bank account.

Gains

Realised and unrealised gains are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations of non-current assets.

(f) Borrowing costs

Borrowing costs are expensed when incurred.

(g) Property, plant and equipment

Capitalisation/expensing of assets

Items of property, plant and equipment costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

2 Summary of significant accounting policies (continued)

(g) Property, plant and equipment

Initial recognition and measurement

Property, plant and equipment are initially recognised at cost.

For items of property, plant and equipment acquired at no cost or for nominal cost, the cost is the fair value at the date of acquisition.

Subsequent measurement

Subsequent to initial recognition as an asset, the revaluation model is used for the measurement of land and buildings and historical cost for all other property, plant and equipment. Land and buildings are carried at fair value less accumulated depreciation (buildings only) and accumulated impairment losses. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Where market-based evidence is available, the fair value of land and buildings is determined on the basis of current market values determined by reference to recent market transactions. When buildings are revalued by reference to recent market transactions, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

In the absence of market-based evidence, fair value of land and buildings is determined on the basis of existing use. This normally applies where buildings are specialised or where land use is restricted. Fair value for existing use buildings is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. Where the fair value of buildings is determined on the depreciated replacement cost basis, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount. Fair value for restricted use land is determined by comparison with market evidence for land with similar approximate utility (high restricted use land) or market value of comparable unrestricted land (low restricted use land).

Land and buildings are independently valued annually by the Western Australian Land Information Authority (Valuation Services) and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

2 Summary of significant accounting policies (continued)

(g) Property, plant and equipment (continued)

The most significant assumptions and judgements in estimating fair value are made in assessing whether to apply the existing use basis to assets and in determining estimated economic life. Professional judgement by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets. See note 28 'Property, plant and equipment' and 36 'Equity' for further information.

Derecognition

Upon disposal or derecognition of an item of property, plant and equipment, any revaluation surplus relating to that asset is retained in the asset revaluation surplus.

Asset revaluation surplus

The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current assets on a class of assets basis as described in note 28 'Property, plant and equipment' and note 36 'Equity'.

Depreciation

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits.

Depreciation is calculated using the straight line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

Buildings	40 years
Vehicles	5 – 20 years
Plant and equipment	3 – 10 years

Works of art controlled by the Department are classified as property, plant and equipment. These are anticipated to have indefinite useful lives. Their service potential has not, in any material sense, been consumed during the reporting period and consequently no depreciation has been recognised.

Leasehold improvements of a capital nature are classified as property, plant and equipment. The leasehold improvement is depreciated over the lease term.

Land is not depreciated.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

2 Summary of significant accounting policies (continued)

(h) Intangible assets

Capitalisation/expensing of assets

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$50,000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful lives. Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

Intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life which is reviewed annually) on the straight line basis. All intangible assets controlled by the Department have a finite useful life and zero residual value.

The expected useful lives for each class of intangible asset are:

Licences	up to 10 years
Software ^(a)	3 to 5 years

(a) Software that is not integral to the operation of any related hardware.

Licences

Licences have a finite useful life and are carried at cost less accumulated amortisation and accumulated impairment losses.

Computer software

Software that is an integral part of the related hardware is recognised as property, plant and equipment. Software that is not an integral part of the related hardware is recognised as an intangible asset. Software costing less than \$5,000 is expensed in the period of acquisition.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

2 Summary of significant accounting policies (continued)

(i) Impairment of assets

Property, plant and equipment and intangible assets are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered to be impaired and is written down to the recoverable amount and the impairment loss is recognised. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income. As the Department is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling, or where there is significant change in useful life. Each relevant class of asset is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of the asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

The Department tests intangible assets with an indefinite useful life and intangible assets not yet available for use for impairment at the end of each reporting period irrespective of whether there is any indication of impairment.

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market-based evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairment at the end of each reporting period. See note 31 'Impairment of assets' for the outcome of impairment reviews and testing.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

2 Summary of significant accounting policies (continued)

(j) Non-current assets (or disposal groups) classified as held for sale

Non-current assets (or disposal groups) held for sale are recognised at the lower of carrying amount and fair value less costs to sell, and are disclosed separately from other assets in the Statement of Financial Position. Assets classified as held for sale are not depreciated or amortised.

All Crown land holdings are vested in the Department by the Government. The Department of Lands (DoL) is the only agency with the power to sell Crown land. The Department transfers the Crown land and any attached buildings to DoL when the land becomes available for sale. See note 27 'Non-current assets classified as held for sale'.

(k) Leases

Operating leases are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties and services. See note 8 'Supplies and services' and note 39 'Commitments'.

(l) Financial instruments

In addition to cash, the Department has two categories of financial instrument:

- Loans and receivables
- Financial liabilities measured at amortised cost.

Financial instruments have been disaggregated into the following classes:

Financial Assets

- Cash and cash equivalents
- Restricted cash and cash equivalents
- Receivables
- Amounts receivable for services
- Other financial assets.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

2 Summary of significant accounting policies (continued)

(l) Financial instruments (continued)

Financial Liabilities

- Payables
- Western Australian Treasury Corporation borrowings
- Funds held in escrow.

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material. See note 33 'Borrowings' and note 43 'Financial instruments'.

(m) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value. See note 21 'Cash and cash equivalents'

(n) Accrued salaries

Accrued salaries represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a week of the end of the reporting period. The Department considers the carrying amount of accrued salaries to be equivalent to its fair value. See note 32 'Payables'.

The 53rd Pay account (See Note 22 'Restricted cash and cash equivalents') consists of amounts transferred annually into a suspense account over a period of five financial years to largely meet the additional cash outflow in the financial year 2021-22 when 53 pay weeks occur instead of the normal 52. No interest is received on this account.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

2 Summary of significant accounting policies (continued)

(o) Receivables

Receivables are recognised and carried at original invoice amount less any allowance for uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Department will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days. See note 2(l) 'Financial instruments' and note 24 'Receivables'.

(p) Amounts receivable for services (holding account)

The Department receives funding on an accrual basis. The appropriations are paid partly in cash and partly as an asset (holding account receivable). The accrued amount is accessible on the emergence of the cash funding requirement to cover asset replacement. See note 20 'Income from State Government' and note 25 'Amounts receivable for services (holding account)'.

(q) Inventories

The inventory held for consumption represents fire appliance parts, consumable items, service exchange equipment and tools stored in the Fleet and Equipment Services workshop facility in O'Connor. The inventory held for consumption is measured on a weighted average cost basis.

The inventory held for distribution represents fire appliances under construction for local governments as part of the ESL capital grants process. The inventory held for distribution is measured at cost. Grant expenses are recognised when the fire appliances are delivered to the local governments. See note 23 'Inventories' and note 12 'Grants and subsidies'.

(r) Payables

Payables are recognised at the amounts payable when the Department becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 30 days. See note 2(l) 'Financial instruments' and note 32 'Payables'.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

2 Summary of significant accounting policies (continued)

(s) Borrowings

All loans payable are initially recognised at fair value, being the net proceeds received. Subsequent measurement is at amortised cost using the effective interest rate method. See note 2(l) 'Financial instruments' and note 33 'Borrowings'.

(t) Provisions

Provisions are liabilities of uncertain timing or amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period. See note 34 'Provisions'.

Provisions – employee benefits

All annual leave and long service leave provisions are in respect of employees' services up to the end of the reporting period.

Annual leave

Annual leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore considered to be 'other long-term employee benefits'. The annual leave liability is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The provision for annual leave is classified as a current liability as the Department does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

2 Summary of significant accounting policies (continued)

(t) Provisions (continued)

Provisions – employee benefits (continued)

Long service leave

Long service leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Unconditional long service leave provisions are classified as current liabilities as the Department does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. Pre-conditional and conditional provisions are classified as long service leave non-current liabilities because the Department has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Deferred Leave

The provision for deferred leave relates to Public Service employees who have entered into an agreement to self-fund an additional 12 months leave in the fifth year of the agreement. The provision recognises the value of salary set aside for employees to be used in the fifth year. This liability is measured on the same basis as annual leave. Deferred leave is reported as a current provision as employees can leave the scheme at their discretion at any time.

Superannuation

The Government Employees Superannuation Board (GESB), the Fire and Emergency Services Superannuation Fund (FESSF) and other fund providers administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees vary according to commencement and implementation dates.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

2 Summary of significant accounting policies (continued)

(t) Provisions (continued)

Provisions – employee benefits (continued)

Superannuation (continued)

The FESSF is a superannuation fund available to employees of the Department of Fire and Emergency Services. Membership is also available to employees of the United Firefighters Union of Western Australia, the Western Australian Volunteer Fire Brigades Association (Inc.), and the Fire and Emergency Services Superannuation Board (FESSB). The FESSB is a trustee of the Fund and is responsible for managing the fund in the best interest of members and for ensuring the fund is managed in accordance with its governing legislation; the Fire and Emergency Services Superannuation Act 1985 and the *Fire and Emergency Services (Superannuation Fund) Regulations 1986*. The liability for superannuation charges is extinguished by payments of employer contributions to the FESSF.

Members can make additional voluntary contributions to an accumulation account and are payable in addition to any defined benefit entitlement. Contributing members who have reached the age of 55 or completed 30 years of contributing membership can transfer their defined benefit into their accumulation account.

The Department also makes employer contributions to the FESSF during the year. The FESSF is a defined benefit scheme for the purpose of employees and is a defined contribution plan for the Department. The concurrent contributions (defined contributions) made by the Department to the FESSF extinguishes the Department's obligations to the related superannuation liability.

Eligible employees contribute to the Pension Scheme, a defined benefit pension scheme closed to new members since 1987, or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme closed to new members since 1995.

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension Scheme or the GSS became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

2 Summary of significant accounting policies (continued)

(t) Provisions (continued)

Provisions – employee benefits (continued)

Superannuation (continued)

From 30 March 2012, existing members of the WSS or GESBS and new employees have been able to choose their preferred superannuation fund provider. The Department makes contributions to GESB or other fund providers on behalf of employees in compliance with the [Commonwealth Government's Superannuation Guarantee \(Administration\) Act 1992](#). Contributions to these accumulation schemes extinguish the Department's liability for superannuation charges in respect of employees who are not members of the Pension Scheme or GSS.

The GSS is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, it is a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by the Department to GESB extinguishes the agency's obligations to the related superannuation liability.

The Department has no liabilities under the Pension Scheme or the GSS. The liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the Department to the GESB.

The GESB makes all benefit payments in respect of the Pension Scheme and GSS, and is recouped from the Treasurer for the employer's share. See note 2(v) 'Superannuation expense'.

Provisions – other

Employment on-costs

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Supplies and Services' and are not included as part of the Department's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'. See note 13 'Other expenses' and note 34 'Provisions'.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

2 Summary of significant accounting policies (continued)

(u) Assets and services received free of charge or for nominal cost

Assets or services received free of charge or for nominal cost that the Department would otherwise purchase if not donated, are recognised as income at fair value of the assets or services where they can be reliably measured. A corresponding expense is recognised for services received. Receipts of assets are recognised in the Statement of Financial Position.

Assets or services received from other State Government agencies are separately disclosed under Income from State Government in the Statement of Comprehensive Income. See note 20 'Income from State Government'.

(v) Superannuation expense

The superannuation expense is recognised in the profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the Fire and Emergency Services Superannuation Fund (FESSF), the Gold State Superannuation Scheme (GSS) (concurrent contributions), the West State Superannuation (WSS), and the Government Employees Superannuation Board Scheme (GESBS), or other superannuation funds. The employer contribution paid to the GESB in respect of the GSS is paid back into the Consolidated Account by the GESB.

(w) Establishment of volunteer entities

- (i) *Volunteer Fire and Emergency Services Units*
Volunteer Fire and Emergency Services Units are formed in accordance with Part 3 of the *Fire and Emergency Services Act 1998*.
- (ii) *Volunteer State Emergency Service Units*
Volunteer State Emergency Service Units are formed in accordance with Part 3A of the *Fire and Emergency Services Act 1998*.
- (iii) *Volunteer Fire and Rescue Service Brigades*
Volunteer Fire and Rescue Service Brigades are formed in accordance with Part VI of the *Fire Brigades Act 1942*.
- (iv) *Volunteer Marine Rescue Service Groups*
Volunteer Marine Rescue Service Groups are formed in accordance with Part 3B of the *Fire and Emergency Services Act 1998*.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

2 Summary of significant accounting policies (continued)

(x) Comparative figures

Comparative figures are, where applicable, reclassified to be comparable with the figures presented in the current financial year.

3 Judgements made by management in applying accounting policies

The preparation of financial statements requires management to make judgements about the application of accounting policies that have a significant effect on the amounts recognised in the financial statements. The Department evaluates these judgements regularly.

4 Key sources of estimation uncertainty

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Long Service Leave

Several estimations and assumptions used in calculating the Department's long service leave provision include expected future salary rates, discount rates, employee retention rates and expected future payments. Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

Depreciation

The Department estimates the useful lives of non-current assets in a manner that reflects the consumption of their future economic benefits.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

5 Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

The Department has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2016 that impacted on the Department.

- AASB 1057** *Application of Australian Accounting Standards*
This Standard lists the application paragraphs for each other Standard (and Interpretation), grouped where they are the same. There is no financial impact.
- AASB 2014-4** *Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]*
The adoption of this Standard has no financial impact for the Department as depreciation and amortisation is not determined by reference to revenue generation, but by reference to consumption of future economic benefits.
- AASB 2015-1** *Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle [AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 & 140]*
These amendments arise from the issuance of International Financial Reporting Standard Annual Improvements to IFRSs 2012–2014 Cycle in September 2014, and editorial corrections. The Department has determined that the application of the Standard has no financial impact.
- AASB 2015-2** *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]*
This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. There is no financial impact.
- AASB 2015-6** *Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]*
The amendments extend the scope of AASB 124 to include application by not-for-profit public sector entities. Implementation guidance is included to assist application of the Standard by not-for-profit public sector entities. There is no financial impact.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

5 Disclosure of changes in accounting policy and estimates (continued)

Future impact of Australian Accounting Standards not yet operative

The Department cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements* or by an exemption from TI 1101. Consequently, the Department has not applied early any of the following Australian Accounting Standards that have been issued that may impact the Department. Where applicable, the Department plans to apply the following Australian Accounting Standards from their application date.

		Operative for reporting periods beginning on/after
AASB 9	<p><i>Financial Instruments</i></p> <p>This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i>, introducing a number of changes to accounting treatments.</p> <p>The mandatory application date of this Standard is currently 1 January 2018 after being amended by AASB 2012-6, AASB 2013-9 and AASB 2014-1 Amendments to Australian Accounting Standards. The Department has not yet determined the application or the potential impact of the Standard.</p>	1 January 2018
AASB 15	<p><i>Revenue from Contracts with Customers</i></p> <p>This Standard establishes the principles that the Department shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The Department has not yet determined the application or the potential impact of the Standard.</p>	1 January 2018
AASB 16	<p><i>Leases</i></p> <p>This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Department has not yet determined the application or the potential impact of the Standard.</p>	1 January 2019

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

Operative for
reporting
periods
beginning
on/after

<i>AASB 1058</i>	<i>Income of Not-for-Profit Entities</i> This Standard clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15 Revenue from Contracts with Customers. These Standards supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions. The Authority has not yet determined the application or the potential impact of this recently issued Standard.	1 January 2019
<i>AASB 2010-7</i>	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]</i> This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010. The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. The Department has not yet determined the application or the potential impact of the Standard.	1 January 2018
<i>AASB 2014-1</i>	<i>Amendments to Australian Accounting Standards</i> Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. It has not yet been assessed by the Department to determine the application or potential impact of the Standard.	1 January 2018
<i>AASB 2014-5</i>	<i>Amendments to Australian Accounting Standards arising from AASB 15</i> This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of Standard has been amended by AASB 15. The mandatory application date of this 2015-8 to 1 January 2018. The Department has not yet determined the application or the potential impact of the Standard.	1 January 2018

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

**Operative for
reporting
periods
beginning
on/after**

<i>AASB 2014-7</i>	<p><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i></p> <p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The Department has not yet determined the application or the potential impact of the Standard.</p>	1 January 2018
<i>AASB 2014-10</i>	<p><i>Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 & 128]</i></p> <p>This Standard amends AASB 10 and AASB 128 to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The mandatory application date of this Standard has been amended by AASB 2015-10 to 1 January 2018. The Department has not yet determined the application or the potential impact of the Standard.</p>	1 January 2018
<i>AASB 2015-8</i>	<p><i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i></p> <p>This Standard amends the mandatory effective date (application date) of AASB 15 Revenue from Contracts with Customers so that AASB 15 is required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017. The Department has not yet determined the application or the potential impact of AASB 15.</p>	1 January 2017
<i>AASB 2016-2</i>	<p><i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107</i></p> <p>This Standard amends AASB 107 Statement of Cash Flows (August 2015) to require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. There is no financial impact.</p>	1 January 2017

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

**Operative for
reporting
periods
beginning
on/after**

AASB 2016-3	<p><i>Amendments to Australian Accounting Standards – Clarifications to AASB 15</i></p> <p>This Standard clarifies identifying performance obligations, principal versus agent considerations, timing of recognising revenue from granting a licence, and, provides further transitional provisions to AASB 15.</p> <p>The Department has not yet determined the application or the potential impact.</p>	1 January 2018
AASB 2016-4	<p><i>Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities</i></p> <p>This Standard clarifies that the recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 Fair Value Measurement.</p> <p>The Department has not yet determined the application or the potential impact.</p>	1 January 2017
AASB 2016-7	<p><i>Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities</i></p> <p>This Standard amends the mandatory effective date of AASB 15 for not-for-profit entities so that AASB 15 is required to be applied by such entities for annual reporting periods beginning on or after 1 January 2019 instead of 1 January 2018. There is no financial impact.</p>	1 January 2017
AASB 2016-8	<p><i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</i></p> <p>This Standard inserts Australian requirements and authoritative implementation guidance for not-for profit entities into AASB 9 and AASB 15. There is no financial impact.</p>	1 January 2019

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

Operative for
reporting
periods
beginning
on/after

AASB 2017-2	<i>Amendments to Australian Accounting Standards – Further Annual Improvements 2014 2016 Cycle</i>	1 January 2017
	This Standard clarifies the scope of AASB 12 by specifying that the disclosure requirements apply to an entity's interests in other entities that are classified as held for sale, held for distribution to owners in their capacity as owners or discontinued operations in accordance with AASB 5. There is no financial impact.	

Changes in accounting estimates

There were no changes in accounting estimates that will have an effect on the current reporting period.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

	2017 (\$'000)	2016 (\$'000)
6 Employee benefits expense		
Wages and salaries ^(a)	173,612	167,856
Superannuation – defined contribution plans: ^(b)		
Fire and Emergency Services Superannuation fund (FES Super)	17,984	16,882
Government Employees Superannuation Board (GESB)	1,772	1,717
Protective clothing and uniforms	3,843	4,195
Other related expenses	1,608	1,702
	198,819	192,352

(a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component, leave entitlements including superannuation contribution component.

(b) Defined contribution plans include FES Super, West State, Gold State and GESB.

Employment on-costs expenses such as workers' compensation insurance, are included at note 13 'Other expenses'.

Employment on-costs liability is included at note 34 'Provisions'.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

7 Compensation of Key Management Personnel

The Department has determined that key management personnel include Ministers and senior officers of the Department. However, the Department is not obligated to compensate Ministers and therefore disclosures in relation to Ministers' compensation may be found in the Annual Report on State Finances.

Total compensation for senior officers of the Department for the reporting period are presented within the following bands:

Compensation Band (\$)	2017	2016
60,001 – 70,000	1	1
80,001 – 90,000	1	–
180,001 – 190,000	1	–
190,001 – 200,000	1	2
200,001 – 210,000	1	–
210,001 – 220,000	2	1
220,001 – 230,000	–	1
230,001 – 240,000	1	1
240,001 – 250,000	1	–
250,001 – 260,000	–	2
270,001 – 280,000	1	–
280,001 – 290,000	1	–
310,001 – 320,000	–	1
320,001 – 330,000	–	1
420,001 – 430,000	1	–
480,001 – 490,000	–	1

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

7 Compensation of Key Management Personnel (continued)

	2017 (\$'000)	2016 (\$'000)
Short-term employee benefits	2,287	2,458
Post-employment benefits	279	259
Other long-term benefits	70	50
Termination benefits	–	–
	2,636	2,767

8 Supplies and services

Consultants and contractors	37,946	33,042
Plant and equipment leases	29,702	35,950
Maintenance	24,193	25,426
Communications	4,944	5,000
Administration	4,063	4,007
Travel	4,001	4,061
Insurance premiums and claims	2,361	1,963
Electricity and water expense	2,146	2,295
Advertising and promotion expense	441	366
	109,797	112,110

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

	2017 (\$'000)	2016 (\$'000)
9 Depreciation and amortisation		
<i>Depreciation</i>		
Vehicles	9,027	7,740
Buildings	7,812	6,794
Plant and equipment	1,075	967
Leasehold improvements	50	68
	17,964	15,569
<i>Amortisation</i>		
Intangible assets	384	403
	384	403
Total Depreciation and Amortisation	18,348	15,972
10 Finance costs		
Interest expense	2,072	2,457
Loan guarantee fees	99	123
	2,171	2,580
11 Accommodation expenses		
Repairs and maintenance	5,793	6,466
Lease rentals	1,348	1,533
	7,141	7,999

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

	2017 (\$'000)	2016 (\$'000)
12 Grants and subsidies		
Recurrent		
Local governments ^(a)	17,263	14,070
Volunteer entities ^(b)	3,808	2,045
Affiliated bodies ^(c)	2,009	1,946
Private brigades	222	210
Other	188	42
Capital		
Local governments ^(d)	27,846	15,169
Volunteer Marine Rescue Services ^(e)	3,087	2,158
	54,423	35,640

(a) Grants paid to local government to fund the operating expenditure of Bush Fire Brigades and State Emergency Service units; \$12.5m (2016: \$10.4m), Community Emergency Services Managers; \$2.4m (2016: \$2.2m), and other grant and subsidy payments; \$2.3m (2016: \$1.5m).

(b) Grants paid to VMRS; \$3.1m (2016: \$1.3m) other volunteer entities; \$0.7m (2016: \$0.7m).

(c) See note 45 'Affiliated bodies'.

(d) Grants paid to local government for the provision of property, plant and equipment for bush fire brigades and State Emergency Service units.

(e) Capital grants paid to volunteer marine rescue service groups for the procurement of property, plant and equipment. Capital items provided to VFRS and VFES are not included as capital grants as the Department retains ownership of the property, plant and equipment. See note 28 'Property, plant and equipment'.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

	2017 (\$'000)	2016 (\$'000)
13 Other expenses		
Employment on-costs	5,145	9,226
Other expenses from ordinary activities	175	165
Audit fees ^(a)	142	138
Doubtful debts expense	13	(9)
Asset write-off ^(b)	–	602
	5,475	10,122

(a) See note 44 'Remuneration of auditor'.

(b) Write-off of damaged appliance in 2016 Waroona fire.

14 Related party transactions

The Department is a wholly owned and controlled entity of the State of Western Australia. In conducting its activities, the Department is required to pay various taxes and levies based on the standard terms and conditions that apply to all tax and levy payers to the State and entities related to State.

Related parties of the department include:

- all Ministers and their close family members, and their controlled or jointly controlled entities
- all senior officers and their close family members, and their controlled or jointly controlled entities
- other departments and public sector entities, including related bodies included in the whole of government consolidated financial statements
- associates and joint ventures, that are included in the whole of government consolidated financial statements
- GESB and FES Fund.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

14 Related party transactions (continued)

Related party transactions required to be disclosed

There have been no related party transactions other than transactions that would occur within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those which it is reasonable to expect the Department would have adopted if dealing with that individual entity at arm's length in the same circumstance.

Significant transactions with government related entities

- Service appropriations (Note 20)
- Capital appropriations (Note 36)
- Services received free of charge (Note 20)
- Royalties for Regions Fund (Note 20)
- Superannuation payments to GESB and FESSB (Note 6).

Material transactions with related parties

The Department had no material related party transaction with Ministers/senior officers or their close family members or their controlled (or jointly controlled) entities for disclosure.

	2017 (\$'000)	2016 (\$'000)
15 User fees and charges		
Emergency services levy	340,882	323,268
User charges	10,666	9,758
	351,548	333,026

See note 2(e) 'Income'

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

	2017 (\$'000)	2016 (\$'000)
16 Commonwealth grants and contributions		
Recurrent	4,207	4,142
Other	639	26
	4,846	4,168

Commonwealth grants are received for various purposes including non-reciprocal grants that contribute towards the Department's operational capabilities such as the state support package, aerial fire fighting and the Indian Ocean Territories.

See note 48 'Indian Ocean Territories'.

17 Interest revenue

Emergency Services Levy ^(a)	109	104
	109	104

(a) See note 2(e) 'Income'.

18 Other revenue

Sponsorship and donations ^(a)	2,448	2,062
Non reciprocal contributed assets	1,459	749
General revenue	1,322	821
Insurance and other recoveries	217	995
Grants	99	1,904
Employee cost recovery ^(b)	–	685
	5,545	7,216

(a) The majority of sponsorship revenue is related to the four year RAC rescue helicopter sponsorship which commenced in 2014/15. Sponsorship for the remaining year is disclosed as a current liability. See note 35 'Other liabilities'.

(b) Employee cost recovery has been reclassified from 2016-17 onwards to be netted against expense rather than recognised as other revenue.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

	2017 (\$'000)	2016 (\$'000)
19 Net gain/(loss) on disposal of non-current assets		
Proceeds from disposal of non-current assets		
Plant, equipment and vehicles	383	513
Carrying amount of non-current assets disposed		
Plant, equipment and vehicles	(167)	(202)
Net gain/(loss)	216	311
Gain on disposal of non-current assets	263	312
Loss on disposal of non-current assets	(47)	(1)
Net gain/(loss) on disposal of non-current assets	216	311

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

	2017 (\$'000)	2016 (\$'000)
20 Income from State Government		
<i>Appropriation received during the period:</i>		
Service appropriation ^(a)	19,603	37,107
Services received free of charge from other State Government agencies during period:		
Western Australian Land Information Authority (Landgate)	974	1,143
State Solicitor's Office	147	122
Department of Finance	29	–
Office of Emergency Management ^(b)	14	119
Department of Agriculture and Food	2	2
<i>Royalties for Regions Fund:</i>		
Regional Community Services Account ^(c)	12,605	12,298
	33,374	50,791

- (a) Service appropriations fund the net cost of services delivered. Appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises a portion of the budgeted depreciation expense for the period and any agreed increase in leave liability during the period.
- (b) As of 1 December 2016 the former State Emergency Management Committee Secretariat was renamed to the Office of Emergency Management (OEM).
- (c) The Department receives funding from the Regional Community Services Account for the South West Emergency Rescue Helicopter, Fire Crew Protection, Volunteer Fuel Card Scheme and Mitigation of Extreme Bushfire and other risks on State Owned Land.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

	2017 (\$'000)	2016 (\$'000)
21 Cash and cash equivalents		
Current		
Cash at bank	49,233	66,134
Cash on hand and advances	38	41
	49,271	66,175
See note 2(m) 'Cash and cash equivalents'.		
22 Restricted cash and cash equivalents		
Current		
Royalties for Regions Fund ^(a)	222	6,816
Indian Ocean Territories ^(b)	12	36
Rental bond deposits ^(c)	1	–
	235	6,852
Non current		
53rd pay ^(d)	635	–
	635	–
(a) Unspent funding for Royalties for Regions programs.		
(b) Unspent Commonwealth funding for service delivery to the Indian Ocean Territories.		
(c) Bonds held as part of residential tenancy agreements.		
(d) Funds held for the purpose of providing for years in which 53 pay periods occur. This will next occur on 30 June 2022.		
23 Inventories		
Inventories held for distribution ^(a)	9,832	15,160
Inventories held for consumption ^(b)	2,733	2,742
	12,565	17,902

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

	2017 (\$'000)	2016 (\$'000)
(a) Inventories held for distribution represent fire appliances under construction as part of the Emergency Services Levy capital grants process. These inventories are measured at cost. See note 2(q) 'Inventories'.		
(b) Inventory held for consumption represents fire appliances parts, consumable items, service exchange equipment and tools stored in the Fleet and Equipment Services workshop facility in O'Connor. These inventories are measured on a weighted average cost basis. See note 2(q) 'Inventories'.		
24 Receivables		
Receivables	5,980	3,901
Allowance for impairment of receivables	(28)	(31)
GST receivable	3,305	3,108
Accrued revenue	–	150
	9,257	7,128
Reconciliation of changes in the allowance for impairment of receivables:		
Balance at start of period	31	49
Doubtful debts expense	13	(9)
Amounts written off during the period	(16)	(9)
Balance at end of period	28	31
25 Amounts receivable for services (Holding Account)		
Non-current	31,682	25,261
	31,682	25,261

Represents the non-cash component of service appropriations. It is restricted in that it can only be used for asset replacement. See note 2(p) 'Amounts receivable for services (holding account)'.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

	2017 (\$'000)	2016 (\$'000)
26 Other assets		
Current		
Prepayments	2,646	672
Deposit held in trust account ^(a)	862	–
	3,508	672
Non-current		
Deposit held in trust account ^(a)	–	851
	–	851

(a) Deposit held pending the settlement of the sale of FESA House site that is anticipated to occur in 2017/18. The deposit has been reclassified as a current asset. See note 27 'Non-current assets held for sale' and 35 'Other liabilities'.

27 Non-current assets classified as held for sale

Land

Former FESA House Site ^(a)	8,000	–
	8,000	–

(a) In 2012 DFES management committed to the sale of the former FESA house site, located at 480 Hay Street Perth and subsequently classified the asset as held for sale. In December 2013 the FES Ministerial body entered into a contract of sale with a buyer. The terms of sale were lower than the carrying value of the land therefore a \$12.26m impairment loss was recognised at 30 June 2014. The contract of sale contains termination clauses, deferring settlement to 2017/18 until environmental contamination testing is completed. There are no indications that the termination clauses will be executed and therefore settlement is expected to occur in 2017/18.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

	2017 (\$'000)	2016 (\$'000)
28 Property, plant and equipment		
Land		
At fair value ^(a)	98,110	110,204
Buildings		
At fair value ^(a)	168,577	157,578
Accumulated depreciation	–	–
	266,687	267,782
Buildings under construction		
Construction costs	9,391	11,842
	9,391	11,842
Vehicles		
At cost	100,206	87,207
Accumulated depreciation	(38,061)	(29,167)
	62,145	58,040
Vehicles under construction		
Construction costs	11,800	8,005
	11,800	8,005
Plant and equipment		
At cost	13,608	12,189
Accumulated depreciation	(6,234)	(5,163)
	7,374	7,026
Plant and equipment under construction		
Construction costs	1,133	403
	1,133	403

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

	2017 (\$'000)	2016 (\$'000)
28 Property, plant and equipment (continued)		
<i>Leasehold improvements</i>		
At cost	856	856
Accumulated depreciation	(707)	(657)
	149	199
<i>Works of art</i>		
At cost	20	–
	20	–
Total property, plant and equipment	358,699	353,297

- (a) Land and buildings were revalued as at 1 July 2016 by the Western Australian Land Information Authority (Valuation Services) with the exception of the FESA House site. The valuations were performed during the year ended 30 June 2017 and recognised at 30 June 2017. In undertaking the revaluation, fair value was determined by reference to market values for land: \$20,098,150 (2016: \$21,229,500) and buildings: \$35,430,000 (2016: \$37,439,000). For the remaining balance, fair value of buildings was determined on the basis of depreciated replacement cost; and the fair value of land was determined on the basis of current use and net present value of future cash flow for the FESA House site.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2017

28 Property, plant and equipment (continued)

Reconciliations of the carrying amounts of property, plant, and equipment at the beginning and end of the reporting period are set out in the table below.

	Land (\$'000)	Buildings (\$'000)	Buildings under constr- uction (\$'000)	Vehicles (\$'000)	Vehicles under constr- uction (\$'000)	Plant and equipment (\$'000)	Plant and equipment under constr- uction (\$'000)	Leasehold improve- ments (\$'000)	Works of art (\$'000)	Total (\$'000)
2017										
Carrying amount at start of period	110,204	157,578	11,842	58,040	8,005	7,026	403	199	–	353,297
Additions (deductions)	3,895	–	16,286	614	15,526	1,344	1,603	–	20	39,288
Transfers ^(a)	20	18,662	(18,737)	12,577	(11,731)	82	(873)	–	–	–
Other disposals	(1,055)	–	–	(199)	–	(3)	–	–	–	(1,257)
Revaluation increments/(decrements)	(6,954)	149	–	–	–	–	–	–	–	(6,805)
Depreciation	–	(7,812)	–	(9,027)	–	(1,075)	–	(50)	–	(17,964)
Reclassification ^(b)	(8,000)	–	–	140	–	–	–	–	–	(7,860)
Carrying amount at end of the period	98,110	168,577	9,391	62,145	11,800	7,374	1,133	149	20	358,699

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2017

	Land (\$'000)	Buildings (\$'000)	Buildings under const- ruction (\$'000)	Vehicles (\$'000)	Vehicles under const- ruction (\$'000)	Plant and equipment (\$'000)	Plant and equipment under const- ruction (\$'000)	Leasehold improve- ments (\$'000)	Works of art (\$'000)	Total (\$'000)
2016										
Carrying amount at start of period	97,776	159,170	4,905	61,001	5,302	5,323	1,030	19	158	334,684
Additions (deductions)	1,586	1,605	25,750	417	7,768	2,223	(7)	–	–	39,342
Transfers ^(a)	10,975	7,662	(18,813)	5,166	(5,065)	447	(620)	248	–	–
Other disposals	–	–	–	(804)	–	–	–	–	(158)	(962)
Revaluation increments/(decrements)	(133)	(4,065)	–	–	–	–	–	–	–	(4,198)
Depreciation	–	(6,794)	–	(7,740)	–	(967)	–	(68)	–	(15,569)
Carrying amount at end of the period	110,204	157,578	11,842	58,040	8,005	7,026	403	199	–	353,297

(a) The Department of Lands (DoL) is the only agency with the power to sell Crown land. The land is transferred to DoL for sale and the Department accounts for the transfer as a distribution to owner.

(b) The Department has classified the former FESA House site as an asset available for sale. See note 27 'Non-current Assets Held for Sale'.

Information on fair value measurements is provided in Note 29.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

29 Fair value measurement Assets measured at fair value:

	Level 1 (\$'000)	Level 2 (\$'000)	Level 3 (\$'000)	Fair value at the end of the period (\$'000)
2017				
Non-current assets classified as held for sale (note 27)	–	8,000	–	8,000
Land (note 28)	–	20,098	78,012	98,110
Buildings (note 28)	–	35,430	133,147	168,577
	–	63,528	211,159	274,687
2016^(a)				
Land (note 28)	–	27,388	82,816	110,204
Buildings (note 28)	–	37,439	120,139	157,578
	–	64,827	202,955	267,782

During the reporting period a vacant lot located in Albany was transferred from level 2 to level 3 due to the construction of a career fire station on the lot which has resulted in the land being measured at market value as at 1 July 2015 to being valued at current use on 1 July 2016.

During the reporting period a vacant lot located in Wangara was transferred from level 3 to level 2 due to the land being measured at cost as at 30 June 2016. Landgate has subsequently measured the land using market value as at 1 July 2016.

(a) The 2016 comparative has been restated to be consistent with the current reporting period classification.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

29 Fair value measurements (continued)

Valuation techniques to derive Level 2 fair values

Level 2 fair values of Non-current assets held for sale, Land and Buildings (Office Accommodation) are derived using the market approach. Market evidence of sales prices of comparable land and buildings (office accommodation) in close proximity is used to determine price per square metre.

Non-current assets held for sale have been written down to fair value less costs to sell. Fair value has been determined by reference to the contract of sale for this property. See note 27 'Non-current assets classified as held for sale'.

Fair value measurements using significant unobservable inputs (Level 3)

	Land (\$'000)	Buildings (\$'000)
2017		
Fair Value at the beginning of the period	82,816	120,139
Additions	2,839	18,238
Revaluation increments/(decrements) recognised in Other Comprehensive Income	(7,818)	1,513
Transfers from/(to) Level 2		
Albany	922	–
Wangara	(747)	–
Disposals	–	–
Depreciation expense	–	(6,743)
Fair Value at the end of the year	78,012	133,147
Total gains or losses for the period included in profit or loss, under 'Other Gains'		

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

29 Fair value measurements (continued)

Fair value measurements using significant unobservable inputs (Level 3) (continued)

2016 ^(a)	Land (\$'000)	Buildings (\$'000)
Fair Value at the beginning of the period	77,040	121,610
Additions	2,334	9,185
Revaluation increments/(decrements) recognised in Other Comprehensive Income	3,442	(4,917)
Disposals	–	–
Depreciation expense	–	(5,739)
Fair Value at the end of the year	84,816	120,139
Total gains or losses for the period included in profit or loss, under 'Other Gains'	–	–

(a) The 2016 comparative has been restated to be consistent with the current reporting period classification.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

29 Fair value measurements (continued)

Valuation processes

There were no changes in valuation techniques during the period.

Transfers in and out of a fair value level are recognised on the date of the event or change in circumstances that caused the transfer. Transfers are generally limited to assets newly classified as non-current assets held for sale as Treasurer's instructions require valuations of land, buildings and infrastructure to be categorised within Level 3 where the valuations will utilise significant Level 3 inputs on a recurring basis.

Land (Level 3 fair values)

Fair value for restricted use land is based on comparison with market evidence for land with low level utility (high restricted use land). The relevant comparators of land with low level utility is selected by the Western Australian Land Information Authority (Valuation Services) and represents the application of a significant Level 3 input in this valuation methodology. The fair value measurement is sensitive to values of comparator land, with higher values of comparator land correlating with higher estimated fair values of land.

Buildings (Level 3 fair values)

Fair value for existing use specialised buildings and infrastructure assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. Depreciated replacement cost is the current replacement cost of an asset less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired economic benefit, or obsolescence, and optimisation (where applicable) of the asset. Current replacement cost is generally determined by reference to the market observable replacement cost of a substitute asset of comparable utility and the gross project size specifications.

Valuation using depreciated replacement cost utilises the significant Level 3 input, consumed economic benefit/obsolescence of asset which is estimated by the Western Australian Land Information Authority (Valuation Services). The fair value measurement is sensitive to the estimate of consumption/obsolescence, with higher values of the estimate correlating with lower estimated fair values of buildings and infrastructure.

Basis of Valuation

In the absence of market-based evidence, due to the specialised nature of some non-financial assets, these assets are valued at Level 3 of the fair value hierarchy on an existing use basis. The existing use basis recognises that restrictions or limitations have been placed on their use and disposal when they are not determined to be surplus to requirements. These restrictions are imposed by virtue of the assets being held to deliver a specific community service.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

	2017 (\$'000)	2016 (\$'000)
30 Intangible assets		
Computer software		
At cost	1,407	1,392
Accumulated amortisation	(1,151)	(767)
	256	625
Software under development		
Development costs	2,881	–
	2,881	–
Total intangible assets	3,137	625
Reconciliation		
Computer software		
Carrying amount at start of period	625	1,028
Additions	15	–
Amortisation expense	(384)	(403)
Software under development		
Carrying amount at start of period	–	–
Additions	2,881	–
Transfers	–	–
Carrying amount at the end of the period	3,137	625

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

	2017 (\$'000)	2016 (\$'000)
31 Impairment of assets		
There were no indications of impairment to property, plant and equipment, infrastructure or intangible assets at 30 June 2017.		
The Department held no goodwill or intangible assets with an indefinite useful life during the reporting period. All surplus assets at 30 June 2017 have either been classified as assets held for sale or written-off.		
32 Payables		
Trade payables	8,721	5,654
Accrued salaries	601	7
Accrued interest	420	462
GST payable	341	81
	10,083	6,204
See note 2(r) 'Payables', note 2(n) 'Accrued salaries', note 22 'Restricted cash and cash equivalents' and note 43 'Financial instruments'.		
33 Borrowings		
Current		
Western Australian Treasury Corporation	9,390	2,440
	9,390	2,440
Non current		
Western Australian Treasury Corporation	38,996	48,386
	38,996	48,386

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

	2017 (\$'000)	2016 (\$'000)
34 Provisions		
Current		
Employee benefits provision		
Annual leave ^(a)	11,280	10,818
Long service leave ^(b)	12,196	10,813
Deferred salary scheme ^(c)	1,504	1,130
Other provisions		
Employment on-costs ^(d)	3,113	2,780
Total current provisions	28,093	25,541
Non current		
Employee benefits provision		
Long service leave ^(b)	8,774	9,066
Other provisions		
Employment on-costs ^(d)	1,234	1,201
Total non-current provisions	10,008	10,267

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

	2017 (\$'000)	2016 (\$'000)
34 Provisions (continued)		
(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:		
Within 12 months of the end of the reporting period	10,513	9,970
More than 12 months after the end of the reporting period	767	848
	11,280	10,818
(b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:		
Within 12 months of the end of the reporting period	2,840	2,540
More than 12 months after the end of the reporting period	18,130	17,339
	20,970	19,879
(c) Deferred salary scheme liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Actual settlement of the liabilities is expected to occur as follows:		
Within 12 months of the end of the reporting period	619	326
More than 12 months after the end of the reporting period	885	804
	1,504	1,130
(d) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments. The associated expense, apart from the unwinding of the discount (finance cost), is disclosed in Note 13 'Other expenses'.		

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

	2017 (\$'000)	2016 (\$'000)
34 Provisions (continued)		
Movements in other provisions		
Movements in each class of provisions during the period, other than employee benefits, are set out below:		
Employment on-cost provision		
Carrying amount at start of period	3,981	3,750
Additional/(reversals of) provisions recognised	366	231
Carrying amount at end of period	4,347	3,981
See note 2(t) 'Provisions'.		
35 Other liabilities		
Current		
Deferred revenue		
RAC sponsorship ^(a)	2,633	2,533
FESA House ^(b)	862	–
WA Prescribed Burning Forum	71	–
Prepaid lease revenue	23	22
	3,589	2,555

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

	2017 (\$'000)	2016 (\$'000)
35 Other liabilities (continued)		
<i>Non current</i>		
Deferred revenue		
RAC sponsorship ^(a)	–	2,633
FESA House ^(b)	–	851
	–	3,484

- (a) RAC provides sponsorship to the Department to support the operation of the WA Emergency Rescue Helicopter service. The sponsorship provides total funding of \$5.2m until 30 June 2018. See note 18 'Other revenue' for 2016/17 sponsorship revenue.
- (b) This represents the deposit for the sale of FESA House site held by Landcorp's lawyer as part of the terms and conditions of the Contract of Sale. Settlement is scheduled for 2017/18 Financial Year. See note 26 'Other assets'.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

	2017 (\$'000)	2016 (\$'000)
36 Equity		
The Western Australian Government holds the equity interest in the Department on behalf of the community. Equity represents the residual interest in the net assets of the Department. The asset revaluation surplus represents that portion of equity resulting from:		
<u>Contributed equity</u>		
Balance at start of period	345,817	334,700
<u>Contributions by owners</u>		
Capital appropriation from State Government	–	161
<u>Other contributions by owners</u>		
Royalties for Regions Fund – Regional Community Services Account ^(a)	1,445	7,944
<u>Transfer of net assets from other agencies</u>		
Transfer of Building from Shire of Augusta Margaret River	–	1,585
Transfer of Land from Department of Lands	2,840	1,585
Total contributions by owners	4,285	11,275
<u>Distributions to owners</u>		
Transfer of net assets to other agencies		
Artwork donated to Botanic Gardens and Parks Authority	–	(158)
Total distribution to owners	–	(158)
Balance at end of period	350,102	345,817
(a) See note 22 'Restricted cash and cash equivalents'.		

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

	2017 (\$'000)	2016 (\$'000)
36 Equity (continued)		
Reserves		
<u>Asset revaluation surplus</u>		
Balance at start of period	50,611	54,809
Net revaluation decrements		
Land	(6,954)	(133)
Buildings	149	(4,065)
Balance at end of period	43,806	50,611
<u>Accumulated surplus/(deficit)</u>		
Balance at start of period	(16,542)	(35,383)
Result for the period	(536)	18,841
Balance at end of period	(17,078)	(16,542)
Total equity at end of period	376,830	379,886

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

	2017 (\$'000)	2016 (\$'000)
37 Notes to the Statement of Cash Flows		
Reconciliation of cash		
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash and cash equivalents (note 21 'Cash and cash equivalents')	49,271	66,175
Restricted cash and cash equivalents (note 22 'Restricted cash and cash equivalents')	870	6,852
	50,141	73,027
Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities		
Net cost of services	(33,910)	(31,950)
Non-cash items:		
Depreciation and amortisation expense (note 9 'Depreciation and amortisation expense')	18,348	15,972
Net loss (gain) on disposal of property, plant and equipment (note 19 'Net gain/(loss) on disposal of non-current assets')	(216)	(311)
Services received free of charge (note 20 'Income from State Government')	1,166	1,386
Doubtful debt expense (note 13 'Other expenses')	13	(9)
Impairment loss (note 31 'Impairment of assets')	—	—

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

	2017 (\$'000)	2016 (\$'000)
37 Notes to the Statement of Cash Flows (continued)		
Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities		
(Increase)/decrease in assets:		
Current receivables ^(a)	(2,079)	2,048
Other assets	(1,974)	1,432
Current inventories	5,328	(8,373)
Increase/(decrease) in liabilities:		
Current payables ^(a)	4,941	(1,316)
Current provisions	2,551	1,957
Non-current provisions	(259)	472
Change in GST in receivables/payables ^(b)	63	(1,223)
Net cash used in operating activities	(6,027)	(19,915)
<p>(a) Note that the Australian Taxation Office (ATO) receivable/payable in respect of GST and the receivable/payable in respect of the sale/purchase of non-current assets are not included in these items as they do not form part of the reconciling items.</p> <p>(b) This reverses out the GST in receivables and payables.</p>		

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

	2017 (\$'000)	2016 (\$'000)
38 Services provided free of charge		
During the period the following services were provided to Office of Emergency Management:		
Financial, human resources, information technology and corporate support services	417	385
	417	385
39 Commitments		
The commitments below are inclusive of GST where relevant.		
Capital expenditure commitments		
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Within 1 year	18,994	24,812
Later than 1 year and not later than 5 years	2,934	1,806
	21,928	26,618
Non-cancellable operating lease commitments		
Commitments for minimum lease payments are payable as follows:		
Within 1 year	15,385	17,249
Later than 1 year and not later than 5 years	3,787	17,886
Later than 5 years	2,050	726
	21,222	35,861

DFES's aviation services, fleet, residential and commercial leases account for the majority of the non-cancellable operating lease commitments. The fleet lease term varies depending on the vehicle.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

40 Contingent liabilities and contingent assets

Contingent liabilities

The following contingent liabilities are additional to the liabilities included in the financial statements.

Contaminated sites

The Department currently has one site that is classified as “possibly contaminated – investigation required”. The site is a former drum storage area at the Department’s Training Centre located at Dundas Road, Forrestfield. The Department is waiting for the recommendations of an Contamination Auditors’ Report that will identify actions necessary to manage the contamination issue.

The Department also has further past and present sites that may be classified pending further investigations regarding the legacy of the use of Aqueous Film Forming Foams which contains perfluorooctane sulphonate and perfluorooctanoic acid, two substances that are regarded as ‘emerging contaminants’ or pollutants that are potentially a threat to human health or the environment. These chemicals were also common in household and industry goods such as paints, non-stick cooking surfaces, pots, pans, baking paper, food packaging, carpet stain protection and to waterproof clothes and camping gear. The Department withdrew these foams from service in 2003.

The Department, working with Government, has established a 3 year strategy to investigate the sites and is unable to assess the likely outcome of the investigations at this stage. It is not practicable to estimate the potential financial effect or to identify the uncertainties relating to the amount or timing of any liability until the investigations are completed.

41 Events occurring after reporting date

No other matter or circumstance has arisen since 30 June 2017 that has significantly affected, or may significantly affect the department’s operations, the results of those operations, or the department’s state of affairs in future financial years.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

42 Explanatory statement

All variances between estimates (original budget) and actual results for 2017, and between the actual results for 2017 and 2016 are shown below.

Narratives are provided for key variations selected from observed major variances, which are generally greater than:

- 5 percent and \$7.5 million for the Statements of Comprehensive Income and Cash Flows
- 5 percent and \$9.6 million for the Statement of Financial Position.

Statement of Comprehensive Income (Controlled operations)	Variance Note	Estimate 2017 (\$'000)	Actual 2017 (\$'000)	Actual 2016 (\$'000)	Variance between estimate and actual (\$'000)	Variance between actual results for 2017 and 2016 (\$'000)
Expenses						
Employee benefits expense		202,273	198,819	192,352	(3,454)	6,467
Supplies and services	1	98,370	109,797	112,110	11,427	(2,313)
Depreciation and amortisation		21,402	18,348	15,972	(3,054)	2,376
Finance costs		8,408	2,171	2,580	(6,237)	(409)
Accommodation expenses		8,518	7,141	7,999	(1,377)	(858)
Grants and subsidies	2, A	43,323	54,423	35,640	11,100	18,783
Other expenses		3,470	5,475	10,122	2,005	(4,647)
Total cost of services		385,764	396,174	376,775	10,410	19,399

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

42 Explanatory statement (continued)

Statement of Comprehensive Income (Controlled operations)	Variance Note	Estimate 2017 (\$'000)	Actual 2017 (\$'000)	Actual 2016 (\$'000)	Variance between estimate and actual (\$'000)	Variance between actual results for 2017 and 2016 (\$'000)
Income						
Revenue						
User fees and charges	B	345,785	351,548	333,026	5,763	18,522
Commonwealth grants and contributions		6,742	4,846	4,168	(1,896)	678
Interest revenue		–	109	104	109	5
Other revenue		4,752	5,545	7,216	793	(1,671)
Total revenue		357,279	362,048	344,514	4,769	17,534
Gains						
Gain on disposal of non-current assets		–	216	311	216	(95)
Total gains		–	216	311	216	(95)
Total income other than income from State Government		357,279	362,264	344,825	4,985	17,439
NET COST OF SERVICES		28,485	33,910	31,950	5,425	1,960

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

Statement of Comprehensive Income (Controlled operations)	Variance Note	Estimate 2017 (\$'000)	Actual 2017 (\$'000)	Actual 2016 (\$'000)	Variance between estimate and actual (\$'000)	Variance between actual results for 2017 and 2016 (\$'000)
Income from State Government						
Service appropriation	C	18,702	19,603	37,107	901	(17,504)
Services received free of charge		2,000	1,166	1,386	(834)	(220)
Royalties for Regions Fund		14,439	12,605	12,298	(1,834)	307
Total income from State Government		35,141	33,374	50,791	(1,767)	(17,417)
SURPLUS/(DEFICIT) FOR THE PERIOD		6,656	(536)	18,841	(7,192)	(19,377)
OTHER COMPREHENSIVE INCOME						
Items not reclassified subsequently to profit or loss						
Changes in asset revaluation surplus	3	3,656	(6,805)	(4,198)	(10,461)	(2,607)
Total other comprehensive income		3,656	(6,805)	(4,198)	(10,461)	(2,607)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		10,312	(7,341)	14,643	(17,653)	(21,984)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

42 Explanatory statement (continued)

Statement of Financial Position (Controlled operations)	Variance Note	Estimate 2017 (\$'000)	Actual 2017 (\$'000)	Actual 2016 (\$'000)	Variance between estimate and actual (\$'000)	Variance between actual results for 2017 and 2016 (\$'000)
ASSETS						
Current Assets						
Cash and cash equivalents	D	55,330	49,271	66,175	(6,059)	(16,904)
Restricted cash and cash equivalents		1,981	235	6,852	(1,746)	(6,617)
Inventories		21,295	12,565	17,902	(8,730)	(5,337)
Receivables		8,023	9,257	7,128	1,234	2,129
Other current assets		550	3,508	672	2,958	2,836
Non-current assets held for sale		–	8,000	–	8,000	8,000
Total current assets		87,179	82,836	98,729	(4,343)	(15,893)
Non-current assets						
Restricted cash and cash equivalents		–	635	–	635	635
Amounts receivable for services		31,716	31,682	25,261	(34)	6,421
Property, plant and equipment	4	393,158	358,699	353,297	(34,459)	5,402
Intangible assets		1,054	3,137	625	2,083	2,512
Other non-current assets		833	–	851	(833)	(851)
Total non-current assets		426,761	394,153	380,034	(32,608)	14,119
TOTAL ASSETS		513,940	476,989	478,763	(36,951)	(1,774)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

Statement of Financial Position (Controlled operations)	Variance Note	Estimate 2017 (\$'000)	Actual 2017 (\$'000)	Actual 2016 (\$'000)	Variance between estimate and actual (\$'000)	Variance between actual results for 2017 and 2016 (\$'000)
LIABILITIES						
Current liabilities						
Payables		12,661	10,083	6,204	(2,578)	3,879
Borrowings		13,040	9,390	2,440	(3,650)	6,950
Provisions		23,451	28,093	25,541	4,642	2,552
Other current liabilities		–	3,589	2,555	3,589	1,034
Total current liabilities		49,152	51,155	36,740	2,003	14,415
Non-current liabilities						
Borrowings	5	64,458	38,996	48,386	(25,462)	(9,390)
Provisions		9,928	10,008	10,267	80	(259)
Other non-current liabilities		–	–	3,484	–	(3,484)
Total non-current liabilities		74,386	49,004	62,137	(25,382)	(13,133)
TOTAL LIABILITIES		123,538	100,159	98,877	(23,379)	1,282
NET ASSETS		390,402	376,830	379,886	(13,572)	(3,056)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

Statement of Financial Position (Controlled operations)	Variance Note	Estimate 2017 (\$'000)	Actual 2017 (\$'000)	Actual 2016 (\$'000)	Variance between estimate and actual (\$'000)	Variance between actual results for 2017 and 2016 (\$'000)
EQUITY						
Contributed equity		349,488	350,102	345,817	614	4,285
Reserves	6	62,246	43,806	50,611	(18,440)	(6,805)
Accumulated deficit		(21,332)	(17,078)	(16,542)	4,254	(536)
TOTAL EQUITY		390,402	376,830	379,886	(13,572)	(3,056)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

42 Explanatory statement (continued)

Statement of Cash Flows (Controlled operations)	Variance Note	Estimate 2017 (\$'000)	Actual 2017 (\$'000)	Actual 2016 (\$'000)	Variance between estimate and actual (\$'000)	Variance between actual results for 2017 and 2016 (\$'000)
Receipts						
Service appropriation	C	12,281	13,182	31,609	901	(18,427)
Capital appropriations		–	–	161	–	(161)
Royalties for Regions Fund		15,510	14,050	20,242	(1,460)	(6,192)
Net cash provided by State Government		27,791	27,232	52,012	(559)	(24,780)
Utilised as follows:						
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee benefits		(202,728)	(196,399)	(189,280)	6,329	(7,119)
Supplies and services	7	(96,066)	(104,016)	(112,691)	(7,950)	8,675
Finance costs		(8,408)	(2,213)	(2,723)	6,195	510
Accommodation		(9,056)	(7,093)	(7,852)	1,963	759
Grants and subsidies		(43,323)	(49,093)	(44,013)	(5,770)	(5,080)
GST payments on purchases	8	(8,794)	(20,274)	(20,227)	(11,480)	(47)
Other payments		(3,328)	(5,096)	(9,902)	(1,768)	4,806

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

Statement of Cash Flows (Controlled operations)	Variance Note	Estimate 2017 (\$'000)	Actual 2017 (\$'000)	Actual 2016 (\$'000)	Variance between estimate and actual (\$'000)	Variance between actual results for 2017 and 2016 (\$'000)
Receipts						
User fees and charges	B	346,685	352,710	335,073	6,025	17,637
Commonwealth grants and contributions		5,842	1,766	4,168	(4,076)	(2,402)
Interest received		–	109	74	109	35
GST receipts on sales		1,250	1,401	1,845	151	(444)
GST receipts from taxation authority	9	7,544	18,936	17,160	11,392	1,776
Other receipts		4,554	3,235	8,453	(1,319)	(5,218)
Net cash used in operating activities		(5,828)	(6,027)	(19,915)	(199)	13,888
CASH FLOWS FROM INVESTING ACTIVITIES						
Payments						
Purchase of non-current assets		(41,343)	(42,034)	(35,276)	(691)	(6,758)
Receipts						
Proceeds from the sale of non-current assets		–	383	363	383	20
Net cash used in investing activities		(41,343)	(41,651)	(34,913)	(308)	(6,738)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

Statement of Cash Flows (Controlled operations)	Variance Note	Estimate 2017 (\$'000)	Actual 2017 (\$'000)	Actual 2016 (\$'000)	Variance between estimate and actual (\$'000)	Variance between actual results for 2017 and 2016 (\$'000)
CASH FLOWS FROM FINANCING ACTIVITIES						
Payments						
Repayment of borrowings	10, E	(10,223)	(2,440)	(14,890)	7,783	12,450
Receipts						
Proceeds from borrowings	11	13,031	–	–	(13,031)	–
Net cash used in financing activities		2,808	(2,440)	(14,890)	7,783	12,450
Net (decrease)/increase in cash and cash equivalents		(16,572)	(22,886)	(17,706)	(6,314)	(5,180)
Cash and cash equivalents at the beginning of the period		73,883	73,027	90,733	(856)	(17,706)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		57,311	50,141	73,027	(7,170)	(22,886)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

42 Explanatory statement (continued)

Major Estimate and Actual (2017) Variance Narratives for Controlled Operations

- 1) Supplies and services exceeded estimates by \$11.4 million (10 percent) mainly due to unanticipated expenditure resulting from the Ferguson Inquiry of the Waroona fire response, and the extraordinary and unanticipated expenditure on wildfire suppression and SES response and recovery incidents.
- 2) Grants and Subsidies exceeded estimates by \$11.1 million (20 percent), largely as a result of the delivery of a backlog of appliances to local government bushfire brigades, the increased cost of fire crew protection installed in local government bushfire brigade appliances and the cost of maintenance and remediation of said appliances to meet the required maintenance standards. Furthermore, aligning the Volunteer Marine Rescue Service grants with the Local Government Grant Scheme resulted in an increased cost.
- 3) The movement in the asset revaluation reserve was \$10.4 million (154 percent) less than estimated as a result of the downward trend in the fair value of properties in Western Australia.
- 4) Property, plant and equipment was \$34.5 million (10 percent) less than estimated, partially as a result of the downward trend in fair value of properties, with the balance arising from delays in appliance builds whilst the Department focussed on delivery of appliances to local governments. This was further exacerbated by delays in building programs which were beyond the control of the Department.
- 5) Non-current borrowings are \$25.5 million (65 percent) less than estimated due to the reduction in capital spend as per 4. above, and repayment of funds in 2015-16 after finalisation of the 2016-17 budget estimates.
- 6) Reserves are \$18.4 million (42 percent) less than estimates mainly due to the impact of movements in the valuation of land and buildings.
- 7) Supplies and services payments were \$7.9 million (8 percent) higher than the estimates mainly due to unanticipated expenditure resulting from the Ferguson Inquiry of the Waroona fire response, and the extraordinary and unanticipated expenditure on wildfire suppression and State Emergency Service (SES) response and recovery incidents.
- 8) GST payments on purchases exceeded the estimates by \$11.5 million (57 percent) due to an increase in purchasing activities with GST registered vendors.
- 9) GST receipts from taxation authority exceeded estimates by \$11.4 million (60 percent) mainly due to the increased GST payments on purchases as per 8. above.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

42 Explanatory statement (continued)

- 10) Repayment of borrowings was \$7.8 million (319 percent) less than the estimates, as the Department did not require the anticipated drawdown of short term borrowings to meet working capital requirements. This is noted in 11. below, where the drawdown of borrowings was less than the estimates.
- 11) Proceeds from borrowings was \$13.0 million (100 percent) less than estimates as the Department did not require the anticipated drawdown of short term borrowings, neither the drawdown relating to spend on property, plant and equipment.

Major Actual (2017) and Comparative (2016) Variance Narratives for Controlled Operations

- A) The increase in grants and subsidies expense is largely attributable to the carryover and expensing of 2015-16 capital grant program in 2016-17.
- B) The increase in user fees and charges is attributable to the increased Emergency Services Levy (ESL) rate and the first full year charging for False Fire Alarms.
- C) The decrease in service appropriation is due to supplementary funding not being received from State Government due to lower activity during the high fire season.
- D) The decrease in cash and cash equivalents is attributable to the reduced receipts from the State Government and increased payments for capital expenditure.
- E) The decrease in repayment of borrowings in 2016-17 is due to the Department electing to make no additional principal loan repayments, as was the case in 2015-16.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

43 Financial instruments

(a) Financial risk management objectives and policies

Financial instruments held by the Department are cash and cash equivalents, restricted cash and cash equivalents, Western Australian Treasury Corporation (WATC) borrowings, receivables and payables. The Department has limited exposure to financial risks. The Department's overall risk management program focuses on managing the risks identified below.

Credit risk

Credit risk arises when there is the possibility of the Department's receivables defaulting on their contractual obligations resulting in financial loss to the Department.

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the table at note 43(c) 'Financial instruments disclosures' and note 24 'Receivables'.

Credit risk associated with the Department's financial assets is minimal because the main receivable is the amounts receivable for services (holding account). For receivables other than government, the Department trades only with recognised, creditworthy third parties. The Department has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Department's exposure to bad debts is minimal. At the end of the reporting period there were no significant concentrations of credit risk.

Liquidity risk

Liquidity risk arises when the Department is unable to meet its financial obligations as they fall due.

The Department is exposed to liquidity risk through its trading in the normal course of business.

The Department has appropriate procedures to manage cash flows including drawdown of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

43 Financial instruments (continued)

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Department's income or the value of its holdings of financial instruments. The Department does not trade in foreign currency and is not materially exposed to other price risks. The Department's exposure to market risk for changes in interest rates relates primarily to long-term debt obligations.

Other than as detailed in the interest rate sensitivity analysis table at note 43(c), the Department is not exposed to interest rate risk as the majority of cash and cash equivalents and restricted cash are non-interest bearing and it has no borrowings other than WATC borrowings.

<u>(b) Categories of financial instruments</u>	2017 (\$'000)	2016 (\$'000)
The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:		
Financial Assets		
Cash and cash equivalents	49,271	66,175
Restricted cash and cash equivalents	870	6,852
Other financial assets ^(a)	862	851
Receivables ^(b)	37,634	29,281
Financial Liabilities		
Financial liabilities measured at amortised cost ^(c)	58,990	57,800

(a) See note 26 'Other assets'.

(b) The amount of receivables excludes GST recoverable from the ATO (statutory receivable).

(c) The 2016 comparative has been restated to \$57.8m from \$63.0m as the prior year included deferred revenue.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

43 Financial instruments (continued)

(c) Financial instrument disclosures

Credit risk

The following table discloses the Department’s maximum exposure to credit risk and the ageing analysis of financial assets. The Department’s maximum exposure to credit risk at the end of the reporting period is the carrying amount of financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the Department.

The Department does not hold any collateral as security. Under the Fire and Emergency Services Act 1998 s.36Z(2) the Commissioner can take legal proceedings to recover unpaid Emergency Services Levy funds, which, in accordance with s.36O, are a charge on the leviable land.

	Ageing analysis of financial assets							Impaired financial assets (\$'000)
	Carrying amount (\$'000)	Not past due and not impaired (\$'000)	Past due but not impaired					
			up to 1 month (\$'000)	1-3 months (\$'000)	3 months to 1 year (\$'000)	1-5 years (\$'000)	More than 5 years (\$'000)	
2017								
Cash and cash equivalents	49,271	49,271						
Restricted cash and cash equivalents	870	870						
Receivables ^(a)	5,952	5,498	239	97	99	12	7	–
Amounts receivable for services	31,682	31,682						
Other financial assets	862	862						
	88,637	88,183	239	97	99	12	7	–

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

	Ageing analysis of financial assets							Impaired financial assets (\$'000)
	Carrying amount (\$'000)	Not past due and not impaired (\$'000)	Past due but not impaired					
			up to 1 month (\$'000)	1-3 months (\$'000)	3 months to 1 year (\$'000)	1-5 years (\$'000)	More than 5 years (\$'000)	
2016								
Cash and cash equivalents	66,175	66,175						
Restricted cash and cash equivalents	6,852	6,852						
Receivables ^(a)	4,020	3,318	150	331	193	28		
Amounts receivable for services	25,261	25,261						
Other financial assets	851	851						
	103,159	102,457	150	331	193	28	-	-

(a) The amount of receivables excludes the GST recoverable from the ATO (statutory receivable).

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2017

43 Financial instruments (continued)

(c) Financial instrument disclosures

Liquidity risk and interest rate exposure

The following table details the Department's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows.

The interest rate exposure section analyses only the carrying amounts of each item.

Interest rate exposure and maturity analysis of financial assets and financial liabilities											
	Weighted Average Effective Interest Rate %	Carrying amount (\$'000)	Interest rate exposure			Nominal amount (\$'000)	Maturity dates				
			Fixed Interest rate (\$'000)	Variable interest rate (\$'000)	Non-interest Bearing (\$'000)		Up to 1 month (\$'000)	1 – 3 months (\$'000)	3 – 12 months (\$'000)	1 – 5 years (\$'000)	More than 5 years (\$'000)
2017											
<u>Financial assets</u>											
Cash and cash equivalents		49,271			49,271	49,271	49,271				
Restricted cash and cash equivalents		870			870	870	870				
Receivables ^(a)		5,952			5,952	5,952	5,952				
Amounts receivable for services		31,682			31,682	31,682				31,682	
Other financial assets	1.36%	862		862		862		862			
		88,637	–	862	87,775	88,637	56,093	–	862	–	31,682

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Interest rate exposure and maturity analysis of financial assets and financial liabilities											
	Weighted Average Effective Interest Rate %	Carrying amount (\$'000)	Interest rate exposure			Nominal amount (\$'000)	Maturity dates				
			Fixed Interest rate (\$'000)	Variable interest rate (\$'000)	Non-interest Bearing (\$'000)		Up to 1 month (\$'000)	1 – 3 months (\$'000)	3 – 12 months (\$'000)	1 – 5 years (\$'000)	More than 5 years (\$'000)
2017											
<u>Financial liabilities</u>											
Payables ^(a)		9,742			9,742	9,742	9,742				
WATC borrowings	4.20%	48,386	6,871	41,515		48,386	610	6,950	1,830	12,200	
Funds held in escrow	1.36%	862		862		862			862		
		58,990	6,871	42,377	9,742	58,990	10,352	6,950	2,692	12,200	
2016											
<u>Financial assets</u>											
Cash and cash equivalents		66,175			66,175	66,175	66,175				
Restricted cash and cash equivalents		6,852			6,852	6,856	6,856				
Receivables ^(a)		4,020			4,020	4,020	4,020				
Amounts receivable for services		25,261			25,261	25,261				25,261	
Other financial assets	2.09%	851		851		851				851	
		103,159	-	851	102,308	103,163	77,051	-	-	851	

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Interest rate exposure and maturity analysis of financial assets and financial liabilities											
	Weighted Average Effective Interest Rate %	Carrying amount (\$'000)	Interest rate exposure			Nominal amount (\$'000)	Maturity dates				
			Fixed Interest rate (\$'000)	Variable interest rate (\$'000)	Non-interest Bearing (\$'000)		Up to 1 month (\$'000)	1 – 3 months (\$'000)	3 – 12 months (\$'000)	1 – 5 years (\$'000)	More than 5 years (\$'000)
2016											
<u>Financial liabilities</u>											
Payables ^(a)		6,123			6,123	6,127	6,127				
WATC borrowings	4.39%	50,826	6,951	43,875		51,279	610		1,830	21,590	
Funds held in escrow	2.09%	851		851		851			851		
		57,800	6,951	44,726	6,123	57,804	6,737	–	2,681	21,590	

(a) The amount of receivables excludes the GST recoverable from the ATO (statutory receivable/payable).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

43 Financial instruments (continued)

(c) Financial instrument disclosures

Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the Department's financial assets and liabilities at the end of the reporting period on the surplus for the period and equity for a 1 percent change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

	Carrying amount (\$'000)	-100 basis points		+100 basis points	
		Surplus (\$'000)	Equity (\$'000)	Surplus (\$'000)	Equity (\$'000)
2017					
<u>Financial assets</u>					
Other financial assets	862	(8.6)	(8.6)	8.6	8.6
<u>Financial liabilities</u>					
WATC borrowings	41,515	415.2	415.2	(415.2)	(415.2)
Funds held in escrow	862	8.6	8.6	(8.6)	(8.6)
Total (decrease)/increase		415.2	415.2	(415.2)	(415.2)
2016					
<u>Financial assets</u>					
Other financial assets	851	(8.5)	(8.5)	8.5	8.5
<u>Financial liabilities</u>					
WATC borrowings	43,875	438.8	438.8	(438.8)	(438.8)
Funds held in escrow	851	8.5	8.5	(8.5)	(8.5)
Total (decrease)/increase		438.8	438.8	(438.8)	(438.8)

Fair Values

All financial assets and liabilities recognised in the Statement of Financial Position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

	2017 (\$'000)	2016 (\$'000)
44 Remuneration of auditor		
Remuneration payable to the Auditor General in respect of the audit for the current financial period is as follows:		
Auditing the accounts, controls, financial statements and key performance indicators	145	141
45 Affiliated bodies		
The following are classified as non-government affiliated bodies and receive direct and/or indirect financial assistance. Direct financial assistance is given in the form of a grant (see note 12) and minor reimbursements. Indirect financial assistance is given in the form of in kind benefits including office accommodation and minor administrative support.		
Surf Life Saving Western Australia Inc.	1,354	1,314
Western Australian Volunteer Fire Brigades Association Inc.	420	386
SES Volunteers Association of Western Australia Inc.	137	123
Association of Volunteer Bush Fire Brigades WA Inc.	126	125
Volunteer Marine Rescue Western Australia Inc.	85	68
Emergency Services Volunteer Association Inc.	77	77
	2,199	2,093

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

	2017 (\$'000)	2016 (\$'000)
46 Special purpose accounts		
WA Volunteer Fire Brigades Trust^(a)		
The purpose of the account is to hold funds pursuant to the last will and testament of Cecilia Veal for the use of Volunteer Fire Brigades in Western Australia.		
Balance at start of period	443	440
Receipts	9	3
Payments	–	–
Balance at end of period	452	443
Coolgardie Volunteer Fire Brigade Trust^(a)		
The purpose of the account is to hold funds pursuant to the last will and testament of Frances Tree for the use of Coolgardie Volunteer Fire Brigade.		
Balance at start of period	303	296
Receipts	6	7
Payments	(123)	–
Balance at end of period	186	303

(a) Established under section 16(1)(c) of *Financial Management Act 2006*.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

	2017 (\$'000)	2016 (\$'000)
47 Supplementary financial information		
(i) Write-Offs		
During the reporting period the following assets were approved for write-off under the authority of:		
The accountable authority		
Executive Council ^(a)	18	9
	602	–
	620	9
(ii) Losses through theft, defaults and other causes		
Losses of public money and public and other property through theft, destroyed or default ^(a)		
	18	623
Amounts recovered	–	(867)
	18	(244)
(iii) Gifts of public property		
No gifts of public property was provided by the Department.		
	–	–
	–	–

(a) 2015-16 includes the destruction of a firefighting appliance during the January 2016 Waroona bush fires with a book value of \$601,912 and the recovery from insurance based on the replacement value amounting to \$860,853. Write-off approval from Executive Council was obtained in December 2016.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

	2017 (\$'000)	2016 (\$'000)
48 Indian Ocean Territories		
Funds are provided by the Commonwealth Department of Infrastructure and Regional Development to provide services to the Indian Ocean Territories as specified in the Service Delivery Arrangements entered into between the State and Commonwealth.		
Opening Balance^(a)	139	116
Total Receipts	10	205
Total Expenditure	(137)	(182)
Closing balance	12	139

(a) The 2015-16 Opening balance has been restated due to a prior period adjustment related to the incorrect receipt of funds in 2013-14. This restatement reflects the true and fair opening balance in 2015-16.

CERTIFICATION OF KEY PERFORMANCE INDICATORS

I hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Department of Fire and Emergency Services' performance, and fairly represent the performance of the Department of Fire and Emergency Services for the financial year ended 30 June 2017.



W Gregson APM BA MBA PhD.I
Accountable Authority

1 September 2017

Number of accidental residential fires per 100,000 households

63.41

ACCIDENTAL RESIDENTIAL FIRES PER 100,000 HOUSEHOLDS TARGET ACHIEVED

WHY is this a key indicator of our performance?

The degree to which preventable fires in the home can be reduced is an indicator of the effectiveness of our fire safety education programs. Programs such as ‘Working Smoke Alarms’ and ‘Fire Safety in Your Home’ aim to increase awareness of risk and appropriate behaviours for reducing the impact of accidental residential fires.

HOW is this indicator derived?

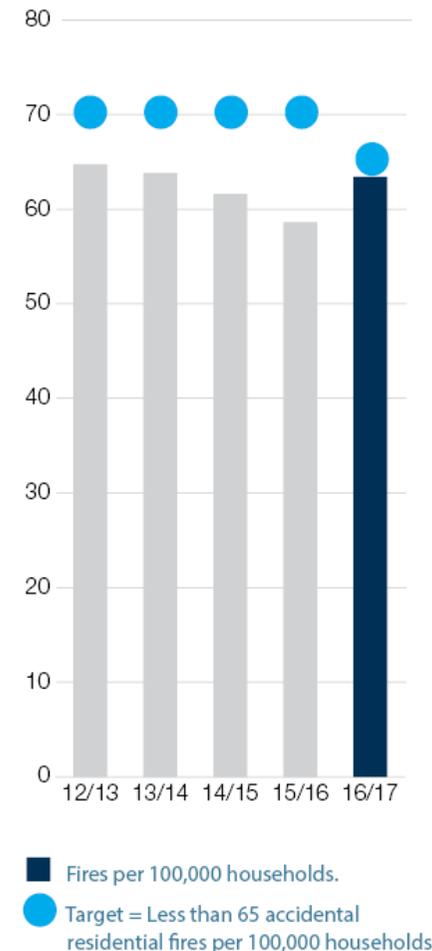
This indicator is derived by dividing the number of reported accidental fires in homes by the number of households in Western Australia.

Retrospective data entry will affect results in any given year. Past data has been updated to reflect completed reports as at 30 June 2017. The target for this indicator was lowered in 2016/17 due to our consistent meeting of the target.

The number of households in Western Australia has increased over the last year by more than five percent and over the last five years by more than 15 percent.

WHAT does this indicator show?

This indicator shows that our result continues below target in the number of accidental residential fires as a proportion of the number of households in Western Australia.





Proportion of hazardous material sites with current Fire and Emergency Services Emergency Response Guides

90.93%

OF HAZARDOUS MATERIAL SITES HAVE CURRENT FIRE AND EMERGENCY SERVICES EMERGENCY RESPONSE GUIDES TARGET ACHIEVED

WHY is this a key indicator of our performance?

DFES has a legislated role for preparedness and response to hazardous materials emergencies. This indicator measures the rate at which FES Emergency Response Guides are developed and reviewed for hazardous materials. The currency of plans is important for ensuring the safety of emergency responders and reducing impacts on the community. A higher than target performance is desired.

HOW is this indicator derived?

This indicator is derived by determining the number of Emergency Response Guides reviewed every three years as a percentage of the total number of Emergency Response Guides on our register.

WHAT does this indicator show?

This year's result of 90.93 percent of plans reviewed in 2016/17 is higher than our target of 90 percent.

This is the first year this KPI is reported, following DFES' recent Outcome Based Management review.

2016/17 Actual	Target	Variance
90.93%	90%	0.93%

Proportion of building plans assessed within specified timeframe

97.03%

OF BUILDING PLANS ARE ASSESSED WITHIN THE SPECIFIED TIMEFRAME TARGET ACHIEVED

WHY is this a key indicator of our performance?

This indicator measures the Department’s capacity to provide building plan assessment services within specified timeframes. Building plans for specific building types are submitted for assessment as part of the WA planning process. DFES provides advice to developers to ensure building plans for new commercial, non commercial and industrial buildings in Western Australia are fire safe. Safety standards are set in the *National Construction Code Regulations*. The adherence of building construction to fire safety codes provides a safer environment for the public generally and emergency personnel should they be required to attend an incident on site.

HOW is this indicator derived?

This indicator is derived by dividing the number of building plans assessed within 15 days of being received by the total number of building plans submitted.

WHAT does this indicator show?

This year’s result of 97.03 percent of building plans reviewed in 2016/17 exceeds our target of 95 percent.

Building plan assessments are categorised by complexity. During 2016/17, 60 percent of building plan assessments were complex with 40 percent categorised as standard.

This is the first year this KPI is reported, following DFES’ recent Outcome Based Management review.

2016/17 Actual	Target	Variance
97.03%	95%	2.03%



Average cost per household to deliver emergency hazard information and awareness programs

DFES SPENT AN AVERAGE OF **\$7.84** PER HOUSEHOLD TO DELIVER EMERGENCY HAZARD INFORMATION AND AWARENESS PROGRAMS TARGET ACHIEVED

WHY is this a key indicator of our performance?

Informed and aware communities are better able to manage their risks, thus reducing the impact of natural hazards and the occurrence and impact of preventable emergencies.

HOW is this indicator derived?

This indicator is derived as a cost of service divided by the number of households in Western Australia.

WHAT does this indicator show?

Expenditure on this indicator is lower than target, demonstrating the efficiency of the Department.

This is the first year this KPI is reported, following DFES' recent Outcome Based Management review.

2016/17 Actual	Target	Variance
\$7.84	\$9.50	\$1.66



Number of community based Bushfire Ready Groups established

236

COMMUNITIES HAVE A BUSHFIRE READY GROUP ESTABLISHED TARGET ACHIEVED

WHY is this a key indicator of our performance?

With the growth and increased development on the rural urban fringe there is a need for community members to fully understand their local risk and accept a shared responsibility for managing potential impacts.

Research has confirmed that the establishment of community based Bushfire Ready Groups support increases the level of preparedness and planning to manage bushfire related risk. DFES' role is to support groups to work together to prepare for and respond to bushfire by providing assistance to initiate bushfire planning and preparation measures. Trained Bushfire Ready facilitators provide residents with information and the skills to understand their bushfire risk and put strategies in place to prepare for and respond effectively to bushfire.

HOW is this indicator derived?

This indicator is derived as a count of reported active community based Bushfire Ready Groups.

WHAT does this indicator show?

The result exceeds our target of 207 Bushfire Ready Groups in the community. It is anticipated that as a result, residents in these communities will be better equipped to respond and suffer less impact should a bushfire occur.

This is the first year this KPI is reported, following DFES' recent Outcome Based Management review.

2016/17 Actual	Target	Variance
236	207	29

Average cost per Fire
and Emergency Service
Emergency Response
Guide reviewed
**INDICATOR
RESULT NOT
REPORTED
FOR 2016/17**

**WHY is this a key indicator of
our performance?**

DFES has a legislated role for preparedness and response to hazardous materials emergencies. This indicator measures the cost of reviewing FES Emergency Response Guides (FES ERGs) for hazardous materials. The review of plans is important for ensuring the safety of emergency responders and reducing community impact.

HOW is this indicator derived?

This indicator is derived as the cost of performing reviews divided by the number of FES ERGs reviewed in a financial year.

This is the first year this KPI is due to be reported, following DFES' recent Outcome Based Management review.

DFES has decided against reporting on this KPI for 2016/17 as the information systems to collect this data are not yet fully developed.

Average cost per building plan assessed

DFES SPENT AN AVERAGE OF **\$237.75** PER BUILDING PLAN ASSESSED TARGET ACHIEVED

WHY is this a key indicator of our performance?

Building plans for specific building types are submitted for assessment as part of the WA planning process.

DFES provides advice to developers to ensure building plans for new commercial, non commercial and industrial buildings in Western Australia are fire safe. Safety standards are set in the *National Construction Code Regulations* and adherence to fire safety codes provides a safer environment for the public and emergency personnel should they be required to attend an incident. This KPI demonstrates how much it costs DFES to assess building plans for developers.

HOW is this indicator derived?

This indicator is derived by dividing the number of building plans assessed by the cost to review all building plans submitted.

WHAT does this indicator show?

Expenditure on this indicator is lower than target, demonstrating the efficiency of the Department.

This is the first year this KPI is reported, following DFES' recent Outcome Based Management review.

2016/17 Actual	Target	Variance
\$237.75	\$300	\$62.25

Average cost per engaged local government to support bushfire risk management programs

DFES SPENT

\$24,972.53

PER ENGAGED LOCAL GOVERNMENT TO SUPPORT BUSHFIRE RISK MANAGEMENT PROGRAMS

TARGET ACHIEVED

WHY is this a key indicator of our performance?

Informed and aware communities are better able to manage their risks in order to reduce the impact of natural hazards, and the occurrence and impact of preventable emergencies. This KPI demonstrates how much it costs DFS to engage with local governments to support and guide bushfire risk planning at the local level.

HOW is this indicator derived?

This indicator is derived as a cost of service divided by the number of local governments supported to develop bushfire risk management programs in Western Australia.

WHAT does this indicator show?

The variance between target and expenditure is due to an underspend in local government grant expenditure in 2015/16 which was carried over into 2016/17. This indicator shows that our expenditure to engage local governments to support bushfire risk management programs is lower than our target expenditure. The number of local governments has also recently reduced due to a number of amalgamations.

This is the first year this KPI is reported, following DFES' recent Outcome Based Management review.

2016/17 Actual	Target	Variance
\$24,972.53	\$30,233	\$5,260.47



Number of operational personnel endorsed as level 3 incident managers

DFES HAS

23

OPERATIONAL PERSONNEL ENDORSED AS LEVEL 3 INCIDENT MANAGERS

TARGET ACHIEVED

WHY is this a key indicator of our performance?

DFES has a legislated role for preparedness and response to multiple hazards. This indicator is aimed at measuring DFES' capacity to manage multiple major incidents.

HOW is this indicator derived?

This indicator is derived as a count of operational personnel endorsed as level 3 incident managers across three types of hazard i.e. bushfire, urban fire and natural hazards.

WHAT does this indicator show?

Our result shows that this target is exceeded by one.

This is the first year this KPI is reported, following DFES' recent Outcome Based Management review.

2016/17 Actual	Target	Variance
23	22	1



Proportion of DFES operational volunteers actively engaged in Pathways training

39.21%

OF DFES OPERATIONAL VOLUNTEERS ARE ACTIVELY ENGAGED IN PATHWAYS TRAINING

DESIRED RESULT NOT ACHIEVED – TAKING ACTION

WHY is this a key indicator of our performance?

Building a sustainable volunteer workforce is a strategic objective for DFES. The implementation of training Pathways will build the capability of volunteers to meet their role responsibilities. Pathways also provide the opportunity for progression through operational ranks which is anticipated to support recruitment and retention of volunteers into the future.

HOW is this indicator derived?

This indicator is derived by dividing the number of DFES operational volunteers who complete a Pathways training course by the total number of DFES operational volunteers.

WHAT does this indicator show?

Our result did not meet target by 3.79 percent. Analysis of Pathways training over the last year shows a high proportion of engagement by services located closer to the metropolitan area. Delay in completion of the eAcademy project and unexpected challenges for volunteers in regional areas in accessing Pathways impacted this result.

This is the first year this KPI is reported, following DFES' recent Outcome Based Management review.

2016/17 Actual	Target	Variance
39.21%	43%*	(3.79%)

* The 2016/17 Target was incorrectly published in the 2016/17 Budget Papers No. 2. The target that should have been published in the 2016/17 Budget Papers No. 2 is 43.5% and has been accurately reported in the 2017/18 Budget Papers No. 2.



Proportion of assets within specified replacement period parameters

87%

OF ASSETS ARE WITHIN SPECIFIED REPLACEMENT PERIOD PARAMETERS TARGET ACHIEVED

WHY is this a key indicator of our performance?

DFES has a legislated role for preparedness and response to multiple hazards. The replacement of facilities and response fleets within specified replacement periods is important for ensuring they remain fit for purpose and for minimising maintenance costs. This indicator supports DFES' capacity to manage important replacement schedules, thereby ensuring a contemporary frontline services capability.

HOW is this indicator derived?

This indicator is derived by dividing the number of DFES owned assets within replacement timeframes by the total number of DFES owned assets.

WHAT does this indicator show?

Our result shows that the overall proportion of DFES owned assets within replacement period parameters exceeds our target.

This is the first year this KPI is reported, following DFES' recent Outcome Based Management review.

2016/17 Actual	Target	Variance
87%	85%	2%



Proportion of first round Local Government Grant Scheme offers accepted

71.89%
OF FIRST ROUND LOCAL GOVERNMENT GRANT SCHEME OFFERS ARE ACCEPTED BY LOCAL GOVERNMENTS TARGET ACHIEVED

WHY is this a key indicator of our performance?

The provision of capital and operating grants to local governments for their Bush Fire Brigades (BFB) and SES is managed through the Local Government Grant Scheme.

This indicator measures the effectiveness of DFES planning processes in meeting the requirements of local government stakeholders.

HOW is this indicator derived?

This indicator is derived by dividing the number of first round Local Government Grant Scheme offers accepted by the total number of offers made.

WHAT does this indicator show?

This indicator shows that our result exceeds our target.

This is the first year this KPI is reported, following DFES' recent Outcome Based Management review.

2016/17 Actual	Target	Variance
71.89%	70%	1.89%

Average cost per participant to deliver operational pathways training

DFES SPENT
\$1,374.64
PER PARTICIPANT TO DELIVER OPERATIONAL PATHWAYS TRAINING
TARGET ACHIEVED

WHY is this a key indicator of our performance?

DFES' ability to effectively and efficiently respond to emergencies requires an operational workforce that is trained to respond to incidents. This indicator includes costs for operational Pathways training for all DFES staff and volunteer brigades, groups and units.

HOW is this indicator derived?

This indicator is derived as a cost of service divided by the number of participants in operational Pathways.

WHAT does this indicator show?

This indicator shows that our expenditure to deliver operational Pathways training was lower than our target, demonstrating the efficiency of the Department.

This is the first year this KPI is reported, following DFES' recent Outcome Based Management review.

2016/17 Actual	Target	Variance
\$1,374.64	\$4,125*	\$2,750.36

* The 2016/17 Target was incorrectly calculated and published in the 2016/17 Budget Papers No. 2. The average cost per participant to deliver Pathways training was calculated based on the total cost of service for Training and Organisational Resourcing Services rather than the directly attributable costs. The target that should have been published in the 2016/17 Budget Papers No. 2 is \$1,380 and has been accurately reported in the 2017/18 Budget Papers No. 2.

Proportion of responses to ESL 1 and ESL 2 incidents within specified timeframes

90.79%

OF RESPONSES TO ESL 1 AND ESL 2 INCIDENTS ARE WITHIN SPECIFIED TIMEFRAMES

TARGET ACHIEVED

WHY is this a key indicator of our performance?

This indicator measures the percentage of incident responses in Emergency Service Levy (ESL) 1 and 2 areas which meet the target timeframe of 12 minutes for career Fire and Rescue and 14 minutes for DFES volunteer crews. Timely response is critical in minimising the impact on the community. A higher than target performance result is desired.

Factors impacting response times include adverse weather or traffic conditions, shorter or longer travel times if crews are not on station when notified or crews being sent to incidents outside their area.

HOW is this indicator derived?

This indicator is derived by determining the percentage of incidents where a career Fire and Rescue appliance arrives on scene at an incident within 12 minutes or a volunteer appliance within 14 minutes in ESL 1 and ESL 2 areas of the 000 call being received by DFES' Communication Centre.

WHAT does this indicator result show?

The result of 90.79 percent exceeds our target.

This is the first year this KPI is reported, following DFES' recent Outcome Based Management review.

2016/17 Actual	Target	Variance
90.79%	90%	0.79%

Proportion of DFES volunteer turnouts within target timeframes

92.27%

OF DFES VOLUNTEER TURNOUTS ARE WITHIN TARGET TIMEFRAMES TARGET ACHIEVED

WHY is this a key indicator of our performance?

This indicator measures the percentage of volunteer crew turnouts which meet target timeframes. It assists in determining where there are challenges in mustering a full volunteer crew for incident response. For volunteer services the turnout time is the most useful indicator for measuring service delivery. Total response time is not used as a key indicator of performance as response times can be affected by extended distances to incident sites in regional areas. A higher than target performance is desired.

HOW is this indicator derived?

This indicator is derived by determining the percentage of incidents where the volunteer crew turned out within 14 minutes of receiving notification from DFES' Communication Centre. DFES has limited, or no control over response to incidents where they provide a support role to other agencies (such as fire response in local government areas and rescue incidents). As a consequence, this indicator excludes incidents attended by BFB and VMRS.

WHAT does this indicator show?

This indicator shows that DFES volunteer crews are turning out to incidents faster than their target timeframe.

This is the first year this KPI is reported, following DFES' recent Outcome Based Management review.

2016/17 Actual	Target	Variance
92.27%	90%	2.27%

Proportion of structure fires confined to the room or object of origin

76.38%

OF STRUCTURE FIRES ARE CONFINED TO THE ROOM OR OBJECT OF ORIGIN

TARGET ACHIEVED

WHY is this a key indicator of our performance?

This indicator measures the effectiveness of community fire safety education programs and fire service response. Higher levels of confinement will reduce the incident’s impact on the community. Our objective is to raise awareness at the community level of how to deal with small fires safely, where possible, and the importance of an early call to emergency services. This indicator is linked to the indicators that measure the reduction of accidental residential fires and fire service response times. A higher than target performance is desired.

There are a range of uncontrollable factors affecting how quickly a fire will spread. These include the types of household furnishings, building standards and materials and the time taken to alert emergency services. Prompt detection and early notification are likely to increase the percentage of fires confined.

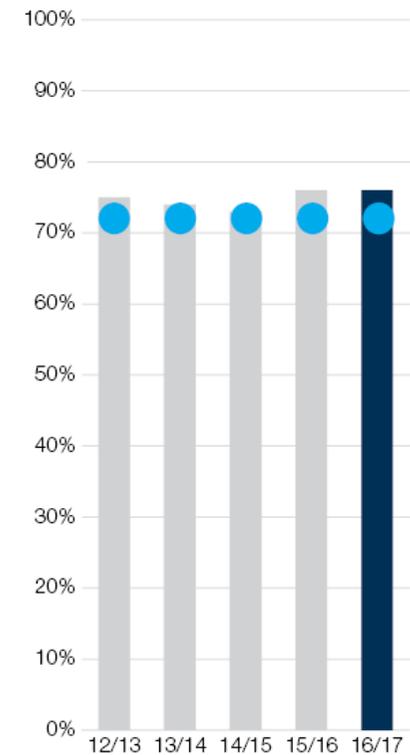
HOW is this indicator derived?

This indicator is derived by dividing the number of reported structure fires either confined to the container or room of origin by the total number of reported structure fires in which damage was recorded.

Retrospective data entry affects results for any given year. Past data has been updated to reflect completed reports as at 30 June 2017.

WHAT does this indicator show?

As this data set has some volatility, longer term trends provide a more accurate reflection of results. DFES continues to meet the target.



■ Total Confinement %
● Target = 72% of structural fires are confined to the room or object of origin.



Proportion of Level 2 and Level 3 bushfires where no structures are lost or significantly damaged

98.41%

OF LEVEL 2 AND LEVEL 3 BUSHFIRES HAVE NO STRUCTURES LOST OR SIGNIFICANTLY DAMAGED TARGET ACHIEVED

WHY is this a key indicator of our performance?

The protection of property, including critical infrastructure, is a key objective of suppression strategies during significant bushfires. The protection of infrastructure, wherever possible, is important for reducing the financial and emotional impact of emergencies on the community of Western Australia. A higher than target result is desired.

HOW is this indicator derived?

This indicator is derived by dividing the number of Level 2 and Level 3 bushfires where no structures are lost or significantly damaged by the total number of Level 2 and Level 3 bushfires.

WHAT does this indicator show?

The result of 98.41 percent is better than our target.

This is the first year this KPI is reported, following DFES' recent Outcome Based Management review.

2016/17 Actual	Target	Variance
98.41%	95%	3.41%

It should be noted that a bushfire that damages multiple structures is counted once.

Average cost to deliver frontline services per West Australian
DFES SPENT
\$113.21
PER WEST AUSTRALIAN TO DELIVER FRONTLINE SERVICES
TARGET ACHIEVED

WHY is this a key indicator of our performance?

DFES' ability to provide a frontline response to the community minimises the impact of fire and other emergencies to the community. This indicator defines the cost to provide all frontline services, including volunteer brigades, groups and units.

HOW is this indicator derived?

This indicator is derived as a cost of service divided by the Western Australian population.

WHAT does this indicator show?

Expenditure on this indicator is lower than target, demonstrating the efficiency of the Department.

This is the first year this KPI is reported, following DFES' recent Outcome Based Management review.

2016/17 Actual	Target	Variance
\$113.21	\$171.78*	\$58.57

* The 2016/17 Target was incorrectly calculated and published in the 2016/17 Budget Papers No. 2. The average to deliver frontline services per West Australian was calculated based on an advice from the Department of Treasury in November 2015 to use a population figure of 1,600,000 for 2016/17. In April 2017, the Department of Treasury restated this figure to 2,643,375. The target that should have been published in the 2016/17 Budget Papers No. 2 is \$103.97 and has been accurately reported in the 2017/18 Budget Papers No. 2.

INDEPENDENT AUDIT OPINION

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

DEPARTMENT OF FIRE AND EMERGENCY SERVICES

Report on the Financial Statements

Opinion

I have audited the financial statements of the Department of Fire and Emergency Services which comprise the Statement of Financial Position as at 30 June 2017, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, Schedule of Income and Expenses by Service, Schedule of Assets and Liabilities by Service, and Summary of Consolidated Account Appropriations and Income Estimates for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Department of Fire and Emergency Services for the year ended 30 June 2017 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for Opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Department in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibility of the Commissioner for the Financial Statements

The Commissioner is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions, and for such internal control as the Commissioner determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Commissioner is responsible for assessing the agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Department.

Auditor's Responsibility for the Audit of the Financial Statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Commissioner.
- Conclude on the appropriateness of the Commissioner's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Department of Fire and Emergency Services. The controls exercised by the Department are those policies and procedures established by the Commissioner to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, the controls exercised by the Department of Fire and Emergency Services are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2017.

The Commissioner's Responsibilities

The Commissioner is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

Auditor General's Responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and the controls, necessary to achieve the overall control objectives, were implemented as designed.

An assurance engagement to report on the design and implementation of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including the assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

Limitations of Controls

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and implemented as designed, once the controls are in operation, the overall control objectives may not be achieved so that fraud, error, or noncompliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

Report on the Key Performance Indicators

Qualified Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Department of Fire and Emergency Services for the year ended 30 June 2017. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, except for the effect of the matter described in the Basis for Qualified Opinion section of my report, the key performance indicators of the Department of Fire and Emergency Services are relevant and appropriate to assist users to assess the Department's performance and fairly represent indicated performance for the year ended 30 June 2017.

Basis for Qualified Opinion

The Under Treasurer approved the Department's key efficiency indicator 'Average cost per Fire and Emergency Service Response Guides Reviewed' to be reported for the first time in 2016-17. However, the Department is still developing a system to accurately and completely capture the time spent reviewing guides at all sites, and has elected to not report this key performance indicator for 2016-17. As a consequence, the Department has not complied with the requirement to report results for all key performance indicators approved by the Under Treasurer.

The Commissioner's Responsibility for the Key Performance Indicators

The Commissioner is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal control as the Commissioner determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Commissioner is responsible for identifying key performance indicators that are relevant and appropriate having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

Auditor General's Responsibility

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the agency's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.



Executive
Summary



Corporate
Structure



Report on
Operations



**Financial Statements
and Performance Indicators**



Governance



Other Disclosures
and Legal Compliance



Appendices

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

My Independence and Quality Control Relating to the Reports on Controls and Key Performance Indicators

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators

This auditor's report relates to the financial statements and key performance indicators of the Department of Fire and Emergency Services for the year ended 30 June 2017 included on the Department's website. The Department's management is responsible for the integrity of the Department's website. This audit does not provide assurance on the integrity of the Department's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.

COLIN MURPHY
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
6 September 2017



Commitment to good governance

DFES' Governance Framework is reviewed annually and describes how DFES directs and controls its functions to achieve its regulatory and corporate responsibilities and ensure accountability, transparency and integrity in conducting its business.

DFES' governance performance is evaluated against the Public Sector Commission's Good Governance Guide which includes nine key governance principles. The following section describes how DFES applies these principles.

GOVERNANCE

Governance Principle

Where to find it in this report

1. Government and public sector relationships

Processes exist to ensure clear communication and interaction between DFES and Ministers and other parliamentary representatives.

- Administered Legislation (page 9)
- Ministerial Directives and Communication (page 171)

2. Management and oversight

The roles, responsibilities and accountability for all relevant levels of management are clearly defined.

- Key Performance Indicators (page 138)
- Organisational Chart (page 12)

3. Organisational structure

Accountability for deliverables is the responsibility of the CLT, which comprises leaders from the four Commands. The role of these Commands is clearly defined, yet flexibility exists to enable the Department to respond to structural changes.

- Organisational Chart (page 12)
- Key Performance Indicators (page 138)

4. Operations

The Corporate business plan provides information relating to corporate projects and progress towards initiatives. These are reported quarterly to the CLT for review and to confirm the progress of achieving desired outcomes.

- Report on Operations (page 18)

5. Ethics and integrity

Ethical behaviour and integrity are core values that underpin DFES' work and the high standards required of all employees. DFES manages this through awareness, promotion and ongoing accountability and ethics training.

- Our Values (page 10)

6. People

People management is a high priority and includes strategies for retention and attraction as well as development of staff with the intent to build leadership capabilities to ensure growth of individuals and skill development.

- Employment and Industrial Relations (page 176)

Governance Principle

Where to find it in this report

7. Finance

DFES values accountability and efficiency and ensures financial processes are consistent with accounting standards. Formal structures exist to monitor actual versus budget and are reported monthly to the CLT.

- Financial Target Summary (page 19)
- Financial Statements (page 42)

8. Communication

Internal policies and guidelines exist to ensure information is disseminated efficiently and effectively, particularly in relation to external communication with Parliament and others.

- Disability Access and Inclusion Plan (page 183)
- Freedom of Information (page 185)
- Ministerial Directives and Communication (page 171)
- Record Keeping Plans (page 184)

9. Risk Management

DFES' risk management framework outlines the policies and processes to manage risk and business continuity. The status of moderate, critical and extreme risks are reported monthly to the CLT and quarterly to the Audit and Risk Management Committee.

- Audit and Risk Management Committee (page 165)

AUDIT AND RISK MANAGEMENT COMMITTEE

Audit and Risk Management Committee

The Audit and Risk Management Committee (ARMC) held four meetings during 2016/17 on 25 August 2016, 24 November 2016, 7 March 2017 and 16 May 2017.

Meetings Attended

Standing Members

Executive Director Governance and Strategy (Chair)	4
Executive Director Corporate Services	3
Deputy Commissioner Operations	4
Deputy Commissioner Capability	4
Executive Officer Office of Emergency Management (OEM)	4
Independent member Department of the Attorney General	3

Observers/Technical Advisors

Director, Business Services (Chief Finance Officer)

Jordan Langford-Smith, Office of the Auditor General

Mark Gover, External Auditor – Deloitte

Lisa Bayakly, Internal Audit – KPMG

Tim Woodland, Internal Audit – KPMG

The ARMC plays a key role in fulfilling DFES' corporate governance and monitoring responsibilities in relation to oversight of the Department's internal control processes, risk management and compliance.

DFES' internal audits are conducted by KPMG in accordance with the *Financial Management Act 2006* and the Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing.

Internal audit reports submitted to the ARMC during 2016/17 were:

- False Fire Alarm Data Integrity

- Human Resources (Recruitment, Induction and Establishment)
- Occupational Health and Safety Management System
- Personal Leave Management
- Contract Management Rescue Helicopters
- Strategic Risk Register – Selected Key Controls
- Bushfire Ready Program Key Performance Indicator Data Integrity
- Post Incident Review Governance
- Revenue, Accounts Receivable and Payroll.

Recommendations from the internal audits are managed and monitored through DFES' integrated planning and reporting system. The implementation and status of these recommendations are reported quarterly to the ARMC.

A performance review of the ARMC undertaken in May 2017 affirmed the Committee had met the responsibilities of its Charter to a high standard.

OTHER GOVERNANCE COMMITTEES

Program Management Committee (PMC)

The PMC supports and guides all projects across the business from planning through to execution and closure. In addition, the PMC provides the Commissioner with the information to:

- validate ongoing alignment between initiatives and strategic objectives
- ensure projects deliver improved business outcomes through transition and change management strategies
- ensure benefits and outcomes are clearly defined and meet the agreed scope, time, cost and quality
- allocate appropriate skills and capacity to initiatives
- coordinate the transition of deliverables into operations.

Equity and Diversity Committee

The role of the Equity and Diversity Committee is to:

- identify the barriers to achieving a better equity and diversity balance

- provide input into the implementation of initiatives within the Equal Employment Opportunity Management Plan
- consult with, and provide feedback on, issues specific to each Command
- formulate strategies to overcome the barriers and implement those strategies, review and set realistic targets given the nature of the emergency services industry
- champion equity and diversity programs across DFES.

Health and Safety Governance Committee

The role of Health and Safety Committees is to provide a consultative forum between employees and management to achieve a safe workplace by promoting and facilitating cooperation to manage hazards and risks.

The committee:

- reviews information related to health and safety performance including incidents, hazards

- and injury and illness data including hazard trends
- reviews details of proposed changes to the place of work or plant which could affect the health and safety of staff and volunteers
- reviews safety risk management activities occurring including scheduled workplace inspections and emergency procedures
- contributes the resolution of safety issues referred to the committee by staff or management representatives using internal protocols for safety issue resolution
- provides recommendations for strategies to improve safety management systems
- considers matters referred by health and safety representatives
- considers safety documentation including any proposed changes to policies, practices or procedures which may affect the health and safety of staff or volunteers.

MANAGING RISK

Risk Management

DFES' has a structured risk management process that meets the requirements of the Treasurer's Instruction 825, the Public Sector Commissioner's Circular 2015-3 Risk Management and Business Planning and is aligned with the international standard ISO 31000:2009 *Risk Management – Principles and Guidelines*.

DFES' risks are regularly reviewed, updated and reported to the CLT and the ARMC.

Cyber security

DFES has maintained the momentum forecast in last year's annual report, through the proactive conduct of independent security reviews and technical testing. Work is underway on security governance to increase DFES' resilience to information and cyber security threats.

Considerable focus has been on the empowerment of staff through a program of security awareness briefings. Following advice from the West Australian Office of the Government Chief Information Officer, DFES is aligning to the ISO 27001 standard for the management of information security.

Code of conduct

The *Public Sector Management Act 1994* provides the principles of conduct that must be observed by all public sector bodies and employees. These include compliance with any legislation governing conduct, Public Sector Commissioner's Instructions, Public Sector Standards and Code of Ethics.

The DFES Code of Conduct prescribes mandatory standards of behaviour, conduct and integrity expected of all DFES personnel in the performance of their daily duties. The Code places an obligation on all DFES personnel to take responsibility for their own behaviours, conduct and integrity, to work cooperatively with other DFES personnel and the community, and to establish a safe and healthy work place and culture.

DFES provides support enabling compliance with CCC legislation, professional standards policies and Accountable and Ethical Decision Making training to the *Office of Emergency Management*.

UNAUTHORISED USE OF CREDIT CARDS

Staff hold corporate credit cards where their role require the purchase of goods and services. As part of each signed cardholder agreement, DFES makes staff aware of their obligations under the Department's credit card policy. During 2016/17 over 25,250 corporate credit card transactions were processed. During 2016/17 34 instances of personal use were identified and each of these were declared by the cardholder. As these matters were noted and settled promptly, the nature of the expenditure was immaterial and was characteristic of an honest mistake, no disciplinary action was taken.

	2015/16	2016/17
Aggregate amount of personal use expenditure for the reporting period	\$2,261	\$1,685
Aggregate amount of personal use expenditure settled within 5 working days	\$1,563	\$1,300
Aggregate amount of personal use expenditure settled after 5 working days	\$698	\$385
Aggregate amount of personal use expenditure outstanding at balance date	\$0	\$0



OTHER
DISCLOSURES
AND LEGAL
COMPLIANCE

MINISTERIAL DIRECTIVES AND COMMUNICATION

Ministerial Directives [TI 903(12)]

There were no Ministerial Directives during 2016/17.

Ministerial communication

In accordance with section 74 of the *Public Sector Management Act 1994*, DFES has a communications agreement with the Minister for Emergency Services that outlines communication procedures between the Minister’s office and DFES staff. This agreement ensures the Minister receives accurate and timely information and advice. In 2016/17, 99 percent of correspondence was attended to within the specified timeframes.

	2016/17	2015/16
Ministerial Items	698 (not including Parliamentar y Questions)	821 (not including Parliamentar y Questions)
Parliamentary Questions	65	93
Functions attended by the Minister	40 (including events/meeti ngs/visits)	45 (including events/meeti ngs/visits)

CAPITAL WORKS

DFES has no contracts that fall within the scope of the Government Building Training Policy.

This information relates to land and building capital projects contracted through the Department of Finance's Building Management and Works.

Capital Building Projects	Completion Date	
CFRS Wangara Fire Station Modifications Phase 1	November 2016	
South West Emergency Rescue Helicopter Base	December 2016	
CFRS Bunbury Fire Station	February 2017	
CFRS Albany Fire Station	May 2017	
Capital Works in Progress	Estimated Completion (F/Y)	
CFRS Wangara Fire Station Modifications Phase 2	August 2017	
CFRS Vincent Fire Station	2017/18	Date for practical completion anticipated for February 2018 with commissioning March 2018
CFRS Replacement Success Fire Station	2018/19	Construction anticipated to commence in 2017/18 with practical completion during 2018/19

Pricing Policies of Services Provided

User charges and fees are reviewed annually. Increases in user charges and fees are generally limited to increases in the consumer price index as advised by the Department of Treasury.

The ESL provides the majority of DFES' funding, which supports effective service delivery for bushfires, structure fires, cyclones, earthquakes, floods, incidents involving hazardous materials, severe storms, tsunamis, road crash rescues and a range of search and rescue call outs on land and water.

The ESL is a Western Australian Government charge that is primarily invoiced and collected by local governments, with the funds being remitted to DFES. ESL rates and charging parameters are determined annually by the Minister for Emergency Services to raise an approved amount each year. The 2017/18 rates, charging parameters and other associated ESL administrative matters were published in the Government Gazette on 20 June 2017.

Indemnity Insurance

DFES is insured through RiskCover.

Following DFES' transition from a statutory authority to a Department on 1 November 2012 directors' and officers' liability insurance was taken out for seven years ending 30 June 2020 to align with the Statute of Limitations. The indemnity insurance covers both DFES and the *Office of Emergency Management*.

The amount of the liability insurance premium paid for seven years was \$58,865. The proportion relating to this reporting period is \$8,332.

ADVERTISING

(Electoral Act 1907)

In accordance with section 175ZE of the *Electoral Act 1907*, during 2016/17 DFES paid \$30,259 to advertising agencies and media advertising organisations.

Advertising agencies	\$17,757	Adcorp Australia Ltd	\$9,686
		Carat Australia Media Services Pty Ltd	\$8,071
Market research organisations	Nil		
Polling organisations	Nil		
Direct mail organisations	Nil		
Media advertising organisations	\$12,502	Albany Chamber of Commerce	\$160
		Australian Policy Online	\$82
		Broome Advertiser	\$39
		Derby Visitor Centre	\$1,860
		Facebook	\$1,744
		Fairfax Media Publications Pty Ltd	\$656
		Fire Protection Association Australia	\$1,800
		Nannup Community Resource Centre	\$121
		Pilbara News	\$355
		Quality Press	\$140
		Rare Pty Ltd	\$1,605
		St John Ambulance	\$177
		The Conversation Job Board	\$300
		The West Australian Regional Newspaper	\$1,117
		Vistaprint	\$67
		WA Volunteer Fire & Rescue Services Association	\$1,253
		Walpole Community Resource Telecentre	\$83
		West Australian Newspaper Ltd	\$944

COMPLIANCE WITH PUBLIC SECTOR STANDARDS AND ETHICAL CODES

*(Public Sector Management Act
1994, s31(1))*

In the administration of DFES during 2016/17, I have complied with the Public Sector Standards in Human Resource Management, the Western Australian Public Sector Code of Ethics and our Code of Conduct.

I have established procedures to ensure compliance with these standards and codes and conducted appropriate internal assessments to satisfy myself that the statement made above is correct.



W Gregson APM BA MBA PhD.I
Accountable Authority

1 September 2017

Breaches of Standards Review

The applications made for breach of standards review and the corresponding outcomes for the reporting period are:

Number lodged: Nil

Number of breaches found: Nil

Number of multiple breaches: Nil

Number still under review: Nil

EMPLOYMENT AND INDUSTRIAL RELATIONS

WA Fire Service Enterprise Bargaining Agreement 2017 was registered with the WA Industrial Relations Commission on 8 June 2017 for a three year period, with salary increases of 1.5 percent. The DFES Fleet and Equipment Services Enterprise Bargaining Agreement 2013 expired on 17 August 2016 and is still subject to negotiations with the relevant industrial body.

Workforce Management

An agency wide performance management system titled My Path was developed and rolled out to all staff. The My Path team visited all workplaces around the State to inform staff about the key principles and objectives of the My Path process. The key features of the system involve supervisors and managers conducting regular meetings with staff to identify professional and personal development goals, check in with their wellbeing and support early intervention of areas for performance improvement.



Click on photo to view video on MyPath

The next phase is to explore suitable technologies which support and streamline the My Path documentation and roll the new technology out in 2017/18.

Equity and Diversity

DFES is committed to providing a workplace where all staff and volunteers are valued and respected. As an agency, we work towards attracting staff from a wide range of backgrounds, ensuring that once on board they are supported to express their

distinctive perspectives and be recognised for the important contributions they make.

Some of the strategies currently underway are:

- Aboriginal and Youth traineeships
- section 51 job vacancy advertising
- participation in AFAC's male champions of change program
- production of an online disability awareness education resource.

Diversity representation as at 30 June 2017:

Diversity Group	2016/17 Target (% FTE)	2016/17 Actual (% FTE)
Employees from a culturally diverse background	4.63%	4.90%
Employees identified as Indigenous Australians	3.44%	2.71%
Employees with a disability (non-operational roles)	3.1%	0.59%
Youth (under 25 years)	4.8%	1.65%



Aboriginal trainee Isaiah Klunder, Manager Aboriginal Advancement Unit Trish Wall and Aboriginal trainees Mason Nicholson, Michael Stobie-Morris and Chris Narkle

Wellbeing

DFES continues to lead wellbeing through research and innovative programs. DFES partnered with community based service *Alongside* to develop a family support program. Program input was sought from 12 career fire stations and over 25 family members.

DFES and the University of Western Australia are developing a retirement transition and support program to assist career firefighters to have a healthy and successful transition into retirement. The early scoping work will continue in 2017/18 to engage with a wider cohort of firefighters and their families and commence the program design phase.

DFES' suite of existing wellbeing services include chaplaincy, peer support, employee assistance program (EAP), station and regional education and awareness visitation program, mental health first aid training, critical incident response interventions and exercise and work hardening programs.

During 2016/17 DFES:

- delivered mental health first aid training to 225 staff and volunteers
- visited over 45 locations around the state to deliver mental health education sessions to staff and volunteers
- funded nearly 300 staff, volunteers and their immediate families to attend over 940 EAP counselling sessions
- supported a State-wide peer support program with 85 active peer support officers
- provided exercise prescriptions and work hardening support to frontline firefighters returning to work after injury or long term absences
- provided support following 163 critical incidents.

Research continues to develop an evidenced based, scientifically validated periodic physical assessment for career firefighters.

Recruitment

DFES continues to embrace new opportunities to recruit staff.

This year has seen an increase in the use of online application management and selection reporting, and alternative assessment methods. Through a culturally tailored information and assessment session, four new Aboriginal trainees were selected in 2017. They will have an opportunity to experience different roles to assist them determine their career aspirations.

The role of firefighter continues to be a very attractive career option with in excess of 1,000 applicants in 2016/17. Of those applicants, 24 commenced in April 2017 with the other successful applicants being considered for future schools in 2018.

Staff Profile

	2015/16	2016/17
Full time permanent	1,460	1,530
Full time contract	50	62
Full time trainees	24	27
Full time apprentice	1	1
Part time permanent	42	52
Part time contract	7	15
Part time trainee	0	0
On secondment (at DFES) ¹	14	2
On secondment (to other agencies)	1	1
Casual	3	5
Total (headcount)	1,588	1,693

Note: The total will not correlate with figures in [Appendix 1](#) as this table relates to staff head count, not full time equivalent staff numbers.

¹ Staff on secondment (to DFES) have been excluded from the total headcount.

Human resource, organisational development, payroll, advice and access to employee health and wellbeing programs are provided by DFES to the [Office of Emergency Management](#).

Staff Development

Professional Development is responsible for:

- registered training organisation management
- pathway development and management
- curriculum development
- quality assurance of training records
- training administration systems.

In 2016/17, internal and external training providers delivered:

- a total of 1,774 courses across Western Australia, involving 10,150 staff attendances, 15,629 volunteer attendances and 362 external personnel
- 254 of the 1,774 courses were conducted at the WA Fire and Emergency Services Academy. The attendances at the Academy involved 1,502 staff, 1,115 volunteers and 56 external personnel
- through the eAcademy Learning Management System, staff completed 6,544 online courses, volunteers completed 6,591 and external personnel completed 78.

OCCUPATIONAL SAFETY, HEALTH AND INJURY MANAGEMENT

(*Public Sector Commissioner's Circular 2012–05: Code of Practice: Occupational Safety and Health in the Western Australian Public Sector*)

Safety is one of our seven values and one of our primary goals is to reduce workplace illness and injury.

The Health and Safety team report directly to the Commissioner demonstrating the importance that the Commissioner and CLT place on health and safety.

During 2016/17 the draft fatigue management policy for staff and volunteers was implemented. The policy includes an education and awareness package providing strategies to identify and manage fatigue prior to and during incidents.

The 2015/16 audit of the Safety Management System made 40 recommendations, of which 42.5 percent are complete with the remainder in progress.

Recommendations included:

- development of a legal compliance register
- recruitment of a permanent Safety Incident Investigator
- review of the health and safety committee structure and compliance to ensure the CLT have full visibility of issues raised
- review of the safety hazard and issue resolution process and the dispute resolution process to improve the quality and timeliness of reporting and resolution of issues.

Key safety achievements for 2016/17 include:

- mock safety trials for senior staff using specific scenarios to clearly highlight health and safety responsibilities
- enhanced reporting capability for supervisors and managers
- presentation of health and safety information to more than 900 operational staff
- developing and implementing a health and safety support program for regional offices.

Consulting and communicating on health and safety

DFES' health and safety committees, representatives and the safety hazard issue resolution process provide a formal mechanism to consult on and resolve health and safety issues. The growth of safety toolbox meetings continue to improve communications at local, regional and organisational levels.

A new initiative is a monthly safety tip focusing on a safety risk area and communicated through health and safety representatives on stations.

Health and safety training

The fatigue management and alcohol and other drugs (AOD) awareness education packages delivery continue. Over 1,000 staff and 1,900 volunteers have completed fatigue management training with 893 staff and 1,261 volunteers completing AOD training.

Health and safety staff provided face to face training to approximately 900 operational staff including managers and supervisors through the skills enhancement program. Topics include:

- everyone’s responsibility to report hazards
- managers’ responsibility to resolve or escalate hazards
- use of the online hazard reporting system
- practical skills practice.

All new supervisors and managers have completed the health and safety e-Learning module with 93.4 percent of all staff having completed safety management system training.

A one on one training program was provided to district officers over a three month period through the operational support program. The program provided officers with an understanding of their own health and safety management responsibilities.

Workers’ Compensation and Injury Management

A Workers’ Compensation and Injury Management (WCIM) policy and procedures were implemented in 2016/17. While presenting some major change management challenges, the policy allowed a transparent and consistent approach to the management of sick and injured workers. The policy also outlined DFES’ strong commitment to supporting workers with non work related illnesses and injuries.

This year the WCIM team focused on delivering education and injury management support services to career and volunteer firefighters in regional areas. WCIM staff conducted presentations and visited volunteer brigades, groups and units across the State. Metropolitan fire station visits continued throughout the year and a focus in 2017/18 will be delivering specific support services to management in regional offices.

The WCIM staff were invited to present at the 7th National

Australian Rehabilitation Providers Association Conference: Health benefits of good work. The presentation included a case study outlining the tools and strategies implemented to deliver best practice injury management services over the previous four years and the associated outcomes.

The Managing Editor of *Medical Forum WA* journal invited the team to publish an article about delivering organisation and industry knowledge to medical practitioners when treating operational staff.

The team also contributed to the *Rehabilitation: Workplace and Beyond* text book aimed at delivering current learning areas to allied health professionals and injury and claims management practitioners.

The Commissioner contributed a case study detailing the reformed approach to managing sick and injured workers focusing on leadership as a key driver of success.

The text book is now a recommended learning resource at various universities.

DFES continues to host allied health university students undertaking injury management placements. Students undertake a range of projects including duty manual development and information sheets for medical practitioners and receive mentoring to deliver workers’ compensation and injury management services to staff.

Focus areas for 2017/18 include:

- implementation of an online case management system to assist in moving toward a holistic management approach of sick and injured workers
- implementation of online induction training modules relating to manual handling and injury prevention.

Occupational safety, health and injury management and workers’ compensation management services are provided by DFES to the [Office of Emergency Management](#).

TABLE OF RESULTS

Public Sector Commissioner's Occupational Safety and Health Performance indicators 2016/17.

Indicator	Target	2013/14	2014/15	2015/16	Rolling 3 Year Average	2016/17	Comment on Result	
							Result	Achieved?
Number of Fatalities	Zero (0)	0	0	1	0	0	0	✓
Lost time injury/disease (LTI/D) incidence rate	Zero (0) or 10% improvement on the previous three (3) years	8.80	8.94	10.91	9.55	8.95	-6.28%	✗
Lost time injury severity rate	Zero (0) or 10% improvement on the previous three (3) years	16.03	17.65	20.48	18.05	16.08	-10.9%	✓
Percentage of injured workers returned to work within (i) 13 weeks		93.13	97.79	96.99	96	97.90*		
Percentage of injured workers returned to work within (ii) 26 weeks	Greater than or equal to 80%	98.29	100.00	98.95	99	100		✓
Percentage of managers and supervisors trained in occupational safety, health and injury management responsibilities	Greater than or equal to 80%	70	75	80	75	85	+5%	

Statistics have been calculated using RiskCover data and DFES average FTE data.

* Result relates to injured workers whose accident date occurred during 2016/17 and who returned to their pre-injury hours.

RECONCILIATION ACTION PLAN

During 2016/17 the Aboriginal Advancement Unit (AAU) worked to improve Aboriginal engagement, employment and volunteering. The AAU has three core objectives:

- build the capacity of the Aboriginal community to come to the table as equal partners to advance local emergency management and hazard planning
- build capacity of staff and volunteers to engage effectively with Aboriginal communities
- facilitate Aboriginal participation in emergency service volunteering and employment.

Achievements in 2016/17 include:

- evaluation of the Aboriginal Firefighter Cadet program which identified:
 - a 72 percent completion rate, all of which have maintained employment and 27 percent (three) graduates successfully applied to become firefighters
 - the program’s holistic approach is highly valued by the cadet participants

- alternate pathways for cadets who are not recruited as firefighters should be identified
- the program should continue and a sustainable funding source identified.
- a young Aboriginal man commenced his apprenticeship as a Radio Technician
- four young Aboriginal public sector trainees, from diverse areas of ‘country’, are undertaking a Certificate III in Government
- being awarded a Natural Disaster Resilience Program grant to work with Aboriginal community members and traditional owners to develop a framework to include emergency management planning within Native Title Settlement Agreements in partnership with the Yamatji Marlpa Aboriginal Corporation
- the Commissioner’s Aboriginal scholarship program 2016 University of WA (UWA) recipient completed a Bachelor of Laws and Bachelor of Arts.

The 2017 UWA recipient is studying Juris Doctor. The 2016 Edith Cowan University recipient has extended his studies in a Bachelor of Science (Paramedical Science)

- participation in Remote Indigenous Community Engagement run by the Department for Defence supporting Aboriginal inclusion in the workplace
- invitation to sit on the Aboriginal and Islander Cultural Advisory Board advising the Department of Defence on the role of Aboriginal people within government and assist with strategic planning of Aboriginal strategies
- ongoing participation in Bushfire and Natural Hazard Cooperative Research Centre’s research on:
 - how the history of residential mobility influences willingness to dissolve social ties
 - long term recovery of communities after a disaster.

DISABILITY ACCESS AND INCLUSION PLAN

(Disability Services Act 1993, s29)

DFES recognises that staff and members of the community with disabilities may be especially vulnerable, and have individual requirements to be able deal with the impacts of natural disasters and other emergencies.

DFES' Disability Access Committee guides and monitors our Disability Access and Inclusion Plan (DAIP) and improvement initiatives.

Achievements over the past 12 months include:

- retrofitting at the Emergency Service Complex to include self-opening and closing doors, accessible sinks in team room areas, accessible lockers in the gymnasium and improved seating in our main reception area
- adaption of programs delivered to special needs groups to include basic Makaton signing
- DFES' and EmergencyWA websites meet contemporary good practice for accessibility

- development of an arrangement with WA Deaf Society for the use of Auslan interpreters during emergencies. The interpreters translate community warnings and information about emergency events. A more formal process is being established
- financial support to WA Deaf Society for training three Auslan interpreters in emergency broadcasting
- development of an Inclusive Consultation and Engagement policy identifying disabilities, responsibilities and procedures for inclusive consultation and engagement
- staff training on matters relating to disability and access
- social marketing research into new bushfire material using face to face groups and user panels. Research groups included people who have disabilities or were parents and carers of people with a disability, both physical and cognitive.

The priorities for 2017/18 are:

- working with disability consultants to develop a video to be used in our online induction and orientation training
- finalisation of formal arrangements with the WA Deaf Society to improve access to information during an emergency for people who are deaf
- review the DAIP 2015-2020 to maintain currency
- continue to conduct disability awareness sessions for staff to increase skills and understanding of disability issues.

The DAIP applies to both DFES and the [Office of Emergency Management](#).

RECORD KEEPING PLANS

(*State Records Act 2000* and State Records Commission Standard 2, Principle 6)

Record keeping

DFES is committed to delivering efficient and effective recordkeeping practices. Over the past 12 months development of record keeping practices to meet business needs continued.

One of the major initiatives undertaken during the year was a review of the management of records at an incident. Using the functionality of DFES' records management system, additional information is captured at document registration making the management, retrieval and review of information easier and more efficient.

As part of the review, DFES worked with Parks and Wildlife Services to develop consistent procedures for both agencies at the time of a major incident. Training in the new procedures will be provided across both agencies over the next six months.

Two additional modules will assist with moving documents from shared drives into Hewlett Packard Enterprise Records Manager system and the management of photos and images over the next 12 months.

Training in record keeping

Since the record keeping system was upgraded in June 2016, 121 training sessions have been held for 815 staff. On-site training was expanded to include offices within the metropolitan area and Albany.

A review of all record keeping training was undertaken and a new program will be delivered over the next 12 to 24 months.

Disposal program

Over 412 archive boxes have been processed for storage over the past 12 months. These boxes contained a variety of records and each was assessed for potential archival value and ongoing business requirements.

FREEDOM OF INFORMATION

(*Freedom of Information Act 1992*
(FOI Act) – section 111)

The Freedom of Information Statistical Return for DFES (including the Office of Emergency Management) for the period 1 July 2016 to 30 June 2017 has been submitted to the Information Commissioner as required under the FOI Act.

As in previous years, most applications sought access to non-personal information from fire incident reports and fire investigation reports in relation to domestic and commercial structure fires.

A total of 174 valid applications were received, nine less than 2015/16. Seven applications were carried over from 2015/16.

During 2016/17, 181 applications were addressed. Edited access was granted to 166 applications, two were withdrawn, none deferred, and one was transferred in full to another government agency. DFES did not have the documents for five applications and access was refused to another five applications.

There were two requests for internal review and the original decision was amended in both instances.

There were five applications from the media or from Members of Parliament during this reporting period.

Seven applications have been carried over to be dealt with in 2017/18.

The average processing time for each application was 17 days, a decrease of 4.5 days from the previous reporting period and within the maximum period permitted under the Act.

Freedom of Information Applications 2016/17

Applications carried over from previous reporting period	7
New valid applications received within this reporting period	173
Applications transferred from another government agency	1
Total applications for reporting period	181
Applications withdrawn or invalid	2
Applications transferred in full to another government agency	1
Edited access granted	166
Full access granted	0
Access denied	10
Access deferred	0
Applications carried over to next reporting period	7

Freedom of Information Fees and Charges 2016/17

Application fees collected	\$5,190
Actual charges collected	\$726
Charges waived (when processing costs are less than \$20.00)	\$2,662

GLOSSARY

Accountability is traditionally established when Parliament confers responsibility on public sector agencies to account through a Minister for all that is done, the manner in which it is done and the ends sought to be achieved.

Agency means a department a sub-department or a statutory authority as defined in the [Financial Management Act 2006](#).

Appliance is a frontline operational vehicle equipped to attend emergency incidents.

Audit includes to examine, investigate, inspect and review.

Commands are the four main organisational structures making up DFES.

Department means a department of the public sector established under the [Public Sector Management Act 1994](#).

Effectiveness Indicators are key performance indicators that provide information on the extent to which desired outcomes have been achieved, or contributed to, through the delivery of services.

Efficiency Indicators are key performances indicators that generally relate services to the budget required to deliver them.

Emergency Operations Centre is a facility, either static or mobile, from which the total operation or aspects of the operation are managed. A facility established to control and coordinate the response and support to an incident or emergency.

Financial Statement Audit is an audit performed to enable an opinion to be expressed about whether or not the financial statements are relevant and fairly represent indicated performance.

Financial Statements are a structured set of financial information including explanatory notes derived from accounting records to communicate an entity's financial performance and cash flows, and at a point of time its financial position.

Key Performance Indicator is information about material aspects of service performance or outcome achievement.

Key Performance Indicator Audit is an audit performed to enable an opinion to be expressed about whether or not the key performance indicators are relevant and appropriate and fairly represent indicated performance.

Outcomes are the effect, impact, result on or consequence for the community, environment or target clients of government services.



Service means the supply of an activity or goods to a user external to the entity providing the service.

Stakeholder is a person or entity that has a primary interest in, or a significant influence over, DFES activities.

Statutory Authority means a person or body specified in Schedule 1 of the *Financial Management Act 2006*. These agencies are established by Parliament.

Sub-department means an entity in respect of which a declaration under section 56(2) of the *Financial Management Act 2006* has effect.

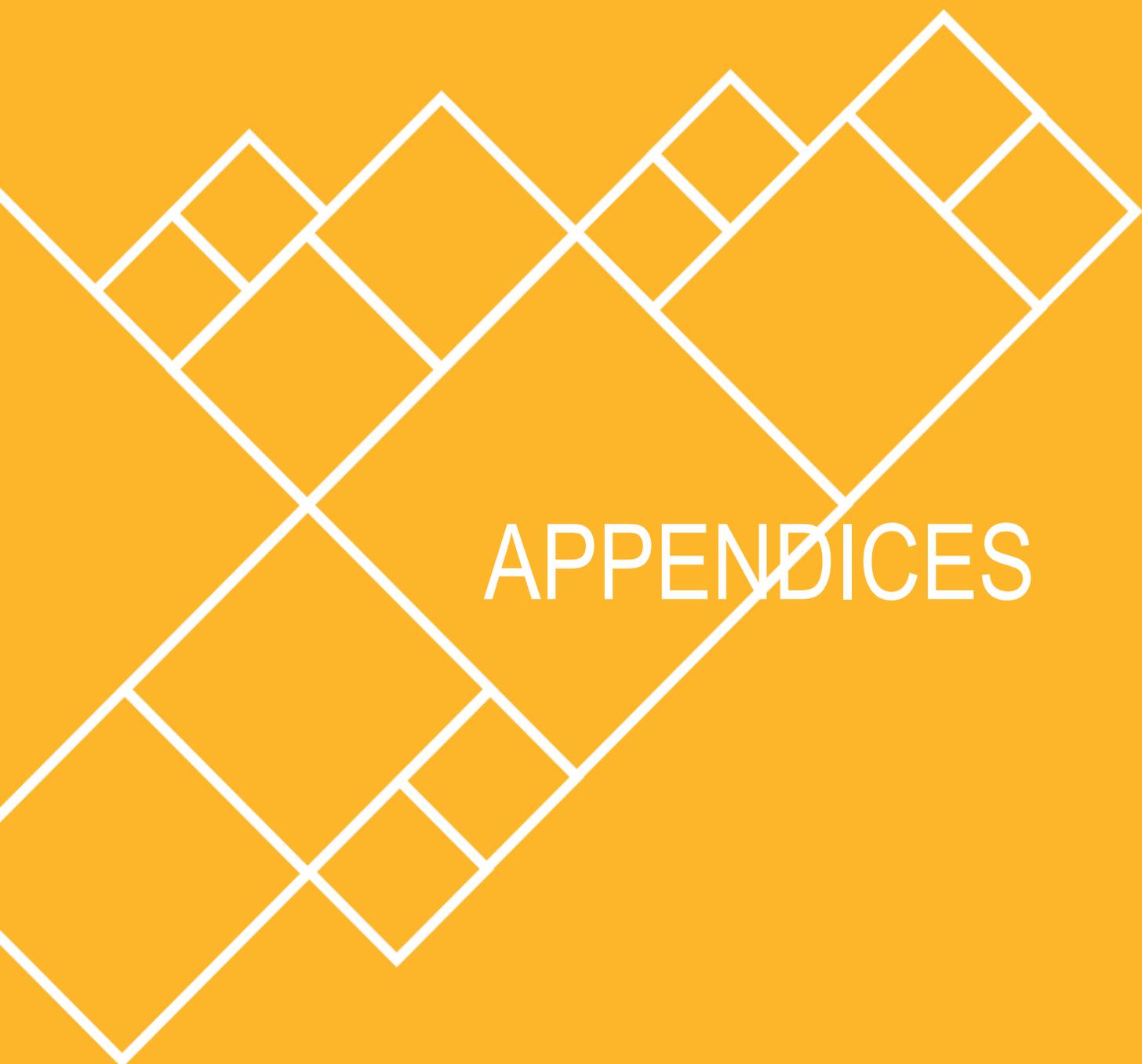
Tenure-blind means irrespective of land ownership.

Treasurer's Instructions are prescribed requirements for financial administration that have the force of law and must be observed by public sector agencies under the *Financial Management Act 2006*.

ACRONYMS

ABS	Australian Bureau of Statistics	ESC	Emergency Services Complex
AAU	Aboriginal Advancement Unit	ESCC	Emergency Services Cadet Corp
ACMA	Australian Communications and Media Authority	ESL	Emergency Services Levy
AFAC	Australasian Fire and Emergency Service Authorities Council	ESM	Emergency Services Medal
AFSM	Australian Fire Service Medal	FES	Fire and Emergency Services
APM	Australian Police Medal	FES ERG	Fire and Emergency Services Emergency Response Guide
ARMC	Audit and Risk Management Committee	FESA	Fire and Emergency Services Authority of Western Australia
AVL	Automated Vehicle Location	FOI	Freedom of Information
BFB	Bush Fire Brigade	FTE	Full Time Equivalent
BFS	Bush Fire Service	HAZMAT	Hazardous Materials
BOM	Bureau of Meteorology	IPAA	Institute of Public Administration Australia
BRMP	Bushfire Risk Management Plans	iRMS	incident Resource Management System
BRMS	Bushfire Risk Management System	JAFFA	Juvenile and Family Fire Awareness
CBRN	Chemical Biological Radiological and Nuclear	KPI	Key Performance Indicator
CAD	Computer Aided Dispatch	LFMC	live fuel moisture contents
CFRS	Career Fire and Rescue Service	LGGS	Local Government Grant Scheme
CLT	Corporate Leadership Team	MLA	Member of the Legislative Assembly
DAIP	Disability Access and Inclusion Plan	MOU	Memorandum of Understanding
DFES	Department of Fire and Emergency Services	OBRM	Office of Bushfire Risk Management
DOL	Department of Lands	PFT	Pre formed team
EAP	Employee Assistance Program	PMC	Program Management Committee
ECS	Emergency Call Service	RAC	Royal Automobile Club of Western Australia

RIO	Rip It Off
RVA	Recorded Voice Announcement
SCDF	Singapore Civil Defence Force
SEMC	State Emergency Management Committee
SES	State Emergency Service
SGFPC	Singapore Global Firefighter and Paramedic Challenge
SPRED	Space Re-Entry Debris
UHF	Ultra High Frequency
USAR	Urban Search and Rescue
UWA	University of Western Australia
VFES	Volunteer Fire and Emergency Services
VFRS	Volunteer Fire and Rescue Service
VMRS	Volunteer Marine Rescue Services
WA Police	Western Australian Police
WCIM	Workers' Compensation and Injury Management



APPENDICES

APPENDIX 1 EMERGENCY RESPONSE STATISTICS

ALL FIGURES CURRENT
AS AT 30 JUNE 2017

DFES staff allocation as at 30 June 2017

	FTE
Employees covered by the Western Australian Fire Service Enterprise Bargaining Agreement 2017	1,185.30
Others	412.92
TOTAL	1,598.22

Note: The total in this table will not relate to staff profile numbers on page <OV>. This is because this table relates to full time equivalent staff numbers, not staff head count.

Cadets and Juniors as at 30 June 2016

Emergency Services Cadets	1,900
Juniors registered with brigades, groups and units	573
Total cadets and juniors	2,473
Emergency Services Cadet Units	39
Junior Cadet Programs	155

Volunteers	Number of Brigades, Groups or Units	Volunteer Numbers as at 30 June 2017		
		Operational	Support	Total
Volunteer Bush Fire Service	576	17,145	2,280	19,425
Volunteer Fire and Rescue Service	94	2,285	6	2,291
State Emergency Service	65	1,839	49	1,888
Volunteer Marine Rescue Services	39	1,727	0	1,727
Volunteer Fire and Emergency Services	32	913	16	929
Other DFES Volunteers	2	15	31	46
Total	808	23,924	2,382	26,306

Note: Total will not correlate with total regional volunteer numbers on page 7 as it includes volunteers who are dual registered.

Fire and Emergency Services Incident Response – All Services

	Number of Incidents in 2016/17
Structure Fires	1,405
Landscape Fires	4,805
Other Fires – Includes Rubbish	3,336
Road Crash Rescues	2,852
Non-Fire Rescue Calls	2,387
Hazardous Situations – Not Fire	549
System Initiated False Alarms	9,617
Flood, Storm or Other Natural Disaster	172
Good Intent False Alarm Calls	3,460
Petrol or Flammable Spills and Gas Leaks	404
Malicious False Alarms	328
Service Calls (Excludes Storm and Natural Hazards)	117
Attendance Called Off on Route	595
Not Classified	59
Total Responses Provided by All Services	30,086

The number of responses is comparable to last year (30,045 responses in 2015/16).

Aviation Services

Aircraft Type	Number of Aircraft	Incidents in 2016/17	Activations	Number of Drops	Total Amount of Water (Litres)
Aerial Fire Suppression Type 1 (Bell 214B) Helitak	6	75	168	2,105	5,651,978
Aerial Fire Suppression Type 1HV (Aircrane) Helitak	1	11	11	118	493,420
				2,223	6,145,398
DFES Aerial Intelligence Helicopter	1	40	55		

Aerial firefighting and helicopter services are provided through a combination of state and national procurement arrangements. Aerial firefighting prime contractors include McDermott Aviation, Kestrel Aviation and Heliwest.

RAC Rescue Helicopters	Number of Aircraft	Primary Retrievals	Secondary Retrievals	Search & Rescue	Tasks
Bell 412EP – Jandakot	1	1	324	89	30
Bell 412EP – Bunbury	1	1	254	34	11

Contractors providing the aeromedical rescue services known as RAC Rescue are:

- CHC Helicopters (Australia) provides the helicopters and flight crew
- St John Ambulance provides critical care paramedic services.

Arson and Fire Investigation	2016/17
Formal Investigations	94

This year there were 16 percent fewer formal investigations than 2015/16 (112).

Built Environment Safety	2016/17
Building plan assessments (Commercial and Non Commercial)	1,584
Inspections	402

Building plan assessments include health care facilities, aged care facilities, assembly buildings, schools, universities and residential apartments (hostels, motels, etc). This year 1,584 commercial building plan assessments were conducted, a 26 percent reduction from 2015/16 (2,151).

In addition to the above, major complex building sites are now being presented for assessment (i.e. shopping centres with apartments above and within these complexes).

Inspections increased by 77.9 percent this year compared to 2015/16 (226). This significant increase was a result of more staff available to conduct inspections due to a downturn in the building industry and fewer building plan assessment applications being received.

DFES does not have a statutory obligation to test and inspect installed fire services for newly constructed buildings.

APPENDIX 2

Local Government Grants Scheme (LGGS)

Grants Expensed in 2016/17	Operating \$	Capital \$	Total \$
LGGS – Bush Fire Service	10,277,069	18,387,655	28,664,724
LGGS – State Emergency Service	2,137,944	3,244,064	5,382,008
	12,415,013	21,631,719	34,046,732

APPENDIX 3 INFRASTRUCTURE AND VEHICLES

Infrastructure and vehicle numbers include only structures and operational vehicles in use. It does not include facilities or operational vehicles that are unoccupied, unused or due for disposal.

Infrastructure	CFRS	BFS	SES	VFRS	VFES
Number of existing structures as at 30 June 2016	28*	361+	61	99*	29
Number of new (additional facilities) structure approvals 2016/17	1	2	0	0	0
Number of new (replacement facilities) structure approvals 2016/17	0	5	0	0	0
Number of structure improvements 2016/17 (excludes minor works)	1	3	1	1	0

*Includes three collocated CFRS/VFRS facilities.

Response Vehicles	CFRS	BFS	SES	VFRS	VFES
Number of existing response vehicles as at 30 June 2017	101	644	336	208	89
Number of replacement response vehicle approvals 2016/17	10	45	6**	26	12
Number of existing trailers as at 30 June 2017	19	12	200	48	27

**SES includes licenced equipment such as trailers and major capital equipment such as lighting towers.

In addition, there are:

67 high fire appliances available to be deployed across the state and used by all services except SES

28 standby appliances used for rotation of fleet during maintenance and support for breakdowns

15 training appliances held at the Western Australian Fire and Emergency Service Academy.

