



NSW RURAL FIRE SERVICE



NSW RURAL FIRE SERVICE ANNUAL REPORT 2020/21

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Cover photo by Adam Hollingworth

Letter to the Minister

The Hon. David Elliott MP
Minister for Police and Emergency Services
Parliament House
Sydney NSW 2000

Dear Minister

I am pleased to submit to you for presentation to Parliament the Annual Report of the NSW Rural Fire Service (NSW RFS) for the year ending 30 June 2021.

This Annual Report has been prepared in accordance with the *Annual Reports (Departments) Act 1985*, the *Annual Reports (Departments) Regulation 2015*, the *Disability Inclusion Act 2014*, the *Government Information (Public Access) Act 2009* and the *Public Interests Disclosures Act 1994*.

Yours sincerely



Rob Rogers AFSM
NSW RFS Commissioner

NSW RFS vision and purpose

To provide a world standard of excellence in the provision of a volunteer-based community fire and emergency service.

To protect the community and our environment by minimising the impact of fire and other emergencies.

Values

- Mutual respect
- Adaptability and resourcefulness
- One team, many players, one purpose
- Integrity and trust
- Support, friendship, camaraderie
- Community and environment
- Knowledge and learning

Stakeholders

- Community
- Our members
- Minister for Police and Emergency Services
- Partner emergency services
- Members of Parliament – state and federal
- Local Government NSW and local councils

Commissioner's report

The 2020/21 fire season was a welcome relief for the NSW RFS and our members following the devastation of 2019/20. Early rainfall in drought-affected areas of NSW and an unusually wet season meant that conditions were not conducive to the large-scale fires seen in the previous season. Just 37,832 hectares of NSW were burnt in 2020/21, with no Section 44 declarations and no fires reaching Emergency Warning level.

Despite this, our members were still busy, attending 22,885 incidents. Severe weather and significant flooding across NSW in March 2021 saw more than 3,000 members supporting the work of the NSW SES in responding to 2,950 requests for assistance.

The Service also provided support to other states during the reporting period, with 23 NSW RFS members deployed to Western Australia following Tropical Cyclone Seroja and the NSW RFS-owned Large Air Tanker (LAT) deployed to Queensland and Western Australia to aid firefighting efforts in those states.

Like our colleagues in emergency services across the world, the NSW RFS had to find new ways of operating in 2020/21 in the face of the COVID-19 pandemic and associated lockdowns.

In order to maintain our operational capability, a number of new initiatives were introduced. Critical personnel were split across working locations, regular cleaning was provided to all NSW RFS facilities and a number of ICT solutions were rolled out to enable remote working. Flexibility across the Service was essential in order to comply with health advice and ensure NSW communities and residents remain protected.

Members were regularly kept informed about the changing restrictions and stayed connected with the Service via NSW RFS Connect, a regular broadcast made to members featuring interviews and Q&A sessions with NSW RFS leaders.

The NSW Bushfire Inquiry – established to make recommendations into bush fire preparedness and response following the 2019/20 fire season – released its report in August 2020, with the NSW Government accepting all recommendations. The NSW RFS is the lead agency for 79 recommendations and sub-recommendations and is working hard on their implementation.

Our progress on these recommendations is possible thanks to significant assistance from the NSW Government, with additional funding for a range of improvements across every facet of NSW RFS business – from hazard reduction works and fleet enhancements to training facilities and improvements to the Fires Near Me NSW app.

One of the most important of these initiatives is the increased mental health services made available to our members. Additional NSW Government funding has enabled the NSW RFS to create seven Senior Psychologist and seven Psychologist roles that have been spread across the state to ensure our members have access to the support they need.

To respond to the significant amount of work created by the Inquiry and to better support the delivery of frontline services, the NSW RFS underwent a realignment of Head Office functions in 2020/21. The new structure, which was implemented in a phased approach from May to June 2021, ensures a better allocation of resources across the organisation and equips the NSW RFS for the future.

A key focus of NSW RFS business over the past year has been the delivery of our nine priority projects. I announced these projects in May 2020 and I'm pleased to report that many of them have been completed or are nearing completion. We have improved the protection offered to our members with the rollout of BR9 helmets, and we are also undertaking research into options for respiratory protection and the design of our fire appliances.

Several of the priority projects have delivered technological advancements that will improve our operational response. A new member availability and response system, RFS ACTIV, was launched in December 2020 and has since been downloaded by more than 24,000 NSW RFS members. The Service has also undertaken a tender process to engage a vendor for the supply of Mobile Data Terminals (MDTs) for firefighting vehicles, with the rollout of MDTs expected to begin in the next financial year.

We have implemented a Computer Aided Dispatch (CAD) system that improves our response time and communication with partner agencies. The CAD system went live in February 2021 and was rolled out to all districts on Centralised Dispatch by April 2021, with the remaining districts being moved onto Centralised Dispatch and CAD in a phased approach.

The priority projects also focus on helping our members stay connected and updated. Work on our new member website and eMembership application system was close to complete during the reporting period, with both projects due to be launched in the second half of 2021.

Many of these projects would not have been possible without support from the community and the use of public donations. Through a statewide survey of members, it was identified that public donations should be used to accelerate the implementation of key projects directly benefiting volunteers. We are indebted to the generosity of the NSW RFS and Brigades Donations Fund, which allocated more than \$70 million to these initiatives, and the generosity of the community in making these important projects a reality for our Service.

Significant improvements to the NSW RFS fleet and infrastructure were made during the 2020/21 financial year, with 269 newly-constructed vehicles and a further 134 reallocated or refurbished vehicles delivered to brigades. The Service also added three medium helicopters and two Cessna Citations to our aerial fleet, now comprising three fixed wing aircraft and six helicopters.

During the reporting period, 27 new brigade stations were built and a further 41 renovated. Upgrades were made to a number of Fire Control Centres (FCCs) across the state, with construction of the Area Western Command Centre at Cowra beginning. Planning also commenced for the new Aviation Centre of Excellence, to be constructed at the NSW RFS Training Academy at Dubbo, which will provide training and accommodation to aviation firefighting personnel from the NSW RFS and interstate agencies.

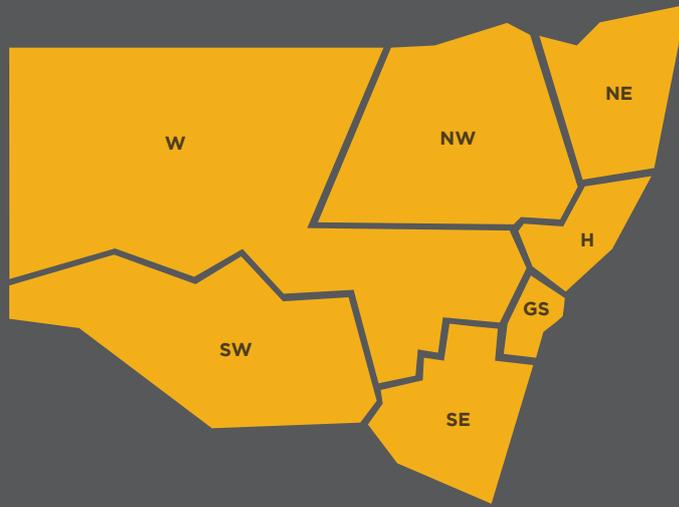
Finally, the quieter 2020/21 fire season allowed the Service the time to appropriately recognise our members for their bravery and service during the 2019/20 fire season. Although COVID-19 restrictions unfortunately meant we weren't able to hold awards ceremonies for many of our volunteers, it was an honour to present some awards in person at St Florian's Day in May 2021.

Given the challenges we in NSW have faced over the past year due to the COVID-19 pandemic, it is important I recognise the efforts of our volunteer members. They have been flexible, adaptable and unwavering in their commitment to keeping the people of NSW safe. I want to thank them all for their efforts this past year and all the years prior. As a Service, we strive to improve our operational capability and better support these men and women on the ground in our communities.

I would also like to thank the Hon. David Elliott MP, the Minister for Police and Emergency Services, for his continued support of the NSW RFS and our members.



Rob Rogers AFSM
NSW RFS Commissioner



VOLUNTEERS
75,354



STAFF
1,079



APPROXIMATELY
60%

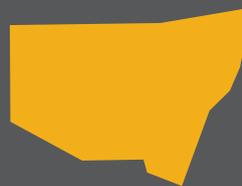
OF NSW RFS STAFF ARE ALSO NSW RFS VOLUNTEERS



BRIGADES
1,993



AREA
COMMANDS
7



NSW RFS
DISTRICTS
45

TOTAL INCIDENTS WE ATTENDED

22,885



BUSH/GRASS
FIRES

4,746



STRUCTURE FIRES

1,321



PEOPLE RESCUED

57



FLOOD AND
STORM

148



MOTOR VEHICLE
FIRES

1,835



MOTOR VEHICLE
ACCIDENTS

4,836



ASSIST OTHER
AGENCIES

1,893

TOTAL OPERATIONAL
VEHICLES, BOATS AND AIRCRAFT

6,345



FIREFIGHTING
APPLIANCES

3,926



AIRCRAFT

9



MARINE CRAFT

24



BULK WATER
CARRIERS

50

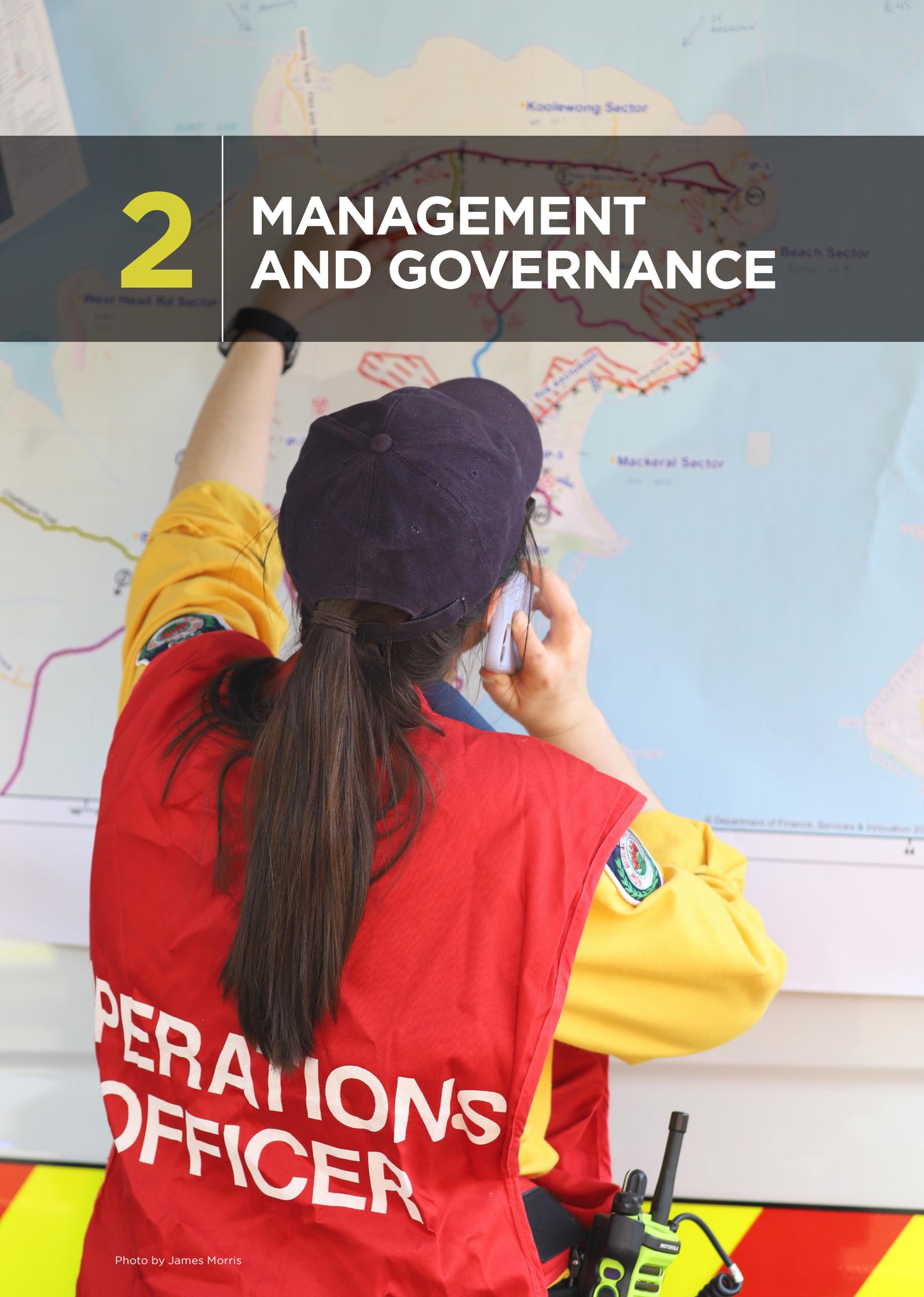


SUPPORT
VEHICLES

2,336

2

MANAGEMENT AND GOVERNANCE



Management and governance

The NSW Rural Fire Service (NSW RFS) is the lead combat agency for bush fires in NSW. For more than 100 years the Service has been a significant part of the history and landscape of NSW and an integral piece of rural communities. The NSW RFS works closely with other agencies to respond to a range of emergencies including structure fires, motor vehicle accidents and storms that occur within the rural fire districts that make up more than 95 per cent of NSW.

The NSW RFS is the largest volunteer fire service in the world, a diverse organisation of more than 75,000 volunteer members and 1,079 staff. Members are trained to the highest standards to ensure they can protect the community when responding to emergency situations. The Service aims to minimise the impact of fire and other emergencies not only through operational capability, but also by developing and implementing programs that focus on community education, fire prevention and risk management.

Legislation

The management and operational responsibilities of the NSW RFS are set down in the *Rural Fires Act 1997* and can be summarised as follows:

- The provision of rural fire services for NSW, including
 - Services for the prevention, mitigation and suppression of fires in rural districts
 - The protection of people from dangers to their safety and health, and property from destruction or damage arising from fires in rural fire districts
 - Protection of infrastructure and environmental, economic, cultural, agricultural and community assets from destruction or damage by fires in rural fire districts
- Issuing public warnings about bush fire threats
- The provision of advisory services relating to firefighting and other matters to which it has expertise
- Safety and welfare of all NSW RFS volunteers
- Provision of effective training and resources to rural fire brigades
- Provision of emergency assistance to other emergency service organisations

As a result of the NSW Bushfire Inquiry (for more information, see page 23), the *Bushfires Legislation Amendment Bill 2020* was introduced in November 2020.

The Bill addressed seven recommendations arising out of the NSW Bushfire Inquiry, and resulted in a number of amendments to the *Rural Fires Act 1997*. Key amendments included:

- Greater audit powers for the NSW RFS, enhancing the Commissioner's powers to audit plans and manage bush fire hazard complaints. Public authorities must now refer any written complaints about bush fire hazards to the NSW RFS Commissioner.
- The introduction of a Rural Boundary Clearing Code to eliminate the onerous burdens on landholders to clear vegetation on their land.
- Greater consistency between public and private landholders, particularly with regards to dealing with bush fire hazards on their land.
- Increased penalties for corporations and public authorities if they do not comply with a bush fire hazard reduction notice.
- The membership of the Bush Fire Co-ordinating Committee was expanded to include, among others, representation of Indigenous communities.

NSW government and ministry

As a Department of the NSW Government, the NSW RFS is part of the Emergency Services portfolio within the Stronger Communities Cluster. The Hon. David Elliott MP, Member for Baulkham Hills, is the current Minister for Police and Emergency Services.

NSW RFS Commissioner

The Commissioner is responsible for managing and controlling the activities of the Service and has other functions conferred or imposed on him by or under the *Rural Fires Act 1997*. It is the Commissioner who invokes section 44 of the *Rural Fires Act 1997* in order to declare a bush fire emergency.

NSW RFS Executive

The day-to-day management of the Service is carried out under the direction of the NSW RFS Executive.

The Executive consists of the Commissioner, Deputy Commissioners and the Service's Executive Directors and Directors. A profile of each of the Principal Officers can be seen on pages 18 and 19.

Corporate Executive Group

The Corporate Executive Group (CEG) comprises the Commissioner, Deputy Commissioners, Executive Directors, relevant Directors of the Service and representatives of the NSW Rural Fire Service Association (RFSA), which is the representative association of the volunteers and staff of the NSW RFS. The principal role of the CEG is to consider and provide advice to the Commissioner on strategic issues affecting the Service.

Governance committees

Three bodies are empowered by legislation to assist in the operation of the NSW RFS, they are the:

- Rural Fire Service Advisory Council
- Bush Fire Co-ordinating Committee
- Fire Services Joint Standing Committee

Rural Fire Service Advisory Council

The Rural Fire Service Advisory Council (RFSAC) is established under the provisions of Part 6 of the *Rural Fires Act 1997*. The Council:

- advises and reports to the Minister and the NSW RFS Commissioner on any matters relating to the administration of rural fire services under the *Act*
- advises the Commissioner on public education programs relating to rural fire matters and training of rural firefighters
- advises the Commissioner on the issue of Service Standards

Bush Fire Co-ordinating Committee

The Bush Fire Co-ordinating Committee (BFCC) is established under Part 3, Division 2 of the *Rural Fires Act 1997*. The Committee is chaired by the NSW RFS Commissioner and supported by the Service.

The BFCC is responsible for planning in relation to bush fire prevention and coordinated bush firefighting. It also advises the Commissioner on bush fire prevention, mitigation and coordinated bush fire suppression.

The BFCC constitutes Bush Fire Management Committees (BFMCs) for all rural fire districts and areas with significant risk of bush fire. It also approves Operations Coordination Plans, Bush Fire Risk Management Plans and Fire Access and Fire Trail Plans that are prepared by the BFMCs.

Fire Services Joint Standing Committee

The *Fire Services Joint Standing Committee Act 1998* provides for the establishment of the Fire Services Joint Standing Committee (FSJSC). The major functions of the Committee are to:

- develop and submit to the Minister for Police and Emergency Services strategic plans for the delivery of comprehensive, balanced and coordinated urban and rural fire services at the interface of fire district boundaries and rural fire district boundaries;

- undertake periodic review of fire district and rural fire district boundaries and, if appropriate, to make recommendations to the Minister concerning those boundaries;
- develop and submit to the Minister implementation strategies to minimise duplication and maximise compatibility between the NSW RFS and Fire and Rescue NSW (FRNSW). The Committee is chaired alternately by the Commissioners of FRNSW and the NSW RFS with particular reference to infrastructure planning, training, equipment design and community education programs.

Audit and Risk Committee

The Audit and Risk Committee provides assistance to the NSW RFS Commissioner by overseeing and monitoring the governance and accountability requirements of the NSW RFS. The Committee consists of independent members and advises the Commissioner on a range of matters including:

- the effectiveness of the Service's internal audit function;
- legislative compliance;
- the financial statements and financial reporting of the Service;
- risk and control frameworks;
- business continuity and corruption prevention activities.

Matters affecting the Service

Service Standards and Policies

A total of 12 service standards and policies were approved by the Commissioner to be published in 2020/21, including three new documents:

- *Service Standard 1.1.33 Reporting and Investigating Child Protection Related Allegations v1.0* – this new service standard was developed to detail the appropriate response for NSW RFS members who become aware of allegations against another member that involve conduct toward, against or in the presence of children. It also outlines how NSW RFS members should engage with children who may wish to make a complaint or may become involved in an investigation involving an NSW RFS member.
- *Service Standard 1.5.6 Lessons Management Framework v1.0* – this new service standard was developed to support the identification, reporting and review of operational practices that should be sustained, as well as opportunities for improvement. The Lessons Management Framework has been developed based on the Australian Institute of Disaster Resilience Lessons Management Handbook, and uses the Observation, Insight, Lesson Identified, Lesson Learnt methodology. The Framework is in line with other agencies within NSW, including the Resilience NSW Lessons Framework.
- *Policy P4.1.9 Communications – Mobile and Data Devices v1.0* – this new policy has been developed in line with the current processes of

managing mobile and data devices, as issued to a NSW RFS member/custodian. The new policy repeals and remakes Policy 3.1.1 *Communications v1.1*.

The following policy documents were updated during the reporting period:

- Service Standard 1.1.3 *Grievances v3.2*
- Service Standard 2.1.2 *Brigade Constitution v3.1*
- Service Standard 3.1.9 *Fire Investigation v3.0*
- Policy P1.1.4 *Gifts and Benefits v2.2*
- Policy P5.1.6 *Records Management v3.1*

Workforce diversity

Diversity and inclusion outcomes achieved in 2020/21 include:

- Participation in the development and delivery of an evidence-based Diversity and Inclusion Framework for Emergency Management Policy and Practice through a Bushfire and Natural Hazards Cooperative Research Centre (BNHCRC) research partnership.
- Continuing participation in the annual Sydney Gay and Lesbian Mardi Gras at the Sydney Cricket Ground.
- Leading the delivery of the sector-wide AFAC Volunteer Inclusion Guideline.
- Launching a new Member Induction Program using specific language and imagery to showcase diversity and reinforce the organisation's commitment to inclusion.
- Successfully participating in the 'Stepping Into' disability internship program to support a university student with disability to complete an internship with NSW RFS.

In 2021/22 NSW RFS will transition the current diversity planning framework to an overarching Inclusion Strategy and associated Action Plans.

The new framework will incorporate an updated multicultural plan in accordance with the Multicultural Policies and Services Program requirements.

Youth participation in the NSW RFS

The NSW RFS is committed to engaging and developing youth participation. The Secondary School Cadet Program is one of the Service's longest-running and most successful youth programs. Although disrupted by COVID-19, 30 programs were initiated across NSW during 2020/21.

The Service also continued the tradition of recognising excellence and commitment among young members, and in 2020/21 the NSW RFS Youth Awards were presented to:

- **Cadet of the Year:** Mr Nathan Hindmarsh from Braidwood High School and Krawarree Brigade in the Lake George District
- **Young Volunteer of the Year (16-25 years):** Mr Tim Hearn from Llandilo Brigade in the Cumberland District

- **Young Volunteer of the Year (12-15 years):** Ms Lahvynnia Low from Bathurst Brigade in the Chifley District

The Young Leader Scholarship recognises and develops the leadership skills of our emerging young leaders through participation in an 11-day voyage aboard the STS Young Endeavour sailing ship. Announcement of the 2021 winners has been postponed due to COVID-19, and the Service looks forward to realising this opportunity when the situation allows.

Industrial relations policies and practices

In 2017, the Public Service Association of New South Wales (PSA) filed an application in the NSW Industrial Relations Commission (IRC) to vary the *Crown Employees (Rural Fire Service) Award* (RFS Award). Following this, the NSW RFS invited the PSA to enter into discussions outside of the IRC arbitration process, to which the PSA agreed. Regular report-backs to the IRC kept them informed of progress.

During the 2020/21 reporting period, the NSW RFS sought bargaining parameters from NSW Public Sector Employee Relations, in accordance with the NSW Public Sector Wages Policy, based on cost and scenario modelling of principles discussed between the parties to establish potential options. Approved bargaining parameters were received in March 2021.

The NSW RFS consulted with staff about the Award by way of information sessions and the provision of other information (such as FAQs), consistent with the principles agreed to by the parties.

The consultation and feedback period closed on 7 June 2021. There were 653 responses to the survey (nearly 60 percent of staff), which provided an abundance of qualitative comments and suggestions. Overwhelmingly, staff were not supportive of implementing the proposed principles – 74 percent of staff that responded either strongly disagreed or disagreed with the proposal. Around three quarters of respondents disagreed that the proposal offered better employment conditions and the same proportion disagreed that the proposal was conducive to better service delivery.

The NSW RFS continues to maintain the position that changes to employment conditions will only be implemented if they are supported by the majority of staff, and if they are conducive to improved service delivery to volunteers and the community.

Through the survey, 58 percent of staff that responded would like to keep the current Award in some form, with the majority of these indicating a preference to ensuring consistent and fair practices. Given this, the NSW RFS position is to maintain the current Award and identify areas, through staff feedback, where formal guidance and consistency of application are required. On 18 June 2021, communication was sent to staff members about the outcome of consultation and next steps.

Statement setting out WHS performance

The NSW RFS WHS Committee and Health and Safety Representatives (HSRs) were active in 2020/21 in the review and feedback of WHS-related policies, service standards and the WHS Communication Plan. HSRs also participated in WHS programs and initiatives, trialling and using new online tools for reporting safety matters and equipment pre-start checks and the analysis of new detailed Area-level WHS incident reports. A large number of working groups and consultative groups across the state have contributed to improving safety culture and positive WHS outcomes.

Detailed monitoring, investigation and analysis of WHS incidents was completed to inform future WHS programs and initiatives. Reported injuries and registered workers compensation claims are detailed in appendix 2.6.

A key WHS initiative implemented by the NSW RFS during the 2020/21 financial year was an increased focus on mental health and improvement of the mental health provision available to members – both staff and volunteers. This initiative is covered in more detail on page 25 of this report.

Other health and safety achievements, programs and initiatives delivered during 2020/21 include:

- The Health, Safety and Welfare section transitioned in 2020/21 to the Health and Safety Unit. The newly created role of Director Health and Safety has responsibility across three new distinct work functions – Safety, Mental Health Services and Health and Wellbeing – with dedicated specialist managers for each function.
- The SafeSpine SafeMind™ program for Mitigation crews was completed with 221 staff trained in this injury prevention and behavioural change initiative.
- The on-boarding of a new Manager, Health and Wellbeing, Occupational Psychologist and Occupational Health Specialist to the Service in April 2021.
- This was the final year of the ‘Your Health Matters’ (YHM) Plan 2016 – 2021, which provided opportunities for staff and volunteers over the past five years to improve their physical and psychological health outcomes. Key achievements in 2020/21 include:
 - 498 members participated in face-to-face NSW RFS Health Checks in 59 locations across the state and were provided their cardiovascular disease risk, Type 2 Diabetes risk, blood pressure, cholesterol ratio, stress risk assessment results (using Kessler 10) and health advice.
 - Ongoing release of quarterly YHM packs to members with health promotion posters and injury prevention smart cards.
 - Annual health challenge for members saw significant participation increase from 120 members in 2019/20 to 483 members in 2020/21. The challenge focused on nutrition, exercise, sleep and training.

Complaints management

The NSW RFS public complaints management process is outlined in Policy P7.1.2 *Public Complaints Management*. This process is intended to enable the NSW RFS to respond to complaints made by members of the public in a timely and cost-effective way; boost public confidence in the Service's administrative process; and provide information that can be used to deliver quality improvements in service delivery, assist staff members and improve complaint handling.

The NSW RFS aims to resolve complaints at the first point of contact, assessing and prioritising complaints in accordance with the urgency and/or seriousness of the issues raised. If a matter concerns a direct risk to safety or security, the response will be immediate and will be escalated appropriately given NSW RFS staff members are empowered to resolve complaints promptly and with as little formality as possible. The NSW RFS has adopted flexible approaches to service delivery and problem solving to enhance accessibility for complainants and/or their representatives. Each complaint is assessed on its merits and the complainant and/or their representative are involved in the process as far as possible.

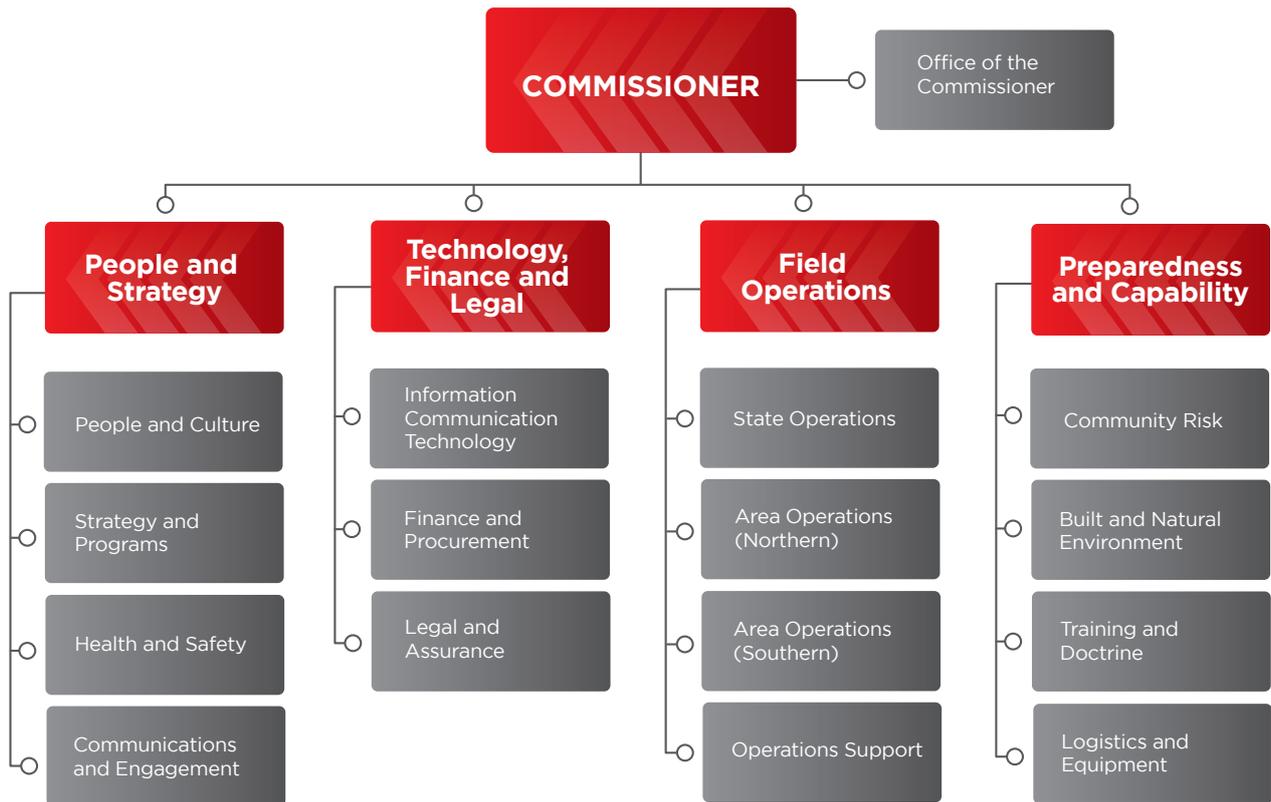
PUBLIC COMPLAINTS RECEIVED 2020/21

ORGANISATIONAL AREA	TOTAL
Greater Sydney	14
Hunter	6
North Eastern	7
South Eastern	4
Western	8
Field Operations	2
Preparedness and Capability	2
Office of the Commissioner	1
Total	44

NOTE: Figures captured are public complaints in accordance with NSW RFS Policy *Public Complaints Management*, reported to Performance and Conduct and/or Area Operations.

NSW RFS organisational structure 2020/21

As at 30 June 2021



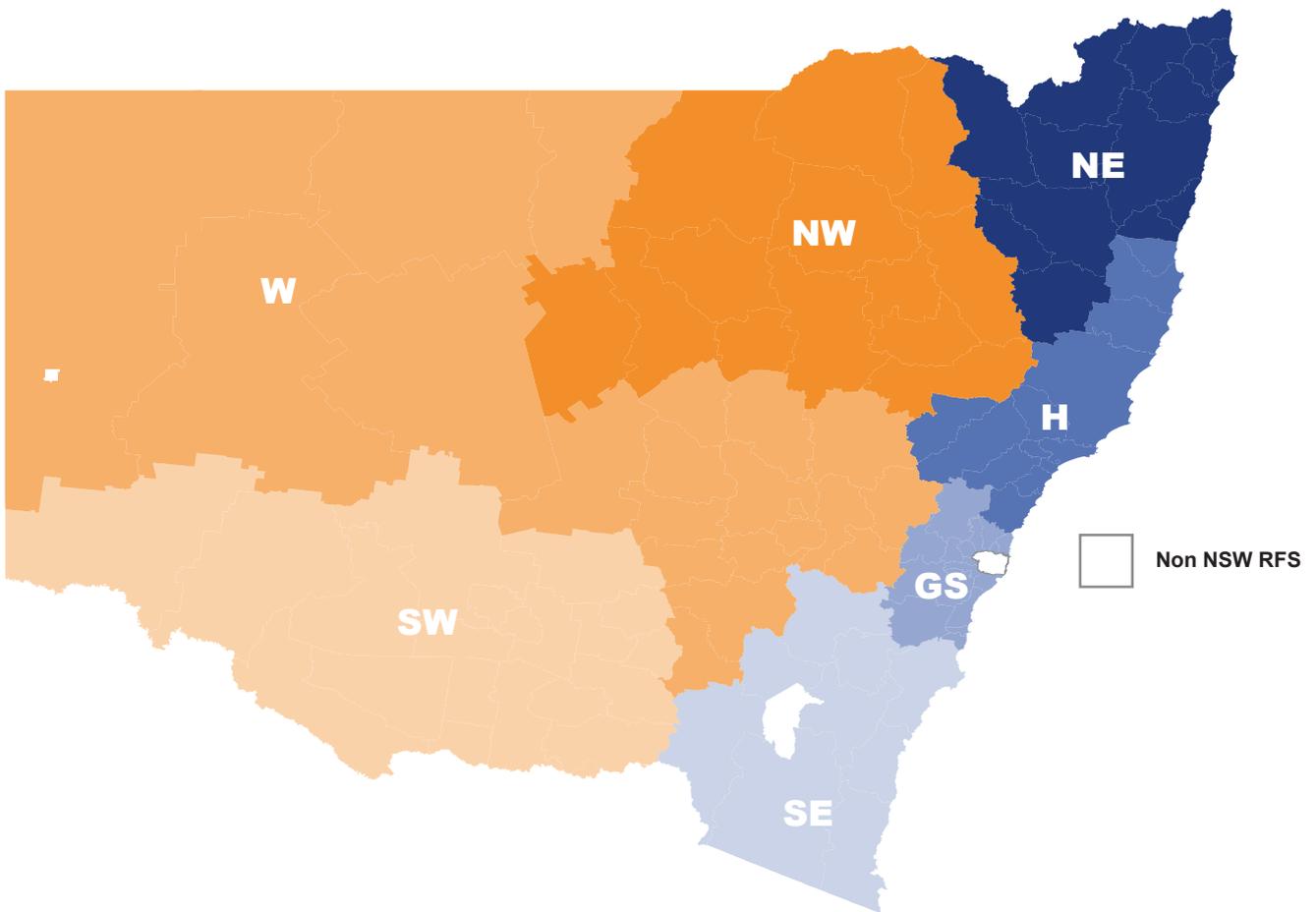
In May 2021, the NSW RFS underwent a realignment of Head Office functions. See page 24 for a detailed description of the changes to the organisational structure.

NSW RFS Areas and Districts

as at 30 June 2021

During the previous reporting year, the NSW RFS established a new Area Management Model with enhanced management structures to better support our 45 Districts, volunteer firefighters and the NSW communities they serve.

The Area Management Model continues to work towards delivering benefits, including more localised decision-making, enhanced support to volunteers and increased effectiveness of Mitigation crews and staff. The model allows District staff to focus on volunteer and community engagement.



Headquarters
4 Murray Rose Avenue
Sydney Olympic Park
NSW 2127

Area Western
112A Airport Drive
Cowra
NSW 2594

Area North Western
Level 1
137 Marius Street
Tamworth
NSW 2340

Area North Eastern
51 Moonee Street
Coffs Harbour
NSW 2450

Area Hunter
1A George Booth Drive
Cameron Park
NSW 2285

Area Greater Sydney
42 Lamb Street
Glendenning
NSW 2142

Area South Western
5/32 Fallon Street
Thurgoona
NSW 2640

Area South Eastern
7 Kylie Crescent
Batemans Bay
NSW 2536

Office hours at all locations: 0900hrs - 1700hrs, Monday to Friday

AREA NAME	DISTRICTS
North Eastern NE	Northern Rivers Far North Coast Clarence Valley Northern Tablelands Mid North Coast New England
Hunter H	Lower Hunter Hunter Valley Central Coast Mid Coast Lower North Coast
Greater Sydney GS	Southern Highlands Illawarra Macarthur Cumberland Hawkesbury Sutherland Hornsby/Ku-ring-gai The Hills Northern Beaches Blue Mountains

AREA NAME	DISTRICTS
South Eastern SE	Monaro Lake George Far South Coast Southern Tablelands Riverina Highlands Shoalhaven
North Western NW	North West Namoi/Gwydir Liverpool Range Castlereagh Tamworth
Western W	Far West Orana Mid Lachlan Valley Canobolas Cudgegong South West Slopes Chifley Lithgow
South Western SW	Lower Western MIA Mid Murray Southern Border Bland Temora Riverina

Principal officers

NSW RFS Commissioner
Rob Rogers AFSM

Commissioner Rob Rogers first became involved with the NSW RFS in 1979 as a volunteer member of the Belrose Brigade, before being appointed Deputy Fire Control Officer for the Greater Taree District in 1995. Commissioner Rogers has held various executive roles in the NSW RFS since 2001, including responsibility for Regional Management, Community Safety and Operations. In 2011 he was appointed Deputy Commissioner and held that role until 1 May 2020 when he was appointed to the role of Commissioner.

Commissioner Rogers represents the NSW RFS on national and state bodies including as Chair of the Australian Fire Danger Ratings Board, Chair of the State Bush Fire Arson Taskforce, Chair of the Aviation Industry Reference Group and Aviation Advisory Committee, Co-chair of the Incident Management Road Safety Working Group and Co-chair of the Joint Operations Taskforce.

During the 2019/20 Black Summer fire season, Commissioner Rogers oversaw the statewide response to the fires that burnt more than 5.5 million hectares, destroyed 2,476 homes and tragically took 26 lives.

Commissioner Rogers was awarded the National Medal in 1995 and the Australian Fire Service Medal (AFSM) in 2004.



Commissioner Rob Rogers AFSM

Principal officers

Deputy Commissioner, Field Operations

Peter McKechnie

Prior to taking up a salaried role with the NSW RFS, Deputy Commissioner Peter McKechnie was a volunteer firefighter with the Narara Brigade. In 2002 he was employed as a staff member, holding roles such as Director Area Operations, Manager State Operations and Aviation and District Manager.

After acting in the role of Executive Director Operations from September 2020, he was appointed Deputy Commissioner of Field Operations in March 2021.

Deputy Commissioner McKechnie has been a part of and led efforts to combat major fires and other emergencies within NSW, interstate and overseas. He has also represented the NSW RFS in international programs throughout Singapore, Indonesia and the United States and led Australian deployments to the USA and Canada to assist local firefighting authorities.

Deputy Commissioner McKechnie holds a Graduate Diploma of Executive Leadership and is a certified Strategic Commander through the national Emergency Management Professionalisation Scheme.

Deputy Commissioner McKechnie has been awarded the National Medal, Commissioner's Commendation and NSW RFS Long Service Medal.

Deputy Commissioner, Preparedness and Capability

Kyle Stewart APM

Deputy Commissioner Kyle Stewart joined the Service in April 2021 following a 36-year career with the NSW Police Force.

Deputy Commissioner Stewart has extensive experience in the emergency services sector, having held several senior executive roles during his career with the NSW Police Force. Deputy Commissioner Stewart's experience includes appointments to the positions of the Deputy State Emergency Operations Controller and an extended appointment as the acting Commissioner for the NSW State Emergency Services during 2019.

Deputy Commissioner Stewart holds tertiary qualifications in law and a practicing certificate as a Legal Practitioner in the State of New South Wales. Deputy Commissioner Stewart is also a graduate of the United States of America Federal Bureau of Investigations National Academy Program.

Deputy Commissioner Stewart was awarded the Australian Police Medal in 2008.

Executive Director, People and Strategy

Trina Schmidt

Ms Trina Schmidt was appointed to the Service in March 2019.

Prior to joining the Service, Ms Schmidt had extensive senior management experience in the public sector in NSW and Queensland, largely in transport and logistics and most recently in education. Ms Schmidt's experience is in human resource management, employee relations, transformational change and strategic planning and risk management.

Ms Schmidt holds tertiary qualifications in applied psychology from Griffith University and a Master of Business Administration from the University of New England.

Executive Director, Technology, Finance and Legal; Chief Financial Officer

Stephen O'Malley

Mr Stephen O'Malley was appointed to the Service in November 2012 as the Chief Financial Officer, and in February 2018 as Executive Director, Finance and Executive Services. From May 2021 Mr O'Malley was appointed to the role of Executive Director, Technology, Finance and Legal.

Prior to joining the Service, Mr O'Malley had extensive senior management experience in finance, technology and corporate services in both the NSW and South Australian public sectors, including as the Chief Finance Officer of the Ambulance Service of NSW and Director Corporate Finance of the Legal Aid Commission of NSW. Mr O'Malley's experience includes corporate strategy, financial management, information management, project management, change management and strategic planning and reporting.

Mr O'Malley holds tertiary qualifications in accounting from the University of South Australia, is a Fellow of CPA Australia and a Graduate of the Australian Institute of Company Directors.

Directors at 30 June 2021

FIELD OPERATIONS

Director Area Operations Southern	Assistant Commissioner Kelly Browne AFSM
Director Area Operations Northern	Chief Superintendent Jayson McKellar AFSM (in an acting capacity)
Director Operations Support	Assistant Commissioner Stuart Midgley AFSM
Director State Operations	Assistant Commissioner Ben Millington

PREPAREDNESS AND CAPABILITY

Director Logistics and Equipment	Chief Superintendent John Parnaby
Director Build and Natural Environment	Superintendent Mathew Smith (in an acting capacity)
Director Community Risk	Assistant Commissioner Rebel Talbert
Director Training and Doctrine	Mr Paul Seager

PEOPLE AND STRATEGY

Director People and Culture	Ms Narelle Koteff
Director Strategy and Programs	Mr Anthony Bradstreet (in an acting capacity)
Director Health and Safety	Ms Lisa Chih
Director Communications and Engagement	Mr Anthony Clark

TECHNOLOGY, FINANCE AND LEGAL

Director Legal and Assurance	Ms Debbie Andreatta
Director Finance and Procurement	Mr Myles Foley
Director Information and Communications Technology and Chief Information Officer	Mr John Danson

OFFICE OF THE COMMISSIONER

Director Office of the Commissioner	Ms Renee Armstrong (in an acting capacity)
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3

YEAR IN REVIEW



Year in review

Good rainfall leading into the start of the 2020/21 fire season saw some much needed relief for NSW firefighters after the devastation of the 2019/20 fire season.

FIRE SEASON OVERVIEW 2020/21

Bush and grass fires	4,746
Area burnt	37,832 hectares
Total Fire Ban declarations	6
Section 44 declarations	0
Aircraft taskings (within NSW)	964
Search and Rescue operations	155 deployments
Interstate deployments	23 firefighters and support personnel

Fire season overview

For the NSW RFS, a large focus of operational efforts in 2020/21 was to support communities in their recovery, ensure areas were safe and to enable communities to continue the process of repairing and rebuilding from the previous fire season.

Early season rainfall saw broad areas of grass and crop growth in previously heavily drought-affected areas of NSW. November 2020 saw a period of hot and windy days requiring local responses to grass fires in these previously drought-affected areas.

The unusually wet conditions across much of 2020/21 gave rise to significant challenges in carrying out pre-season and post-season hazard reduction activities. The wet conditions persisted across 10 out of 12 months of the year, severely restricting opportunities for completing hazard reduction. In addition, the abnormal wet conditions in western parts of the state created prolific grass growth, adding a further hazard dimension not common in many of these areas.

Despite the challenges listed above, from 1 July 2020 to 30 June 2021, the NSW RFS and partner agencies successfully treated more than 176,499 hectares and protected more than 122,125 properties in NSW.

Heavy rainfall and significant storm activity in March shifted the focus to supporting the NSW SES in responding to flooding and storm damage across eastern NSW. Significant flooding occurred from the Queensland border to the South Coast of NSW and saw the NSW RFS respond to 2,950 requests for assistance, with more than 3,000 NSW members deployed, 54 aircraft tasked and 29 people rescued via helicopter.

The NSW RFS continued to provide assistance to other states during the season, with 23 NSW RFS members included in a multi-agency deployment to Western Australia in support of the clean-up efforts following Tropical Cyclone Seroja. Separate to this, the NSW RFS-owned Large Air Tanker (LAT) and a contract tanker were deployed to Western Australia and Queensland to support firefighting operations in those states.

COVID-19 response

The ongoing COVID-19 pandemic posed significant challenges to NSW RFS operations and delivery of services to communities across NSW. To address this risk to our members and operational capability, the Service stood up a COVID-19 Critical Incident Crisis Team (COVID-19 CICT) who enacted a comprehensive guidance document for operational arrangements.

This ensured best practice guidelines were in place and strictly adhered to, protecting our members from the spread of this disease. The COVID-19 CICT continued to meet throughout the outbreak to ensure that the measures in place were constantly adjusted according to NSW Health advice.

NSW RFS Operational Communications Centre personnel were, at times, split into teams across two secure sites to ensure business continuity and minimise cross contamination, ensuring the uninterrupted delivery of critical operational dispatch and communications.

To comply with NSW Health Orders and ensure the protection of our members, all Service premises had QR codes placed at the point of entry to assist with contact tracing should the need arise.

The NSW RFS State Operations Centre hosted the NSW Health COVID-19 response and co-located State Emergency Operations Centre for a period of six months, which included meetings of the NSW Government Cabinet and other senior officials.

The NSW RFS also provided ongoing support to NSW Health when our assistance was requested in various areas in NSW. This included setting up large tents and marquees at COVID-19 vaccination sites, and providing administrative, logistics and welfare support delivering hampers across Greater Sydney.

During the year the NSW RFS developed and rolled out a number of workplace initiatives to reduce the risk of the COVID-19 pandemic impacting our members and their families, other emergency services and organisations, and the communities in which we work:

- To enable COVID-safe working, the NSW RFS implemented a consistent approach to hygiene and cleaning at more than 2,000 locations across the state including brigade stations, office environments, work sites and vehicles.
- With most NSW RFS staff working from home or alternative locations, the Service increased its remote working capacity to allow staff to securely access corporate systems and maintain service delivery.
- To keep members connected to the Service, a regular live broadcast was made on the NSW RFS website and Facebook members' group. Known as NSW RFS Connect, these broadcasts enabled members to stay updated with the latest Service news and initiatives and featured interviews and live Q&A sessions with NSW RFS leaders including the Commissioner.

Response to NSW Bushfire Inquiry

Overview and funding allocation

In January 2020, NSW Premier Gladys Berejiklian announced an inquiry into the 2019/20 bush fire season to make recommendations in relation to bush fire preparedness and response.

The NSW Bushfire Inquiry report was released on 24 August 2020, with the NSW Government accepting all recommendations. The Inquiry made 76 recommendations, including a number of sub-recommendations or sub-elements requiring discrete action to implement. When all sub-recommendations are taken into consideration, there are a total of 148 recommendations requiring action. Of these, the NSW RFS is involved with approximately 79 recommendations.

The NSW Government announced an initial \$192.2 million funding package in October 2020 ahead of the 2020/21 state budget, responding to some of the urgent recommendations.

As part of this funding, the NSW RFS will spend more than \$114 million over the next five years, commencing in 2020/21, on the following initiatives:

- \$24.9 million in hazard reduction planning and audit
- \$16 million for a new first responder mental health strategy
- \$16.2 million to extend additional Mitigation crews into 2021/22
- \$15 million in additional PPC for frontline firefighters

- \$10.3 million to retrofit vehicles
- \$9.5 million to fund initial priority works for the fire trail network
- \$8.3 million on the extension of an integrated dispatch system
- \$5.4 million to enhance aerial firefighting and training facilities
- \$3.4 million for a fire behaviour and meteorological training program
- \$2.5 million for improvements to the Fires Near Me app

Additionally, in June 2021, the NSW Government released its state budget for 2021/22 which included an additional \$268 million in funding to continue to address recommendations from the Inquiry. This included:

- More than \$48 million for fleet replacement and vehicle safety retrofits for frontline firefighting agencies
- \$16 million for the continued funding of additional NSW RFS crews for hazard reduction and mitigation works
- More than \$34 million to accelerate the delivery of the strategic fire trails network
- More than \$17 million over two years to operationalise two Black Hawk helicopters and to replace an existing NSW RFS helicopter
- \$20 million over two years for NSW RFS to upgrade FCCs, Emergency Operations Centres and Station/Neighbourhood Safer Places
- Nearly \$7 million to enhance safety through fireground tracking, training and accreditation of heavy plant machinery over four years

Progress on recommendations

As at 30 June 2021, the implementation status of the 79 NSW RFS associated recommendations include:

- 24 completed
- 54 in progress
- 1 being scoped

One of the major achievements completed within the reporting period was the introduction of the *Bushfires Legislation Amendment Bill 2020* in November 2020. For more information on the Bill, see page 11.

Many of the recommendations concern areas of NSW RFS operations already being addressed by the Commissioner's priority projects (see pages 30-32 for more information). Other key highlights from recommendations completed or substantially progressed within the reporting period include:

- A further 25,000 sets of PPC being made available to NSW RFS members.



- Enhanced mental health support services were provided through the engagement of 14 psychologists across the Service, providing additional clinical care to members.
- A new aviation simulator was installed at the NSW RFS Training Academy in Dubbo and integrated into aviation training courses.
- Three NSW RFS-owned helicopters were equipped with night-vision imaging systems to allow night-time firefighting operations.
- The new Operation Protocol for Backburning was published, which outlines protocols for strategic and tactical backburning and the recording of backburn results.
- The rollout of the Australian Warning System began on 1 December 2020, with new icons introduced for Advice, Watch and Act and Emergency Warning bush fires in NSW in products such as Fires Near Me NSW.
- Updates to the Fires Near Me NSW app have introduced the display of interstate incidents within 50km of the NSW border, new user-friendly functions such as text enlargement and the introduction of fire spread prediction maps.
- An additional 100 temporary mitigation personnel were employed by the NSW RFS to support brigades, agencies and local councils with mitigation works and hazard reduction. More than 2,000km of fire breaks have been completed to date.
- A review was conducted of FCCs that managed incidents that were in areas heavily affected by fire, which included the development of a plan for upgrades or new builds.
- New Community Safety Specialists were recruited and made responsible for auditing compliance with bush fire plans and ensuring bush fire hazards are addressed.
- Fifty NSW RFS vehicles were retrofitted with UHF CB Radios, and all new NSW RFS firefighting vehicles are being fitted with UHF radios to facilitate safe and effective communication with local landholders.
- A trial of aerial dispatch was conducted in areas of high bush fire risk between December 2020 and February 2021 in Wagga Wagga, Cowra and Bankstown, and will now be expanded during the 2021/22 bush fire season to include Narrabri, Armidale, Scone and Kempsey.

Head Office realignment

In November 2020, the NSW RFS announced a realigned organisational structure for head office functions. This followed extensive feedback from members on how NSW RFS support functions were previously organised and how internal capacity could be created to improve service delivery, as well as equip the NSW RFS for the future.

Through feedback from members, a number of opportunities were identified for the NSW RFS to establish a structure that aligns existing NSW RFS roles to the most appropriate functions. These changes will better support the delivery of frontline services and respond to the significant amount of work required across the organisation as a result of the NSW Bushfire Inquiry and Royal Commission into National Natural Disaster Arrangements.

A draft Change Management Plan was released in February 2021 outlining proposed changes to structures, teams and roles across the NSW RFS, and staff members were encouraged to provide feedback about the proposed changes in a consultation process. This feedback was carefully considered, and changes to the plan were incorporated, where appropriate.

All existing ongoing staff were assigned to at-level roles in the new structure. The new structure (pictured on page 15) was implemented in a phased approach commencing 3 May 2021 and concluding with all changes in place by 30 June 2021.

In summary, the key changes across all directorates included:

- Existing sections and business units realigned to a functional structure to improve interaction and cooperation across the Service.
- Existing teams and individual roles realigned to the most appropriate place in the functional structure.
- Role title changes for consistency in naming conventions across grade, where possible, or to reflect industry standards.
- Rebalancing span of control for people manager roles where possible.



Focus on mental health

The 2019/20 fire season was the worst in our state's history. It took a devastating toll on communities across NSW, and had a significant impact on many NSW RFS members. The subsequent floods and COVID-19 pandemic then disrupted the usual way in which the Service comes together and holds recovery and support activities. In response to this, and as a result of the NSW Bushfire Inquiry and increased funding, the NSW RFS greatly expanded the mental health services offered to our members.

Following the findings of the NSW Bushfire Inquiry, the NSW Government announced \$16 million in funding to ensure all NSW RFS members can access the mental health support they need. This included the establishment of a dedicated mental health team, comprised of senior psychologists and psychologists located in each Area Command across the state.

The new roles work with the dedicated NSW RFS volunteer peer support officers and chaplains to support members and their families during incidents and oversee the rollout of proactive mental health initiatives.

The NSW RFS led a Joint Agency Initiative between NSW RFS, Fire and Rescue NSW and the NSW SES to support members impacted by the 2019/20 fire season and 2021 floods. The initiative focused on building mental health capability and championing locally-led mental health solutions. These included:

- Delivery of psychoeducation webinars on mental health and psychological fitness.
- Delivery of approximately 15 Mental Health First Aid training workshops for members.
- Established partnerships with Fortem Australia and Black Dog Institute as pathways to care.

The NSW RFS has also commenced the development of a Mental Health Strategy and Implementation Plan with a focus on building a psychologically safe and well culture for our members.

Building for the future

Building works across the state in 2020/21 were heavily focused on rebuilding facilities damaged in the previous fire season and ensuring these facilities are able to accommodate current and future staffing levels. This included reviewing current and future Area Command facilities to accommodate the 14

new psychologist roles created in response to the NSW Bushfire Inquiry.

Upgrades to facilities and operational capability were undertaken on Charmhaven (Central Coast) and Moree (Namoi/Gwydir) FCCs. Construction commenced on the Area Western Command Centre at Cowra and significant planning was provided for the development of new FCCs to be located at Tamworth and Armidale (New England), with upgraded facilities for Glen Innes (Northern Tablelands) and Cobar (Far West).

Planning also commenced in 2020/21 for new and upgraded projects such as the proposed Coffs Harbour Emergency Services Precinct and the new Aviation Centre of Excellence, to be constructed at the NSW RFS Training Academy in Dubbo. The centre will contain four aviation simulator rooms, two training rooms and additional accommodation, and will also provide training to interstate aviation firefighting personnel through the National Aerial Firefighting Centre. Construction will commence in late 2021, with the centre due to be commissioned in mid-2022.

Planning is also underway for a memorial garden at the NSW RFS Training Academy, honouring those NSW RFS members and contractors who died serving their community. The garden will feature a memorial wall displaying an honour roll, a statue of a firefighter leaning on a rakehoe and a propeller blade from a C-130 Hercules aircraft. The garden will also incorporate a large paved area for hosting memorial functions. The project is due to be completed by April 2022.

Upgrading our capability

During the reporting year, the Service undertook a comprehensive refurbishment and maintenance program to align older appliances in the NSW RFS fleet to contemporary crew safety standards. Rural suppliers across the state were engaged to implement a range of enhancements by installing ring mains, radiant heat curtains and wheel spray kits, improving lighting and upgrading the fit-out of the lockers and associated components to improve manual handling.

In addition to the refurbishment and maintenance program, the Service enhanced operational capacity with 269 newly-constructed fire appliances and vehicles and a further 134 reallocated or refurbished appliances delivered to brigades across the state.

2,090

MEMBERS RECEIVED LONG
SERVICE AWARDS IN 2020/21



The loss and devastation resulting from the 2019/20 fire season initiated detailed reviews across fleet and equipment. The NSW RFS is working closely with the Monash University Accident Review Centre (MUARC) to analyse crew protection options when subject to rollover or tree strikes during operations. The research will be completed in June 2022.

The NSW RFS added two medium helicopters (Bell 412s) to the aerial fleet in 2020/21, with the Goodman Foundation donating an additional medium helicopter (Bell 412) to increase the fleet to three Bell 412s. The Service also took delivery of two Cessna Citations in June 2021, taking the total NSW RFS fleet to three fixed wing aircraft and six helicopters. In addition, the NSW RFS had access to approximately 300 aircraft and 49 fuel trucks through state-based 'call when needed' and National Aerial Firefighting Centre (NAFC) arrangements.

The NSW RFS continues to develop a road crash rescue capability in remote areas of NSW, with considerable effort put into the training and equipping of brigades in Far Western NSW. These enhancements have seen some of the most remote communities in NSW become stronger and better able to deliver lifesaving rescue services.

In April 2021 the brigades of Louth, Euston, Pooncarie and Menindee each took delivery of a new purpose-built rescue vehicle designed to respond faster to serious motor vehicle accidents. Each of these brigades, as well as Howes Valley Brigade, completed the required training in late 2020 and hold pre-accreditation while they await final Road Crash Rescue accreditation.

Improving our infrastructure and technology

Over the course of 2020/21, the NSW RFS implemented several major technological initiatives aimed at improving operational response. These initiatives were part of the Commissioner's priority projects and included the delivery of a member availability and response system, the rollout of Computer Aided Dispatch (CAD) and the introduction of Mobile Data Terminals. For more detail on these projects, see the 'Our Priorities' section on pages 30-32.

During the reporting year, funding was secured to develop and construct prototype design options for a brigade station to also provide community support as a Neighbourhood Safer Place (NSP). This prototype would be implemented in remote bush fire prone areas that do not have a suitable existing NSP. Upgrades to relevant NSW RFS brigade stations are being planned to meet NSP guidelines, allowing for adequate asset protection zones and a protection system that provides short-term shelter from approaching fire.

The NSW RFS identified approximately 30,000km of Strategic Fire Trails across the state that require maintenance upgrades in order to continue to provide access to rural and remote properties and communities. Since November 2020, more than \$12.4m has been approved for fire trail upgrades.

The NSW RFS Radio Terminal Replacement Program (RTRP), was completed on 30 June 2021. The RTRP saw the successful rollout of some 13,000 new Motorola APX radio terminals and the design and implementation of the status panel across the NSW RFS operational fleet and facilities.

The new radio terminals enabled the introduction of a number of strategic initiatives including the rollout of Automatic Vehicle location (AVL) and digital status in areas with Government Radio Network (GRN) coverage. These initiatives have successfully been implemented across a number of critical operational systems, such as the CAD application known as 'Vision'.

The successful completion of the RTRP program will ensure the NSW RFS has fit-for-purpose radio technology able to take full advantage of new and enhanced capabilities made available through the NSW Government's Critical Communication Enhancement Program (CCEP).

In response to the 2019/20 bush fire season, a review of the Service's ICT capabilities, priorities and direction was conducted to develop a strategy and roadmap for future investments. Stakeholders from across NSW RFS were engaged throughout 2020/21 in an extensive series of workshops and interviews to develop an ICT Strategy for all of NSW RFS.

4,375

NEW MEMBER APPLICATIONS
MADE IN 2020/21



The strategy sets out three primary objectives:

1. Enhance district, brigade and community experience
2. Simplify processes and technology
3. Amplify the value of information technology

The strategy and roadmap is being used to guide technology decisions and has been progressively implemented through the Commissioner's nine priority projects and broader investment in technology.

Recognition for our members

In the 2020/21 reporting year, the NSW RFS was able to provide some overdue recognition of the brave and selfless acts of members during the unprecedented 2019/20 fire season.

Following an extension of the nomination period for awards relating to the 2019/20 fire season, more awards than usual were presented in the 2020/21 reporting period. A total of 102 commendations and citations were awarded to members on St Florian's Day in May 2021, recognising outstanding acts of bravery and meritorious service.

In September 2020, the NSW Government commissioned the NSW Premier's Bushfire Emergency Citation to recognise a person's contribution and service in the emergency response to the 2019/20 bush fires in NSW. More than 28,000 NSW RFS members were nominated for the Premier's Citation, highlighting the enormous scale of the firefighting effort across the state. Approximately 27,400 of these nominations were awarded to members during the financial year, with the remaining nominated members to be presented their awards when COVID-19 restrictions allow.

A total of 14 members also received the Australian Fire Service Medal for distinguished service, awarded at ceremonies on Australia Day and the Queen's Birthday in 2021. A further 214 NSW RFS members received the National Medal and more than 2,000 members were awarded Long Service Medals and Clasps in 2020/21.

For further details on awards, including the NSW RFS recipients of the Commissioner's Commendation for Bravery and Australian Fire Service Medal, see appendix 2.8 on page 92.

Grievance and discipline review

The NSW RFS is committed to improvement in the handling of grievance and discipline matters, and in 2020/21 commenced a review of its processes to ensure that all complaints, including those at the brigade and district level, are reported and managed appropriately. The first stage of the review sought feedback from staff and volunteers about current practices, and their ideas for a new grievance and discipline framework.

A survey was sent out to all NSW RFS members on 1 April 2021 requesting feedback. The survey closed on 26 April 2021 after receiving close to 2,500 responses from members. Ninety-four percent of respondents were volunteers or staff members who are also volunteers.

The responses provided views and ideas on how to build a better system for dealing with grievance and discipline matters. The NSW RFS provided the final report to members on 21 June 2021.

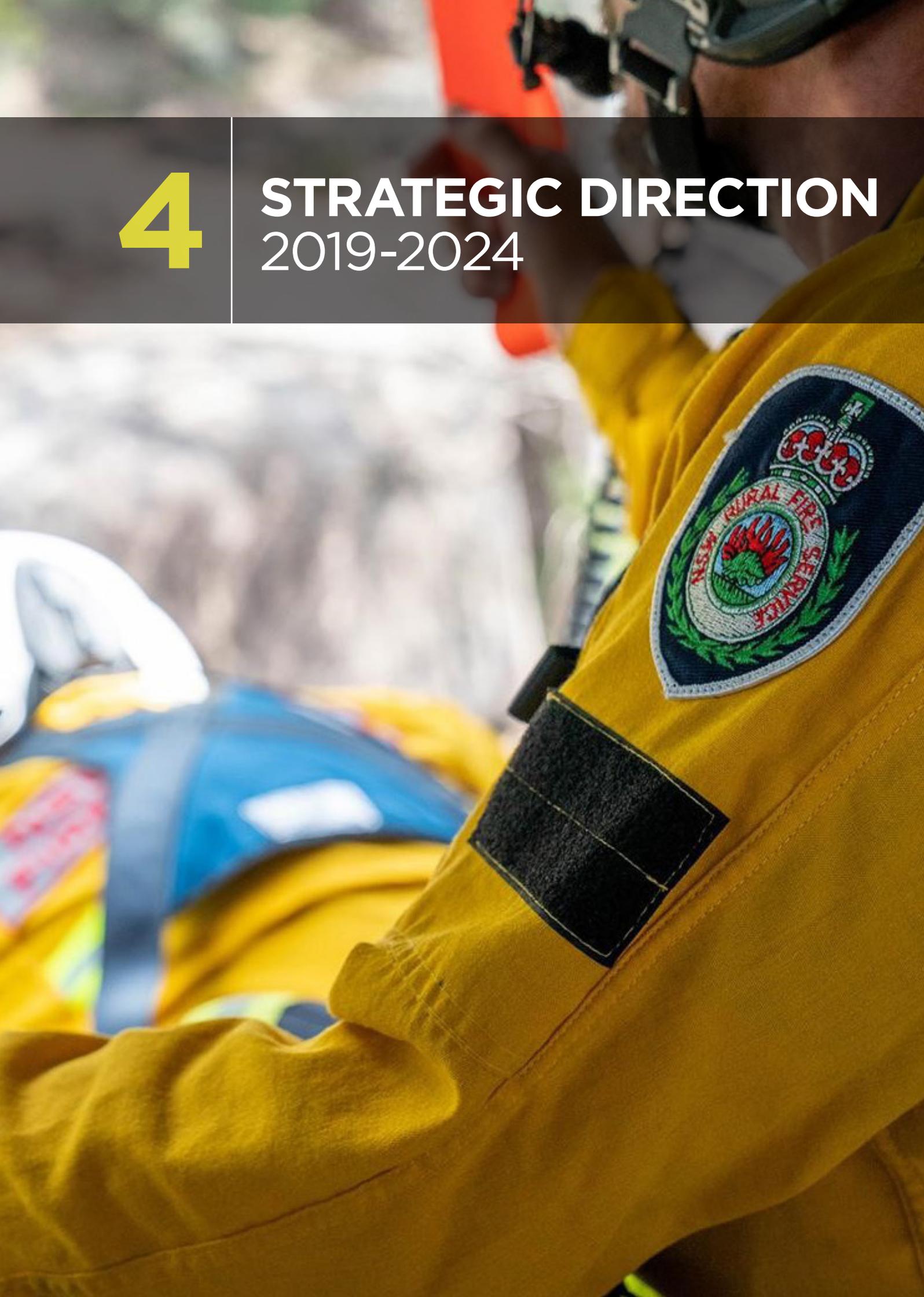
The NSW RFS also committed to examining best practice models for workplace complaints management to inform a better approach to grievance and discipline matters for the Service. This work will be completed early in the 2021/22 reporting year, with a report outlining a new conceptual approach to managing and responding to workplace complaints to be released to members. This report, along with the survey results, will inform the grievance and discipline framework for the NSW RFS.

In the interim, the NSW RFS has engaged an external law firm to undertake an independent review process relating to previous claims of serious conduct matters. The process enables members to seek a review of serious matters they reported in the past three years, where the member believes the outcome was not appropriate or that the appropriate process was not followed.

This independent review process opened on 31 May 2021 and is available to eligible current and former members until the new NSW RFS grievance and discipline processes have been implemented, after which new processes will be put into practice.

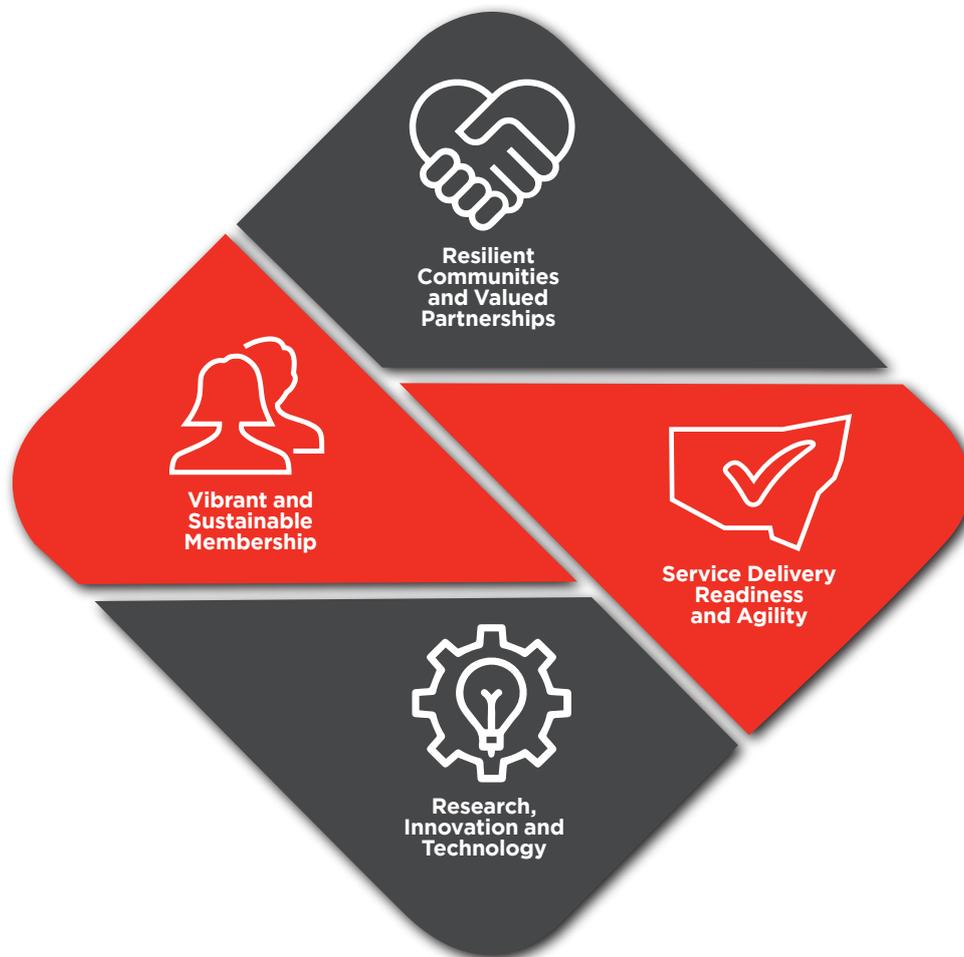
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STRATEGIC DIRECTION 2019-2024



Our Plan 2019-2024

Our Plan provides a clear direction for the NSW RFS, enabling us to achieve our vision: “to provide a world standard of excellence in the provision of a volunteer-based community fire and emergency service”. Our Plan is based on four pillars:



Vibrant and Sustainable Membership

The first pillar is our membership. Our members are our greatest and most enduring strength, and they're the very heart of the NSW RFS.

Resilient Communities and Valued Partnerships

The second pillar speaks to why we exist, and that is for the community. The people of NSW are at the very forefront of what we do. We need to ensure that our communities are ready, so that together we can provide the highest levels of safety and protection in times of need.

Service Delivery Readiness and Agility

The third pillar is about making sure we continue to provide a world class standard of service. Our fire seasons are getting much longer and more intense, and we need to be ready and able to respond.

Research, Innovation and Technology

The fourth pillar is about ensuring we explore and act on new ways of working, to make a real and positive difference to the community and our members. We need to embrace research that informs new and better ways of doing things and technology that supports better field-based capability and decision-making.

Our priorities

In May 2020, Commissioner Rogers announced nine immediate priorities for the NSW RFS for the next 12 months. These priorities are aligned with the four pillars of Our Plan and focus on the things that will make a real difference to NSW RFS members – allowing them to operate safely and effectively, connect with each other and work together to best serve the community.

These priority projects would not have been realised without the generosity of the NSW RFS and Brigades Donations Fund, which allocated more than \$70 million to these initiatives. The Service is indebted to the generosity of the community in making these important projects a reality for our Service.

Work on each of the priorities during the reporting period is outlined on the following pages.



Personal Protective Equipment – head protection



Personal Protective Equipment – respiratory protection



Member availability and response system



Mobile Data Terminals for firefighting vehicles



Integrated dispatch system



Design of fire appliances



One NSW RFS member website



Electronic membership application system



Farm fire unit integration



Personal Protective Equipment - head protection and respiratory protection

Safety of our members is paramount, and we understand that when it comes to firefighting, personal protective equipment is not only imperative – it's personal. We heard from our volunteers that it was time to reconsider head and respiratory PPE provided by the NSW RFS for use during firefighting, and we agreed. We will determine and make available the most suitable face masks, goggles and flash hoods to volunteers.

How will we know we've succeeded?

Head and respiratory PPE provided to NSW RFS members will be: evidence-based; fit-for-purpose; member supported.

Progress:

The rollout of new BR9 helmets commenced in March 2021 with a total of 21,984 helmets and 8,000 torches distributed to brigades during the reporting period. The distribution of helmets will continue in 2021/22 with more than 40,000 members to receive a new helmet by the end of 2021.

The NSW RFS engaged an occupational hygienist to deliver a research report on respiratory hazards faced by NSW RFS members from smoke. The report, finalised in March 2021, provided five preliminary recommendations that have been accepted by the NSW RFS.

A significant focus of the recommendations includes undertaking a program of research to better understand the impacts of smoke exposure upon our firefighters across the various activities they undertake. This program of research has started but will take some time to complete.

The NSW RFS has begun studies into the thermoregulatory impact of respirators and their breathing resistance, and a Request for Tender was released to provide supply of half- and full-face respirators (equipped with ABEK P3 filters) to members during 2021/22.



Member availability and response system

Our shared purpose is to protect the community and our environment by minimising the impact of fire and other emergencies. To achieve this, operational response through effective support systems is vital. With more than 70,000 members and nearly 2,000 brigades, we know that a common system for members to signal their availability to attend an incident, be called upon to attend an incident and accept the call to attend would be of great benefit. We will ensure that members have access to a standard availability and response system (where mobile phone coverage exists) that assists with seamless response to emergencies.

How will we know we've succeeded?

A member availability and response system that is: standard and accessible by all members (mobile phone app to support the paging system); live and dynamic – giving timely information on the availability and response of members to incidents; easy to use for rapid response; member supported.

Progress:

The Member Availability and Response System, known as the RFS ACTIV app, was launched on 15 December 2020. Since its release, there has been a positive uptake by NSW RFS members with more

than 24,000 members downloading the app and logging in, and more than 1,500 brigades using the app to various degrees.

Further upgrades will be made to the RFS ACTIV app as part of phase 2, commencing in late 2021.



Mobile Data Terminals for firefighting vehicles

Mobile Data Terminals (MDTs) in firefighting vehicles will be implemented to support members in operational response. Members will be able to jump in a vehicle and use a mounted MDT device to display the job they are attending, and they will have access to road and routing information. Information from the member availability and response system will show members allocated to attend, and job information in the system will automatically populate for completion of brigade incident reporting (BIRS).

How will we know we've succeeded?

Pilot MDTs in NSW RFS firefighting vehicles, establish a rollout plan to the rest of the fleet and provide MDTs that: are live and dynamic – linking information on calls, people, routing and in-field fire reporting; are easy to use for rapid response; reduce administrative burden on brigades; improve capture of member attendance at fires; are member supported.

Progress:

A number of solutions were reviewed and a proof of concept for the MDT project was established. The Service went to market to partner with an organisation to design and build MDTs and incorporate them into our vehicles. A vendor was selected following an extensive procurement process and the Service conducted detailed planning for contract negotiations, which are estimated to be finalised during the second quarter of 2021/22.

This project will continue in 2021/22, focusing on the rollout of Mobile Data Terminals.



Integrated dispatch system

We operate in a multi-agency emergency response environment in NSW, involving coordinated dispatch. Currently there are multiple dispatch systems across fire and emergency services agencies, and within the NSW RFS we store information across multiple systems to dispatch crews to emergencies. There is a real and pressing opportunity to integrate these systems for more simplified and transparent dispatch and reporting. We will implement a dispatch system that integrates with other fire agency systems and pushes data across to our internal support systems (ICON, MDTs, BIRS).

How will we know we've succeeded?

Implementation of a dispatch system which: provides seamless and automated interoperability between agencies, in particular Fire and Rescue NSW; consolidates multiple internal dispatch systems for automated information flow; provides system efficiencies able to bring more districts onto centralised dispatch; is fit-for-purpose.

Progress:

The new Computer Aided Dispatch (CAD) system successfully went live on 24 February 2021 in the Cudgong and Northern Beaches districts and was gradually rolled out to the remaining districts

on Centralised Dispatch, with all 18 of these districts transitioning to the new system by 7 April 2021. All remaining districts will move to CAD, via a phased approach, by 2023.

The computerised call receipt and dispatch system is helping to streamline the dispatch process and improve our response time by ensuring the closest, most appropriate resources are dispatched.

This is a large change for the organisation and starts to bring together a number of key priority projects including RFS ACTIV and the MDT project that is currently underway.



Design of fire appliances

Given the unprecedented circumstances of the 2019/20 fire season, in particular the tragic loss of our members and the number of vehicles badly damaged, we need to ensure the design of our fire appliances is fit-for-purpose for the future. In particular, we need to consider cabin ability to withstand tree strikes, high pressure low volume pumps, tanker protection systems and the viability and feasibility of lighter material.

How will we know we've succeeded?

Fire appliance redesign that is: evidence-based; fit-for-purpose; member supported.

Progress:

The Service engaged Monash University Accident Research Centre to conduct a review of our appliances and how we can protect our members in the event of falling objects and rollovers. The project team has commenced capturing data on significant incidents involving appliances from the last five years.

This project will continue into 2021/22 and is forecast for completion by mid-2022.



One NSW RFS member website

Now more than ever, it is apparent that timely access to information and new ways of staying connected are needed. We recognise that our members want access to relevant and up-to-date information to support them to deliver the best service to the community. We will deliver a NSW RFS member website that does just that – supports our members.

How will we know we've succeeded?

Member website that is: accessible and easy to navigate; relevant, up-to-date and informative; member supported (accessed and favoured).

Progress:

The first phase of the project, replacement of the staff intranet, was delivered in the first quarter of 2020 to around 1,000 staff, providing an opportunity to test and refine the site ahead of rollout to volunteers.

The second phase of the project was built during the second half of the reporting year, based on the feedback from members across the state, and is a complete replacement of the existing MyRFS system. At the end of 2020/21, the new website was in the final stages of content production and testing functionality for volunteers, preparing for a planned release in August 2021.



Electronic membership application system

At the heart of our Service are our members – and the first experience many of our volunteers have with us is when they look to join a brigade. We know we need a better solution to support new members to become volunteers with us and existing members to change their membership status (i.e. transfer, dual) – and which helps brigades, districts and the Service manage volunteer applications in a timely and effective manner.

How will we know we've succeeded?

eMembership application system that: provides a positive volunteer experience; streamlines the application process; allows for more timely decision making; gives better insights into applications for the brigade, the district and the Service.

Progress:

The eMembership portal was designed in collaboration with a Member Reference Group and further refined based on feedback from the Change Champions Network, consisting of brigade and district members across the Service.

The build of the new system was completed during the reporting period and is undergoing further testing and enhancements to improve the user experience, with a planned release during quarter two of 2021/22.

The eMembership system will streamline the application process for new members, and for brigades and districts as they manage applications. It will also give those involved better insights about the applications received.



Farm fire unit integration

Farmers are a critical part of the firefighting effort, and an important partner in managing and responding to the threat of fire across our landscape. We will work together to ensure farming communities are well prepared and will strengthen response communication with farm fire units to prioritise and protect important agricultural assets.

How will we know we've succeeded?

Strengthened farm fire unit integration with: good take-up of the Farm Fire Plan; shared understanding of response capabilities and priorities of farmers and farm fire units; shared in-field communication devices which better direct operational response efforts.

Progress:

Stakeholder workshops were conducted with farmers and volunteer representatives in Dubbo, Armidale and Wagga throughout 2020/21, to help establish guidelines for how farm fire units and brigades can work together during emergencies. A draft Operational Guideline was developed for landholders and brigade members, along with a draft Farm Fire Unit flyer and Commitment Strategy. Work around farmer and equipment liability and protection is also underway and will be incorporated into the Operational Guideline when finalised.

The NSW RFS is committed to ongoing engagement with the farming community and will continue to work closely together to ensure that both farmers and brigades are well prepared.

Outcomes

- ✓ Strong member engagement and sense of belonging
- ✓ Demonstrable commitment by all to a safe, respectful and inclusive workplace
- ✓ Depth of leadership talent and high confidence in leadership
- ✓ Membership capacity and capability aligned to Service needs
- ✓ Diverse membership reflective of the communities we serve
- ✓ Increasing levels of community resilience across key demographics and locations
- ✓ Increased collaboration and cooperation with the community and allied partners
- ✓ Strong corporate reputation and community confidence in service delivery
- ✓ Robust operational readiness and continuous improvement in operational performance
- ✓ Right number of resources, with the right capabilities, at the right times, at the right places
- ✓ Agile service delivery responsive to changing external influences
- ✓ Alignment of technologies to current and future services
- ✓ Technology enables better field-based capability and dynamic information and communication
- ✓ Technology enables more efficient and effective business practices
- ✓ Continuous improvement from applied research, science and business intelligence

5

ANNUAL FINANCIAL STATEMENTS 2020/21



ANNUAL FINANCIAL STATEMENTS 2020/21

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Previously, the NSW RFS Annual Report included the audited financial statements of the Bush Fire Co-ordinating Committee. For the 2020/21 financial year, under the *COVID-19 Legislation Amendment (Emergency Measures – Treasurer) Act 2020*, the *Public Finance and Audit Regulation 2015* was amended to exempt certain departments and statutory bodies from *Public Finance and Audit Act 1983* financial reporting requirements. Under this amendment, the Bush Fire Co-ordinating Committee was granted an exemption for the 2020/21 financial year.

As such, financial statements for 2020/21 for the Bush Fire Co-ordinating Committee are not presented in this year's Annual Report.



INDEPENDENT AUDITOR'S REPORT

New South Wales Rural Fire Service

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of New South Wales Rural Fire Service (the Service), which comprise the Statement by the Commissioner, the Statement of Comprehensive Income for the year ended 30 June 2021, the Statement of Financial Position as at 30 June 2021, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Summary of Significant Accounting Policies, and other explanatory information.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2018* (GSF Regulation) and the Treasurer's Directions
- presents fairly the Service's financial position, financial performance and cash flows.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Service in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

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

Commissioner's Responsibilities for the Financial Statements

The Commissioner is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulations and Treasurer's Directions. The Commissioner's responsibility also includes such internal control as the Commissioner determines is necessary to enable the preparation and fair presentation of the 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 Service's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Service carried out its activities effectively, efficiently and economically
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Lawrissa Chan
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

27 September 2021
SYDNEY



NSW RURAL FIRE SERVICE

**NSW RURAL FIRE SERVICE
FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2021**

Statement by the Commissioner

Pursuant to section 7.6(4) of the *Government Sector Finance Act 2018* ('the Act'), I state that the accompanying financial statements:

- (a) have been prepared in accordance with the Australian Accounting Standards and the applicable requirements of the Act, the *Government Sector Finance Regulation 2018* and the Treasurer's directions, and
- (b) present fairly NSW Rural Fire Service's financial position, financial performance and cash flows.

A handwritten signature in black ink, appearing to be "Rob Rogers".

Rob Rogers AFSM
Commissioner

27 September 2021

NSW RURAL FIRE SERVICE

Statement of comprehensive income for the year ended 30 June 2021

	Notes	Actual 2021 \$'000	Budget 2021 \$'000	Actual 2020 \$'000
Expenses excluding losses				
Employee related expenses	2(a)	127,477	145,058	121,695
Operating expenses	2(b)	79,411	220,693	84,693
Depreciation and amortisation	2(c)	21,659	24,759	19,075
Grants and subsidies	2(d)	193,425	248,170	588,569
Finance costs	2(e)	1,448	1,403	1,273
Other expenses	2(f)	48,193	32,433	54,229
Total Expenses excluding losses		471,613	672,516	869,534
Revenue				
Sale of goods and services	3(b)	5,280	3,082	2,379
Sale of goods and services from contracts with customers	3(b)	10,087	-	28,649
Investment revenue	3(c)	317	755	1,048
Grants and contributions	3(d)	584,242	568,305	929,705
Acceptance by the Crown of employee benefits	3(e)	520	763	459
Other income	3(f)	49,607	17,178	26,011
Total Revenue		650,053	590,083	988,251
Operating Result		178,440	(82,433)	118,717
Gain / (loss) on disposal	4	1,110	-	857
Net Result		179,550	(82,433)	119,574
Other comprehensive income				
<i>Items that will not be reclassified to net result in subsequent periods</i>				
Fair value gain / (loss) on hedging instruments	5	4	-	(647)
Total other comprehensive income		4	-	(647)
TOTAL COMPREHENSIVE INCOME		179,554	(82,433)	118,927

The accompanying notes form part of these financial statements.

Statement of financial position as at 30 June 2021

	Notes	Actual 2021 \$'000	Budget 2021 \$'000	Actual 2020 \$'000
ASSETS				
Current Assets				
Cash and cash equivalents	6,14	263,563	57,350	98,666
Receivables	7	106,145	66,585	98,283
Contract assets	8	-	-	906
Inventories	9	63,986	50,203	63,545
Total Current Assets		433,694	174,138	261,400
Non-Current Assets				
Property, plant and equipment	10			
- Land and buildings		17,372	18,309	20,630
- Plant and equipment		71,509	60,082	61,990
- Infrastructure systems		6,532	6,358	7,130
Total property, plant and equipment		95,413	84,749	89,750
Right-of-use assets	11	50,205	42,130	48,411
Intangible assets	12	10,652	23,753	9,894
Total Non-Current Assets		156,270	150,632	148,055
Total Assets		589,964	324,770	409,455
LIABILITIES				
Current Liabilities				
Payables	15	37,102	41,669	41,209
Borrowings	16	5,117	5,797	5,337
Provisions	17	42,908	45,675	43,023
Total Current Liabilities		85,127	93,141	89,569
Non-Current Liabilities				
Borrowings	16	52,549	40,352	45,990
Provisions	17	3,036	4,008	4,198
Total Non-Current Liabilities		55,585	44,360	50,188
Total Liabilities		140,712	137,501	139,757
Net Assets		449,252	187,269	269,698
EQUITY				
Cash flow hedge reserve	5	-	-	(4)
Accumulated funds		449,252	187,269	269,702
Total Equity		449,252	187,269	269,698

The accompanying notes form part of these financial statements.

NSW RURAL FIRE SERVICE

Statement of changes in equity for the year ended 30 June 2021

	Notes	Cash Flow Hedge Reserve \$'000	Accumulated Funds \$'000	Total \$'000
Balance at 1 July 2020		(4)	269,702	269,698
Net result for the year		-	179,550	179,550
Other comprehensive income for the year				
Fair value gain / (loss) on hedging instruments	5	4	-	4
Total comprehensive income for the year		4	179,550	179,554
Balance at 30 June 2021		-	449,252	449,252
Balance at 1 July 2019		643	150,128	150,771
Net result for the year		-	119,574	119,574
Other comprehensive income for the year				
Fair value gain / (loss) on hedging instruments	5	(647)	-	(647)
Total comprehensive income for the year		(647)	119,574	118,927
Balance at 30 June 2020		(4)	269,702	269,698

The accompanying notes form part of these financial statements.

NSW RURAL FIRE SERVICE

Statement of cash flows for the year ended 30 June 2021

	Notes	Actual 2021 \$'000	Budget 2021 \$'000	Actual 2020 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Employee related		(126,911)	(141,771)	(117,877)
Grants and subsidies		(193,425)	(248,170)	(588,569)
Finance costs		(1,410)	(1,403)	(1,201)
Suppliers for goods and services		(165,555)	(239,381)	(285,384)
Total Payments		(487,301)	(630,725)	(993,031)
Receipts				
Sale of goods and services		15,367	35,684	31,028
Interest received		317	755	1,048
Grants and contributions		602,073	568,305	872,470
GST receipts		34,284	-	109,929
Other		26,523	17,179	27,418
Total Receipts		678,564	621,923	1,041,893
NET CASH FLOWS FROM OPERATING ACTIVITIES	24	191,263	(8,802)	48,862
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of plant and equipment		2,202	2,000	2,103
Purchases of plant and equipment		(23,369)	(11,405)	(39,674)
Other		-	(17,000)	-
NET CASH FLOWS FROM INVESTING ACTIVITIES		(21,167)	(26,405)	(37,571)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of principal portion of lease liabilities		(5,199)	(6,108)	(5,169)
NET CASH FLOWS FROM FINANCING ACTIVITIES		(5,199)	(6,108)	(5,169)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS				
Opening cash and cash equivalents		98,666	98,665	92,544
CLOSING CASH AND CASH EQUIVALENTS	6	263,563	57,350	98,666

The accompanying notes form part of these financial statements.

1. Summary of Significant Accounting Policies

(a) Reporting Entity

The NSW Rural Fire Service (the Service) is a NSW government entity and is controlled by the State of New South Wales, which is the ultimate parent. The Service is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.

The NSW Rural Fire Service is a reporting entity and has no controlled entities.

These financial statements for the year ended 30 June 2021 have been authorised for issue by the Commissioner on 27 September 2021.

(b) Basis of Preparation

The Service's financial statements are general purpose financial statements which have been prepared on an accruals basis and in accordance with:

- applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations);
- the requirements of the *Government Sector Finance Act 2018* (GSF Act) and
- Treasurer's Directions issued under the GSF Act.

Property, plant and equipment and certain financial assets are measured using the fair value basis. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency, which is the Service's presentation and functional currency.

(c) Statement of Compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

(d) Accounting for the Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except that:

- the amount of GST incurred by the Service as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of an asset's cost of acquisition or as part of an item of expense; and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

(e) Foreign Currency Translation

Transactions in foreign currencies are recorded using the spot rate at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the end of the reporting date.

Differences arising on settlement or translation of monetary items are recognised in net result except for exchange differences on transactions related to hedging of foreign currency risks. Refer to Note 5.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (ie translation differences on items whose fair value gain or loss is recognised in other comprehensive income or net results are also recognised in other comprehensive income or net results, respectively).

NSW RURAL FIRE SERVICE

Notes to the financial statements for the year ended 30 June 2021

(f) Comparative Information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements.

(g) Changes in accounting policies, including new or revised Australian Accounting Standards

(i) Effective for the first time in 2020-21

The Service applied AASB 1059 *Service Concession Arrangements: Grantors* (AASB 1059) for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard are described below.

Several other amendments and interpretations apply for the first time in FY2020-21, but do not have an impact on the financial statements of the Service.

AASB 1059 Service Concession Arrangements: Grantors

AASB 1059 is effective for the Service from 1 July 2020. At the same time NSW Treasury Policy and Guideline Paper TPP 06-8: Accounting for Privately Financed Projects (TPP 06-8) was withdrawn effective from 1 July 2020.

Service Concession Arrangements are contracts between an operator and a grantor, where the operator provides public services related to a service concession asset on behalf of the grantor for a specified period of time and manages at least some of those services.

Where AASB 1059 applies, the grantor recognises the service concession asset when the grantor obtains control of the asset and measures the service concession asset at current replacement cost. At the same time the grantor recognises a corresponding financial liability or unearned revenue liability or a combination of both.

The Service reviewed material service arrangements with external parties and concluded that the adoption of AASB 1059 did not have an impact on the financial statements.

(ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise.

The following new Australian Accounting Standards have not been applied and are not yet effective:

- AASB 17 *Insurance Contracts*
- AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*
- AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*
- AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments*
- AASB 2020-5 *Amendments to Australian Accounting Standards – Insurance Contracts*
- AASB 2020-6 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date*
- AASB 2020-7 *Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions: Tier 2 Disclosures*
- AASB 2020-8 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2*
- AASB 2014-10 *Amendments to Australian Accounting Standards: Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture*

The initial application of these Standards will have no known material impact on the financial statements.

NSW RURAL FIRE SERVICE

Notes to the financial statements for the year ended 30 June 2021

2. Expenses Excluding Losses

	2021 \$'000	2020 \$'000
(a) Employee related expenses		
Salaries and wages (including annual leave)	105,720	100,651
Superannuation – defined benefit plans (Refer Note 26)	1,126	1,069
Superannuation – defined contribution plans	8,888	7,966
Long service leave	(566)	1,441
Workers' compensation insurance - staff	3,901	1,491
Workers' compensation insurance - staff (presumptive legislation)	3,026	3,180
Payroll tax	5,404	5,778
Fringe benefit tax	(22)	119
	<u>127,477</u>	<u>121,695</u>

The amount of employee related costs that have been capitalised, in particular property, plant and equipment or intangible asset accounts, and therefore excluded from the above is \$NIL (2020: \$NIL).

Recognition and Measurement

Workers' compensation insurance

With the exception of insurance coverage for volunteers, the Service's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for Government agencies. The expense (premium) is determined by the Fund Manager based on past claims experience.

Presumptive Legislation

On 27 September 2018, the NSW Government announced amendments to the workers' compensation legislation to reverse the onus of proof for NSW firefighters who are diagnosed with one of twelve prescribed cancers and meet minimum qualifying service periods. Firefighters diagnosed post that date are entitled to the presumption.

The *Workers Compensation Legislation Amendment (Firefighters) Act 2018* (known as the 'presumptive legislation') was assented to on 28 November 2018 to give effect to the commitment.

Under the presumptive legislation both employed and volunteer firefighters will be entitled to a presumption that any of the twelve prescribed cancers diagnosed post 27 September 2018 is a work related injury where the firefighter has met the minimum qualifying service period detailed in the Act for that type of cancer.

Premiums for insurance under both the workers' compensation policy maintained through the TMF (for staff), and the Bush Fire Fighters Compensation Fund (BFFCF) managed by iCare (for volunteers), have been adjusted to reflect the anticipated volume and value of claims from eligible firefighters.

In the case of the BFFCF, the fund is in a surplus position of \$66.5m (2020: \$43.2m). No premium was required to be paid in the current year hence no expense has been reported. In addition, as the surplus position of the fund has increased compared with the prior year, the Service has reported the increase in the receivable from iCare as Other Income of \$23.3m as described in Note 3(f).

NSW RURAL FIRE SERVICE

Notes to the financial statements for the year ended 30 June 2021

	2021 \$'000	2020 \$'000
(b) Other operating expenses include the following:		
Advertising	2,258	1,424
Audit Fees – Internal	145	32
Auditor's remuneration		
- audit of financial statements	162	149
Buildings - all outgoing	3,329	1,160
Computer software	294	1,659
Consultants	-	-
Consumables	2,999	1,646
Contractors	12,087	7,697
Electricity	325	313
Equipment – Computer	10,041	9,172
Equipment – General	2,886	22,959
Lease outgoing and management fees	1,584	1,420
Fees for service	24,202	15,000
Legal Fees	931	2,344
Maintenance *	907	273
Other Expenses	4,297	6,507
Printing and stationery	791	1,316
Staff training	858	1,471
Telephony	3,586	3,232
Travel	2,391	2,011
Vehicle operation	5,338	4,908
	79,411	84,693
<i>*Reconciliation – Total maintenance</i>		
Maintenance expense – contracted labour and other (non-employee related), as above	907	273
Employee related maintenance expense included in Note 2(a)	-	-
Total maintenance expenses included in Note 2(a) + 2(b)	907	273

Recognition and Measurement

Maintenance expense

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement or an enhancement of a part or component of an asset, in which case the costs are capitalised and depreciated.

Lease expense

The Service recognises the lease payments associated with the following types of leases as an expense on a straight-line basis:

- Leases that meet the definition of short-term. i.e. where the lease term at commencement of the lease is 12 months or less. This excludes leases with a purchase option.
- Leases of assets that are valued at \$10,000 or under when new.

Variable lease payments are not included in the measurement of the lease liability (i.e. variable lease payments that do not depend on an index or a rate, initially measured using the index or rate as at the commencement date). These payments are recognised in the period in which the event or condition that triggers those payments occurs.

NSW RURAL FIRE SERVICE

Notes to the financial statements for the year ended 30 June 2021

	2021 \$'000	2020 \$'000
(c) Depreciation and amortisation expense		
Depreciation		
Infrastructure systems	2,016	2,122
Plant and equipment	8,371	6,526
Land and buildings	1,866	2,544
Right-of-use assets	6,799	5,948
	<u>19,052</u>	<u>17,140</u>
Amortisation		
Intangibles	2,607	1,935
	<u>21,659</u>	<u>19,075</u>

Refer to Note 10, 11 and 12 for recognition and measurement policies on depreciation and amortisation.

	2021 \$'000	2020 \$'000
(d) Grants and subsidies		
Fire mitigation works	7,837	5,427
Payments for Council costs associated with rural fire fighting activities and equipment	143,202	115,920
Other grants, subsidies and donations	5,116	10,572
	<u>156,155</u>	<u>131,919</u>
Overtime/Temporary staff	6,824	22,467
Aircraft hire	7,299	255,510
Fuel	816	2,486
Plant Machinery and equipment hire	813	3,849
Heavy plant	6,143	73,074
Meals and accommodation	1,288	26,407
Other natural disaster related expenses	14,087	72,857
Emergency fund – natural disasters	37,270	456,650
	<u>193,425</u>	<u>588,569</u>

Recognition and Measurement

Rural Fire Fighting Equipment

The ownership of all firefighting equipment purchased by the Rural Fire Fighting Fund is vested in the relevant local government council. The cost of such equipment is therefore expensed by the Service in the year of purchase.

The exception to this is firefighting equipment purchased for the State Mitigation Service which is recorded on the Service's asset register and equipment that is in the nature of inventory or property, plant and equipment as described in Notes 9 and 10.

NSW RURAL FIRE SERVICE

Notes to the financial statements for the year ended 30 June 2021

	2021 \$'000	2020 \$'000
(e) Finance Costs		
Interest expense from lease liabilities	1,410	1,201
Total Interest expense	1,410	1,201
Unwinding of discount and effect of changes in discount rate on provisions	38	72
	<u>1,448</u>	<u>1,273</u>

Recognition and Measurement

Finance costs consist of interest and other costs incurred in connection with lease liabilities. Interest expenses are recognised as expenses in the period in which they are incurred, in accordance with Treasury's Mandate to not-for-profit NSW General Government Sector entities.

	2021 \$'000	2020 \$'000
(f) Other expenses		
Workers' compensation insurance – volunteers	-	3,431
Workers' compensation insurance – volunteers (presumptive legislation)	-	11,472
Public liability and other insurance	4,707	4,414
Impairment right-of-use assets	2,949	2,027
Aerial support	40,537	32,885
	<u>48,193</u>	<u>54,229</u>

Recognition and Measurement

Insurance

With the exception of insurance coverage for volunteers, the Service's insurance activities are conducted through the NSW Treasury Managed Fund (TMF) Scheme of self-insurance for Government agencies. The expense (premium) is determined by the Fund Manager based on past claims experience. Insurance coverage for volunteers is provided through the Bush Fire Fighters Compensation Fund managed by Insurance and Care NSW (iCare), with an annual premium paid.

Presumptive Legislation

Details of the presumptive legislation are explained in Note 2(a).

3. Revenue

Recognition and Measurement

Income is recognised in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities*, dependent on whether there is a contract with a customer defined by AASB 15 *Revenue from Contracts with Customers*. Comments regarding the accounting policies for the recognition of income are discussed below.

NSW RURAL FIRE SERVICE

Notes to the financial statements for the year ended 30 June 2021

(a) Special Deposit Account Revenue

Funds received by the Service form part of the Rural Fire Fighting Fund which is a Special Deposit Account (SDA) pursuant to the *Rural Fires Act 1997*. In accordance with the GSF Act, SDA's do not form part of the Consolidated Fund. Hence the Service does not receive revenue which is in the nature of deemed appropriations.

The accounting policies which outline how revenue items are recognised and measured are contained in Note 3, and expenditure items are outlined in Note 2.

	2021 \$'000	2020 \$'000
(b) Sale of goods and services from contracts with customers / Sale of goods and services		
Sale of goods	5,280	2,379
Aviation – use of contract by other agencies	10,087	28,649
	15,367	31,028

Recognition and Measurement

Sale of goods

Revenue from sale of goods is recognised as the Service satisfies a performance obligation by transferring the promised goods. The Service provides firefighting materials to other jurisdictions and recovers the direct cost of this. The Service typically satisfies its performance obligations when the goods are supplied. The payments are typically due immediately following supply when the cost is known with certainty.

Revenue from these sales is recognised based on the price specified in the contract, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as the sales are made with a short credit term. No volume discount or warranty is provided on the sale.

Rendering of services

Revenue from rendering of services is recognised when the Service satisfies the performance obligation by transferring the promised services. The Service provides firefighting services to other jurisdictions and recovers the direct cost of this. The Service typically satisfies its performance obligations when the service is provided. The payments are typically due immediately following supply.

The revenue is measured at the transaction price agreed under the contract. No element of financing is deemed present as payments are due when service is provided.

Aviation – use of contract by other agencies

This income is recognised in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers*.

	2021 \$'000	2020 \$'000
(c) Investment revenue		
Interest income	317	1,048
	317	1,048

Recognition and Measurement

Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For financial assets that become credit impaired, the effective interest rate is applied to the amortised cost of the financial asset (ie after deducting the loss allowance for expected credit losses).

NSW RURAL FIRE SERVICE

Notes to the financial statements for the year ended 30 June 2021

	2021 \$'000	2020 \$'000
(d) Grants and contributions		
Grants to acquire/construct a recognisable non-financial asset to be controlled by the Service		
Department of Justice capital grants	10,587	24,505
Grants without sufficiently specific performance obligations		
Natural disaster relief contributions	26,255	425,978
Other Commonwealth and State Government grants	2,345	4,609
Department of Justice grants:		
Recurrent grant	534,011	463,655
Capital grant	11,044	10,958
	584,242	929,705

Recognition and Measurement

Income from grants to acquire/construct a recognisable non-financial asset to be controlled by the Service is recognised when the Service satisfies its obligations under the transfer. The Service satisfies the performance obligations under the transfer to construct assets over time as the non-financial assets are being constructed. The percentage of cost incurred is used to recognise income, because this most closely reflects the progress to completion as the Services manages credit risk in supply contracts by scheduling payments to reflect milestones achieved but at the same time does not wish to place a cash flow burden on suppliers.

Natural disaster relief contributions

Natural disaster relief contributions consist of reimbursements from the Crown Disaster Relief Account for expenses incurred in relation to declared natural disasters. Natural disaster relief contributions are recognised on an accrual basis.

Rural Fire Fighting Fund contributions

Income from grants without sufficiently specific performance obligations is recognised when the Service obtains control over the granted assets (e.g. cash).

From 1 July 2017, the NSW Government is the sole contributor to the Rural Fire Fighting Fund (the contributory funding scheme in the *Rural Fires Act 1997*) via grants from the Department of Justice. Relevant councils and insurers continue to contribute towards the costs of the NSW Rural Fire Service through contributions imposed by the amended *Rural Fires Act 1997* (for councils) or the *Emergency Services Levy Act 2017* (for insurers).

Contributions are based upon a 'rural fire brigade funding target' which largely replicates the previous Rural Fire Fighting Fund calculation, and the contribution percentages are unchanged at 11.7% for Local Government and 73.7% for insurers. These contributions are now be paid to the Office of State Revenue.

In accordance with the *Rural Fires Act 1997*, any unspent grants and contributions made towards estimated rural fire brigades expenditure are to remain within the Rural Fire Fighting Fund, and adjustments are made in future years to return the funds to contributors after allowing for commitments made for future expenditure. At the reporting date there is no reliable estimate to indicate a return of funds to contributors. The Service also received volunteer services. Refer to Note 20.

NSW RURAL FIRE SERVICE

Notes to the financial statements for the year ended 30 June 2021

- (e) Acceptance by the Crown in right of the State of New South Wales ("Crown") of employee benefits

The following liabilities and/or expenses have been assumed by the Crown:

	2021 \$'000	2020 \$'000
Superannuation – defined benefit	520	459
	<u>520</u>	<u>459</u>

- (f) Other income

Sale of equipment	1,932	462
Comcover – protection of Commonwealth property	-	70
Natural disaster recoups (interstate and overseas deployments)	668	1,408
TMF hindsight premium receipts	-	-
Presumptive Legislation BFFCF surplus	23,332	-
Workers' compensation receipts	972	640
Insurance claims proceeds	3,538	8,220
Development applications	498	499
Donations	17,511	13,622
Other	1,156	1,090
	<u>49,607</u>	<u>26,011</u>

Recognition and Measurement

Sale of equipment

In accordance with section 119(4)(b) of the *Rural Fires Act 1997*, distribution of proceeds from the sale by Councils of firefighting equipment is allocated between the Service and the Councils in the same proportion as each party's contribution to the purchase of the equipment. The Service's share of such proceeds totalled \$0.099m in 2020-21 (\$0.462m in 2019-20).

Presumptive legislation BFFCF surplus

Refer to disclosure in Note 2(a).

Donations

Donations are recognised when cash is received and in accordance with the requirements of AASB1058 *Income of not-for-profit entities*. Volunteer services are excluded from donations (refer note 20).

Insurance claims proceeds

Insurance claims were in relation to fire fighting vehicles the majority of which are held by local councils and insured by the Service through the Treasury Managed Fund (TMF). In 2019-20 there was an increase in claims due to the intense and protracted level of firefighting.

4. Gain / (Loss) on Disposal

	2021 \$'000	2020 \$'000
Gain / (Loss) on disposal of plant and equipment		
Proceeds from disposal	2,202	2,103
Written down value of assets disposed	(1,092)	(1,246)
	<u>1,110</u>	<u>857</u>

5. Hedge accounting

During the year ended 30 June 2021, the Service had entered into an arrangement with TCorp to deliver US dollars at a future date in order to purchase aviation equipment.

The purpose of the hedge was to eliminate the foreign currency risk associated with the transaction, and ensure that the Australian dollar price of the transaction is known from the date that NSW Government approved the purchase.

Recognition and Measurement

As the critical terms of the hedging instruments matched those of their corresponding hedged items, all hedging relationships were effective under AASB 9's effectiveness assessment requirements. Hedges of foreign exchange risk on firm commitments were accounted for as cash flow hedges. When the hedged forecast transaction resulted in the recognition of a non-financial asset, the gains and losses previously recognised in other comprehensive income and accumulated in equity were removed from equity and included in the initial measurement of the cost of the non-financial asset (basis adjustment).

At 30 June 2021 the Service had no remaining open foreign currency hedge arrangements.

Cash flow hedge reserve

The cash flow hedge reserve represents the cumulative amount of gains and losses on hedging instruments deemed effective in cash flow hedges. The cumulative deferred gain or loss on the hedging instrument is included directly in the initial cost or other carrying amount of the hedged non-financial items (basis adjustment).

Refer to Note 25 for details regarding credit risk, liquidity risk, market risk and foreign currency risk arising from financial instruments.

6. Current Assets – Cash and Cash Equivalents

	2021 \$'000	2020 \$'000
Cash at bank and on hand	263,563	98,666
	<u>263,563</u>	<u>98,666</u>

For the purpose of the Statement of Cash Flows, cash and cash equivalents include cash at bank, cash on hand, short-term deposits and bank overdraft.

Cash and cash equivalent assets recognised in the statement of financial position are reconciled at the end of financial year to the statement of cash flows as follows:

	2021 \$'000	2020 \$'000
Cash and cash equivalents (per statement of financial position)	263,563	98,666
Closing cash and cash equivalents (per statement of cash flows)	<u>263,563</u>	<u>98,666</u>

Refer to Note 25 for details regarding credit risk, liquidity risk, market risk and foreign currency risk arising from financial instruments, and Note 14 regarding restrictions upon cash.

7. Current Assets – Receivables

	2021	2020
	\$'000	\$'000
Sale of goods and services	11,504	12,821
Less: Allowance for expected credit losses*	(46)	(40)
Other receivables	83,739	77,330
GST receivable	4,556	3,401
Prepayments	6,392	4,771
	<u>106,145</u>	<u>98,283</u>
*Movement in allowance for expected credit losses		
Balance at the 1 July	40	22
Amounts written off during the year	(14)	(1)
Amounts recovered during the year	-	-
Increase/(decrease) in allowance recognised in net result	<u>20</u>	<u>19</u>
Balance at 30 June	<u>46</u>	<u>40</u>

Details regarding credit risk, liquidity risk, market risk and foreign currency risk, including financial assets that are neither past due nor impaired, are disclosed in Note 25.

Recognition and Measurement

All 'regular way' purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

Subsequent measurement

The Service holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Impairment

The Service recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that the Service expects to receive, discounted at the original effective interest rate.

For trade receivables, the Service applies a simplified approach in calculating ECLs. The Service recognises a loss allowance based on lifetime ECLs at each reporting date. The Service has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable.

8. Contract Assets and Liabilities

	2021 \$'000	2020 \$'000
Contract assets – current	-	906
	<u>-</u>	<u>906</u>

Recognition and Measurement

Contract assets relate to the Service's right to consideration in exchange for goods transferred to customers/works completed, but not billed at the reporting date in respect of Aviation contracts extended to other jurisdictions. The balance of contract assets at 30 June 2020 was impacted by the seasonal nature and scale of the fire season.

Contract liabilities generally do not arise for the Service as consideration is not received in advance from customers in respect of Aviation contracts.

9. Current Assets – Inventories

	2021 \$'000	2020 \$'000
<i>Held for distribution</i>		
Fire fighting consumables	46,942	46,689
Personal protective and operational clothing	13,441	9,514
Mobile Radio Handsets	3,603	7,342
	<u>63,986</u>	<u>63,545</u>

The cost of inventories recognised as an expense during the period was \$27.298m (2019-20: \$61.964m).

The amount of write-downs of inventory recognised as an expense during the year was \$0.069m (2019-20: \$0.644m). The major reason for write-ups and write-downs is stocktake variances.

No inventories are pledged as security for liabilities.

Recognition and Measurement

Inventories held for distribution are stated at cost, adjusted where applicable, for any loss of service potential. A loss of service potential is identified and measured based on any loss of operating capacity due to obsolescence. Cost is calculated using the weighted average cost method.

The cost of inventories acquired at no cost or for nominal consideration is the current replacement cost as at the date of acquisition. Current replacement cost is the cost the Service would incur to acquire the asset.

Inventories are classified as current assets as it is considered probable that the inventories held at year end will be distributed within the next twelve months.

NSW RURAL FIRE SERVICE

Notes to the financial statements for the year ended 30 June 2021

10. Property, Plant and Equipment

	Land and Buildings \$'000	Plant and Equipment \$'000	Infrastructure Systems \$'000	Total \$'000
At 1 July 2019 – fair value				
Gross carrying amount	24,229	53,416	6,733	84,378
Accumulated depreciation and impairment	(3,884)	(16,218)	(2,061)	(22,163)
Net carrying amount	20,345	37,198	4,672	62,215
Year ended 30 June 2020				
Net carrying amount at start of year	20,345	37,198	4,672	62,215
Purchases	2,829	32,564	4,649	40,042
Disposals	-	(1,246)	-	(1,246)
Depreciation expense – asset owned	(2,544)	(6,526)	(2,122)	(11,192)
Reclassification	-	-	(69)	(69)
Net carrying amount at end of year	20,630	61,990	7,130	89,750
At 1 July 2020 – fair value				
Gross carrying amount	27,058	81,703	11,313	120,074
Accumulated depreciation and impairment	(6,428)	(19,713)	(4,183)	(30,324)
Net carrying amount	20,630	61,990	7,130	89,750
Year ended 30 June 2021				
Net carrying amount at start of year	20,630	61,990	7,130	89,750
Purchases	119	18,895	1,418	20,432
Disposals	(1,197)	(1,005)	-	(2,202)
Depreciation expense – asset owned	(1,866)	(8,371)	(2,016)	(12,253)
Reclassification	(314)	-	-	(314)
Net carrying amount at end of year	17,372	71,509	6,532	95,413
At 30 June 2021 – fair value				
Gross carrying amount	23,786	95,973	12,654	132,413
Accumulated depreciation and impairment	(6,414)	(24,464)	(6,122)	(37,000)
Net carrying amount	17,372	71,509	6,532	95,413

Land and buildings consists predominantly of leasehold improvements. Plant and equipment consists predominantly of motor vehicles, office equipment and plant. Infrastructure systems consists predominantly of information and communications technology equipment.

Recognition and Measurement

Acquisition of property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. the deferred payment amount is effectively discounted over the period of credit.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

Capitalisation thresholds

Plant and equipment and intangible assets costing \$5,000 and above individually (or forming a part of a network costing more than \$5,000) are capitalised.

Restoration costs

The present value of the expected cost for the restoration or cost of dismantling of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation of property, plant and equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Service.

All material identifiable components of assets are depreciated separately over their useful lives.

In accordance with AASB 116, the table below illustrates the useful life of applicable asset categories.

<u>Asset Class</u>	<u>Useful Life</u>
Infrastructure systems	3 – 10 Years
Land and buildings	Period of the Lease
Plant and equipment	3 – 20 Years

Right-of-Use Assets acquired by lessees

AASB 16 *Leases* (AASB 16) requires a lessee to recognise a right-of-use asset for most leases. The Service has elected to present right-of-use assets separately in the Statement of Financial Position.

Further information on leases is contained at Note 11.

Revaluation of Property, Plant and Equipment

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP 14-01). This policy adopts fair value in accordance with AASB 13 *Fair Value Measurement*, AASB 116 *Property, Plant and Equipment* and AASB 140 *Investment Property*.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by Government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Fair value of property plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs.

The Service does not revalue assets because the carrying value approximates fair value. The plant and equipment of the Service consists primarily of motor vehicles and ICT equipment, and as non-specialised assets with short useful lives they are measured at depreciated historical cost, which for these assets approximates fair value. The Service has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at the end of each financial year.

Impairment of property, plant and equipment

As a not-for-profit Service with no cash generating units, impairment under AASB 136 *Impairment of Assets* is unlikely to arise. As plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in the rare circumstances where the costs of disposal are material.

The Service assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Service estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

As a not for profit Service, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the revaluation surplus for the class of asset.

After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in net result and is treated as a revaluation increase. However, to the extent that an impairment loss on the same class of asset was previously recognised in net result, a reversal of that impairment loss is also recognised in net result.

11. Leases**(a) Service as a lessee**

The Service leases various commercial properties including the Headquarters, the main warehouse at Glendenning and district offices and equipment storage locations. Lease contracts are typically made for fixed periods of 5 to 10 years, but may have extension options. Lease terms are negotiated with Property NSW on an individual basis and contain a wide range of different terms and conditions. The Service also leases commercial property for ICT activity from the NSW Department of Customer Service. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. The Service does not provide residual value guarantees in relation to leases.

Extension and termination options are included in a number of property leases. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Service and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Potential future cash outflows of \$87.361m have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee. During the current financial year, there were no revisions to exercising extensions and termination options.

AASB 16 *Leases* (AASB 16) require a lessee to recognise a right-of-use and a corresponding lease liability for most leases.

NSW RURAL FIRE SERVICE

Notes to the financial statements for the year ended 30 June 2021

Right-of-use assets under leases

The following table presents right-of use assets.

	Land and Buildings \$'000
Balance at 1 July 2020	48,411
Additions	11,541
Depreciation	(6,799)
Impairment	(2,949)
Balance at 30 June 2021	<u>50,204</u>

	Land and Buildings \$'000
Balance at 1 July 2019	53,283
Additions	3,103
Depreciation	(5,948)
Impairment	(2,027)
Balance at 30 June 2020	<u>48,411</u>

Lease Liabilities

The following table presents liabilities under leases.

	2021 \$'000	2020 \$'000
Balance at 1 July	51,327	53,283
Additions	11,541	3,103
Interest Expense	1,410	1,201
Payments	(6,613)	(6,260)
Balance at 30 June	<u>57,665</u>	<u>51,327</u>

The following amounts were recognised in the statement of comprehensive income for the year ending 30 June 2021 in respect of leases where the Service is the lessee:

	2021 \$'000	2020 \$'000
Depreciation expense of right-of-use asset	6,799	5,948
Interest expense on lease liabilities	1,410	1,201
Total Amount recognised in the statement of comprehensive income	<u>8,209</u>	<u>7,149</u>

The Service had total cash outflows for leases of \$6.201m in 2020-21 (\$6.361m in 2019-20).

Recognition and measurement under AASB 16

The Service assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Service recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

(i) Right-of-use assets

The Service recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability (refer ii below), adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site.

Right-of-use assets are subsequently measured at cost. They are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Land and buildings - 5 to 12 years

If ownership of the leased asset transfers to the Service at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. The Service assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Service estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the net result.

(ii) Lease liabilities

At the commencement date of the lease, the Service recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments include:

- fixed payments (including in substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- exercise price of a purchase options reasonably certain to be exercised by the Service; and
- payments of penalties for terminating the lease, if the lease term reflects the Service exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Service's leases, the lessee's incremental borrowing rate is used, being the rate that the Service would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Service's lease liabilities are included in borrowings.

NSW RURAL FIRE SERVICE

Notes to the financial statements for the year ended 30 June 2021

(iii) Short-term leases and leases of low-value assets

The Service applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

12. Intangible Assets

	Software \$'000	Total \$'000
At 1 July 2019		
Cost (gross carrying amount)	10,254	10,254
Accumulated amortisation and impairment	(664)	(664)
Net carrying amount	<u>9,590</u>	<u>9,590</u>
Year ended 30 June 2020		
Net carrying amount at start of year	9,590	9,590
Additions (acquired separately)	2,170	2,170
Additions (internally developed)	-	-
Disposals	-	-
Amortisation (recognised in 'depreciation and amortisation')	(1,935)	(1,935)
Reclassifications	69	69
Net carrying amount at end of year	<u>9,894</u>	<u>9,894</u>
At 1 July 2020		
Cost (gross carrying amount)	12,493	12,493
Accumulated amortisation and impairment	(2,599)	(2,599)
Net carrying amount	<u>9,894</u>	<u>9,894</u>
Year ended 30 June 2021		
Net carrying amount at start of year	9,894	9,894
Additions (acquired separately)	3,365	3,365
Additions (internally developed)	-	-
Disposals	-	-
Amortisation (recognised in 'depreciation and amortisation')	(2,607)	(2,607)
Reclassification	-	-
Net carrying amount at end of year	<u>10,652</u>	<u>10,652</u>
At 30 June 2021		
Cost (gross carrying amount)	15,640	15,640
Accumulated amortisation and impairment	(4,988)	(4,988)
Net carrying amount	<u>10,652</u>	<u>10,652</u>

Recognition and Measurement

The Service recognises intangible assets only if it is probable that future economic benefits will flow to the Service and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. Following initial recognition, intangible assets are subsequently measured at fair value only if there is an active market. If there is no active market for the Service's intangible assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

All research costs are expensed. Development costs are only capitalised when certain criteria are met.

The useful lives of intangible assets are assessed as finite.

The Service's intangible assets are amortised using the straight line method over their useful lives. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period.

In accordance with AASB 138, the table below illustrates the useful life of applicable asset categories.

<u>Asset Class</u>	<u>Useful Life</u>
Software	3 – 5 Years

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

13. Fair value measurement of non-financial assets

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

A number of the Service's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13 *Fair Value Measurement*, the Service categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- **Level 1** – quoted prices in active markets for identical assets/liabilities that the Service can access at the measurement date.
- **Level 2** – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- **Level 3** – inputs that are not based on observable market data (unobservable inputs).

The Service recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Physical non-current assets measured at depreciated historical cost, which for these assets approximates fair value, do not require fair value hierarchy disclosures under AASB 13 *Fair Value Measurement*. As the Service's property, plant and equipment are non-specialised short lived assets they are valued at depreciated historical cost and not categorised against the fair value hierarchy.

Refer to Note 25 for further disclosures regarding fair value measurements of financial and non-financial assets.

14. Restricted Assets

	2021	2020
	\$'000	\$'000
Cash held as part of the Rural Fire Fighting Fund	263,563	98,666
	<u>263,563</u>	<u>98,666</u>

The Service holds funds that form the NSW Rural Fire Fighting Fund which is a special deposits account established under section 102 of the *Rural Fires Act 1997*. Funds in the Rural Fire Fighting Fund can only be expended for the purposes defined in the Act.

15. Current Liabilities – Payables

	2021	2020
	\$'000	\$'000
Accrued salaries, wages and on-costs	1,542	1,059
Accrued payables	28,669	33,180
Creditors	6,891	6,970
	<u>37,102</u>	<u>41,209</u>

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, are disclosed in Note 25.

Recognition and Measurement

Payables represent liabilities for goods and services provided to the Service and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables are financial liabilities at amortised cost, initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in net result when the liabilities are derecognised as well as through the amortisation process.

16. Current / Non-Current Liabilities - Borrowings

	2021	2020
	\$'000	\$'000
Lease liability – current (see Note 11)	5,117	5,337
Lease liability – non-current (see Note 11)	52,549	45,990
	<u>57,666</u>	<u>51,327</u>

Details regarding liquidity risk, including a maturity analysis of the above liabilities are disclosed in Note 25.

From 1 July 2019, Lease liabilities are determined in accordance with AASB 16.

NSW RURAL FIRE SERVICE

Notes to the financial statements for the year ended 30 June 2021

Changes in Liabilities arising from finance activities

	Leases \$'000	Total liabilities from financing activities \$'000
Recognised on adoption of AASB 16 1 July 2019 (see Note 11)	53,283	53,283
New leases (see Note 11)	3,103	3,103
Other (interest expense & payments, see Note 11)	(5,059)	(5,059)
30 June 2020	<u>51,327</u>	<u>51,327</u>
Balance at 1 July 2020 (see Note 11)	51,327	51,327
New leases (see Note 11)	11,542	11,542
Other (interest expense & payments, see Note 11)	(5,203)	(5,203)
30 June 2021	<u>57,666</u>	<u>57,666</u>

17. Current / Non-Current Liabilities - Provisions

	2021 \$'000	2020 \$'000
Employee benefits and related on-costs		
Annual leave	13,369	12,693
Long service leave	30,828	31,394
Provisions for Fringe Benefits Tax	35	62
	<u>44,232</u>	<u>44,149</u>
Current annual leave obligation expected to be settled after 12 months	4,144	3,935
Current long service leave obligation expected to be settled after 12 months	1,349	1,223
	<u>5,493</u>	<u>5,158</u>
Other provisions		
Restoration costs - current	25	97
Restoration costs – non-current	1,687	2,975
Total provisions	<u>45,944</u>	<u>47,221</u>
Aggregate employee benefits and related on-costs		
Provisions - current	42,883	42,926
Provisions - non-current	1,349	1,223
Accrued salaries, wages and on-costs (Note 15)	1,542	1,059
	<u>45,774</u>	<u>45,208</u>

Movements in provisions (other than employee benefits)

Movements in each class of provision during the financial year, other than employee benefits are set out below:

Other provisions	2021	2020
	\$'000	\$'000
Carrying amount at 1 July	3,072	531
Additional provisions recognised	-	2,609
Amounts used	-	-
Unused amounts reversed	(1,360)	(68)
Unwinding / change in the discount rate	-	-
Carrying amount at 30 June	1,712	3,072

Recognition and Measurement**Employee benefits and related on-costs****Salaries and wages, annual leave and sick leave**

Salaries and wages (including non-monetary benefits) and paid sick leave that are due to be settled wholly within twelve months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amount of the benefits.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the service. As such, it is required to be measured at present value in accordance with AASB 119 *Employee Benefits* (although short cut methods are permitted).

Actuarial advice obtained by Treasury has confirmed that the use of a nominal approach plus the annual leave on annual leave liability using 8.4% (2019-20: 7.9%) of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The Service has assessed the actuarial advice based on the Service's circumstances and has determined that the effect of discounting is immaterial to annual leave. All annual leave is classified as a current liability even where the Service does not expect to settle the liability within twelve months as the Service does not have an unconditional right to defer settlement.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

Long service leave and superannuation

Long service leave is measured at present value in accordance with AASB 119 *Employee Benefits*. This is based on an annual actuarial review conducted by Mercer and is considered to approximate present value.

The Service's liability for defined benefit superannuation is assumed by the Crown from 1 July 2014. The Service accounts for the liability as having been extinguished, resulting in the amount assumed being shown as part of the non-monetary revenue item described as 'Acceptance by the Crown of employee benefits'.

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (ie Basic Benefit and Aware Super) is calculated as a percentage of the employee's salary. For other superannuation schemes (ie State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employee's superannuation contributions. Further information is provided in Note 26.

Consequential on-costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax.

Other provisions

Provisions are recognised when:

- The Service has a present legal or constructive obligation as a result of a past event;
- It is probable that an outflow of resources will be required to settle the obligation; and
- A reliable estimate can be made of the amount of the obligation.

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Notes to the financial statements for the year ended 30 June 2021

When the Service expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income.

Any provisions for restructuring are recognised only when an entity has a detailed formal plan and the Service has raised a valid expectation in those affected by the restructuring that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected.

The effect of the time value of money has been assessed as immaterial.

Restoration provisions

These provisions are calculated based upon historical dismantling costs with respect to leasehold improvements, the expected timing of outflows is at the end of the lease.

18. Current / Non-Current Liabilities – Other liabilities

The Service has not entered into any lease arrangements that contain a lease incentive.

19. Equity

Accumulated Funds

The category 'Accumulated Funds' include all current and prior period retained funds.

Reserves

Separate reserve accounts are recognised in the financial statements only if such accounts are required by specific legislation or Australian Accounting Standards.

20. Volunteer Services

The operations of the Service are dependent on the services provided by volunteer firefighters. Their contributions are essential to the provision of a comprehensive, efficient and effective emergency service throughout NSW.

In accordance with AASB 1058 - *Income of Not-for-Profit Entities* contributions of services will be recognised as revenue and expense when the fair value of those services can be reliably measured, and the services would have been purchased if not donated.

The contribution and cost of volunteer services has not been recognised in the financial statements as the services donated would not be purchased. The Service does not currently purchase alternative services when volunteer numbers fluctuate.

21. Commitments

(a) Capital Commitments

Aggregate capital expenditure for the acquisition of plant and equipment and infrastructure systems contracted for at balance date and not provided for:

	2021 \$'000	2020 \$'000
Not later than one year	1,236	4,594
Later than one year and not later than five years	-	-
Later than five years	-	-
Total (including GST)	<u>1,236</u>	<u>4,594</u>

Capital commitments include goods and services tax credits of \$0.112m in 2020-21 (\$0.418m in 2019-20) that are expected to be recovered from the Australian Taxation Office.

22. Contingent Assets and Contingent Liabilities

Contingent liabilities

The Service has been made aware via preliminary NSW Environment Protection Authority (EPA) soil and water sample tests of potentially elevated readings of perfluorooctane sulfonate (PFOS) and perfluorooctanoic acid (PFOA) at a number of its sites. The Service continues to work with the EPA and is insured for any remediation work that may be required. Accordingly, the Service makes no provision this year.

At balance date the Service was a party to litigation that may result in the payment of minor amounts to settle legal claims. As the Service is insured through the Treasury Managed Fund in respect of the majority of legal claims, any residual amounts are considered to be immaterial. It is not practicable to quantify these amounts due to their nature.

Contingent liabilities associated with the Local Government Superannuation Scheme are disclosed at Note 26(b)(v).

Contingent assets

The Service has no contingent assets.

23. Budget Review

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Subsequent amendments to the original budget (e.g. adjustment for transfer of functions between entities as a result of Administrative Arrangements Orders) are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed in the financial statements are explained below.

Net result

The actual Net Result was \$262.0m more favourable than budget. The major factors are:

	\$'000
Employee related expenses were under budget by \$17.1m – \$12.1m of this has an offsetting overspend in contractor costs that are reported in other operating expenses; \$3.1m lower long service leave provision due to the actuarial estimates, \$0.8m payroll tax underspend due to the rate reduction with the balance due to higher vacancy rate and lower than budgeted fringe benefits tax.	17,581
Other operating expenses are favourable to budget by \$141.3 m - \$15.3m underspend in Fees and Services rendered and Other Expense, \$129.0 m classification difference between the annual financial statements and Treasury budget for Other Expenses (\$80.3m), Grants and Subsidies (\$60.7m) and Employee related expenses (-\$12.1m). The balance \$5.0m overspend is predominantly due to overspend in minor equipment.	141,282
Depreciation and amortisation is \$3.1m favourable to budget across all asset categories. Apart from lease related depreciation, delays in completing assets to those originally planned is the main driver for this underspend.	3,100
Grants and subsidies under budget by \$54.7m – Key contributors to this underspend are: delayed completion of projects in Local Government areas (\$90.8m); fire mitigation (\$18.2m) and delayed completion of operation communication network projects (\$15.0.m), which the Service will carry forward majority of these commitment to the following financial year. Due to a low fire season in 2020-21, the Service underspent \$8.7m on natural disaster combat operations. A classification difference	54,745

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Notes to the financial statements for the year ended 30 June 2021

between the annual financial statements and Treasury budget offsets the above favourable budget variance (\$60.7m).

Finance costs were broadly in line with Budget (45)

Other expenses over budget by \$15.8m – \$75.6m saving in Bushfire Workers compensation premium as there was no requirement to pay premium for volunteers' presumptive legislation cover due to the surplus position of the BFFCF; partially offset by \$8.1m overspend in aircraft hiring and maintenance and \$2.9m unplanned impairment expense for Right-of-use properties. A \$80.3m classification difference between the annual financial statements and Treasury budget to Other operating expenses offsets the favourable variance to budget. (15,760)

Sale of goods and services were favourable to budget by \$12.3m – mainly due to higher service related income of \$5.5m aviation contributions, \$1.7m unplanned emergency services products acquired by other agencies and \$3.7m project income 12,285

Investment revenue was under budget by \$0.4m - resulting from lower interest rate despite higher than anticipated cash balances. (438)

Grants and contributions revenue was above budget by \$15.9m – predominantly unplanned natural disaster combat operations (\$26.2m), higher Cluster Grant due to post budget date approvals (\$5.2m), partially offset by \$14.5m donation reclassified to Other Income, and lower than budgeted other State Government grants (\$1.3m). 15,937

Acceptance by the Crown of employee benefits under budget by \$0.2m – reflecting lower than budget defined benefit superannuation costs. (243)

Other Revenue was over budget by \$32.4m – predominantly due to \$23.3m increase in the BFFCF surplus based on an Icare actuarial assessment (this is in addition to the saving in other expenses as no premium was required to be paid). There is a classification difference between the annual financial statements and Treasury budget for Services provided in Sale of goods and services (-\$14.5m). A \$5.0m reduction across various income source nets of these favourable variance despite insurance proceeds and non-cash donation higher than budgeted. 32,429

Gain on disposal favourable to budget by \$1.1m – resulting from sale proceeds above expectation. 1,110

Variation from budgeted Net Result

261,983

Assets and liabilities

The actual Net Assets exceeded budget by \$262.0m. The major factors are:

\$'000

Cash and cash equivalents higher than budget by \$206.2m – primarily due to a lower than budget expenditure and higher than budget revenue as described above. Carried forward expenditure and a funding target adjustment due to the Presumptive Legislation cost underspend will reduce the future cash balance. 206,213

Receivables higher than budget by \$39.6m – predominantly due to the \$23.3m Icare receivable increase relating to the BFFCF and accrued recoveries from Resilience NSW. 39,560

Inventories is \$13.8m higher than budget due low fire activity, stocktake adjustments and donated items. 13,783

Land and Building is \$0.9m lower than budget due to release of make good provision no longer required due to lease renewal. (937)

Property, plant and equipment is \$11.4m higher than budget reflects a reclassification of actual spend from intangible assets. 11,427

Infrastructure system is broadly in line with budget. 174

NSW RURAL FIRE SERVICE

Notes to the financial statements for the year ended 30 June 2021

Right-of-use assets is above budget by \$8.1m due to updated lease assumptions regarding market rent renewals and the assumption regarding the likely exercise of lease renewal options.	8,074
Intangible assets under budget by \$13.1m – mainly due to a reclassification of actual spend to Property, plant and equipment.	(13,101)
Borrowings were \$11.5m higher due to revised lease assumptions.	(11,517)
Payables lower by \$4.5m against budget due to reduced accrued payables.	4,567
Provisions under budget by \$3.7m – predominantly due to lower than budgeted long service leave and make good provision.	3,740
Variation from budgeted Net Assets	261,983

Cash flows

The actual Closing Cash and Cash Equivalents exceeded budget by \$206.2m. The major factors are:

	\$'000
Net cash flows from operating activities higher than budget by \$200.1m – the actual premium paid for volunteers' workers compensation was nil against a budget payment of \$75.6m. In addition, there were lower than budget expenditure (to be carried forward) and higher revenue from donations.	200,065
Net cash flows from investing activities lower than budget by \$5.2m – resulting from delayed expenditure on plant and equipment with the underspend to be carried forward.	5,238
Net cash flow from financing activities lower than budget by \$0.9m – resulting from adjustments to the lease calculation assumptions.	909
Actual opening cash and cash equivalents varied from the budget estimate	1
Variation from budgeted Closing Cash and Cash Equivalents	206,213

24. Reconciliation of Cash Flows from Operating Activities to Net Result

	2021 \$'000	2020 \$'000
Net cash from operating activities	191,263	48,862
Depreciation and amortisation expense	(21,659)	(19,075)
Decrease/(increase) in provisions	314	(3,509)
Decrease/(increase) in other liabilities	-	-
Increase/(decrease) in prepayments and other assets	6,928	45,357
Increase/(decrease) in asset impairment	(2,949)	(2,027)
Increase/(decrease) in inventory	442	42,285
Decrease/(increase) in creditors	4,101	6,824
Net gain/(loss) on sale of plant and equipment	1,110	857
Decrease/(increase) in derivatives	-	-
Net result	<u>179,550</u>	<u>119,574</u>

25. Financial Instruments

The Service's principal financial instruments are outlined below. These financial instruments arise directly from the Service's operations or are required to finance the Service's operations. The Service does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

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Notes to the financial statements for the year ended 30 June 2021

The Service's main risks arising from financial instruments are outlined below, together with the Service's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

The Commissioner has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Service, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Service on a continuous basis.

(a) Financial instrument categories

Note	Category	Carrying	Carrying
		Amount	Amount
		2021	2020
		\$'000	\$'000
Financial Assets			
Class:			
Cash and cash equivalents			
6	Amortised cost	263,563	98,666
7	Loans and receivables (at amortised cost)	95,197	90,111
8	Amortised cost	-	906
Financial Liabilities			
Class:			
5	Fair value through other comprehensive income	-	4
15	Financial liabilities measured at amortised cost	35,560	39,742
16	Financial liabilities measured at amortised cost	57,666	51,327

Notes

1. Excludes statutory receivables and prepayments (ie not within the scope of AASB 7)
2. While contract assets are also not financial assets, they are explicitly included in the scope of AASB 7 for the purpose of the credit risk disclosures.
3. Excludes statutory payables and unearned revenue (ie not within the scope of AASB 7)

The Service determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

Derivatives

The Service only uses derivatives for hedging purposes and not as trading or speculative instruments.

Forward foreign exchange contracts are used to mitigate exchange rate exposure arising from firm commitments for the purchase of goods and services in foreign currency.

All forward foreign exchange contracts were designated as hedging instruments in cash flow hedges in accordance with AASB 9 *Financial Instruments*. There were no open hedge contracts at 30 June 2021.

(b) Derecognition of financial assets and financial liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the Service transfers its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- The Service has transferred substantially all the risks and rewards of the asset; or
- The Service has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control.

NSW RURAL FIRE SERVICE

Notes to the financial statements for the year ended 30 June 2021

When the Service has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. Where the Service has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of the Service's continuing involvement in the asset. In that case, the Service also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Service has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Service could be required to pay.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.

(c) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(d) Financial risks

(i) Credit risk

Credit risk arises when there is the possibility of the Service's debtors defaulting on their contractual obligations, resulting in a financial loss to the Service. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for credit losses or allowance for impairment).

Credit risk arises from the financial assets of the Service, including cash, receivables, and authority deposits. No collateral is held by the Service. The Service has not granted any financial guarantees.

Cash and cash equivalents

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on the Service's daily bank balances at the NSW Treasury Corporation (TCorp) 11am unofficial cash rate, adjusted for a management fee to NSW Treasury.

Accounting policy for impairment of trade receivables and other financial assets

Receivables – trade receivables

Collectability of trade receivables is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand.

The Service applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables (if applicable, contract assets and lease receivables).

To measure the expected credit losses, trade receivables (if applicable, contract assets and lease receivables) have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Service has identified the GDP and the unemployment rate to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables (if applicable, contract assets and lease receivables) are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others a failure to make contractual payments for a period of greater than twelve months past due.

NSW RURAL FIRE SERVICE

Notes to the financial statements for the year ended 30 June 2021

The loss allowance for trade receivables as at 30 June 2021 and 30 June 2020 was determined as follows:

	30 June 2021					Total
	Current	<30 days	30-60 days	61-90 days	>91 days	
Expected credit loss rate (%)	-	-	-	-	14.2	
Estimated total gross carrying amount	9,043	670	178	1,288	325	11,504
Expected credit loss	-	-	-	-	(46)	(46)

	30 June 2020					Total
	Current	<30 days	30-60 days	61-90 days	>91 days	
Expected credit loss rate (%)	-	-	-	-	33.6	
Estimated total gross carrying amount	12,449	-	243	10	119	12,821
Expected credit loss	-	-	-	-	(40)	(40)

Notes: The analysis excludes statutory receivables and prepayments as these are not within the scope of AASB 7. Therefore, the 'total' will not reconcile to the sum of the receivables total in Note 7 and the contract assets total in Note 8.

The Service was not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2021 and 30 June 2020. Most of the Service's debtors have a AAA credit rating.

(ii) Liquidity risk

Liquidity risk is the risk that the Service will be unable to meet its payment obligations when they fall due. The Service continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and other advances.

The Service has a financing facility still required and available through NSW Treasury Corporation to facilitate cash flow until statutory contributions are received. During the year there were no borrowings. The Service has NSW Treasury approval to borrow a maximum of \$30.0m.

A cheque cashing facility of \$0.01m and a transaction negotiation authority of \$30.0m are held with the Government's banker, Westpac Banking Corporation, to facilitate routine transactions. A credit card facility of \$10.0m is held with the Government's credit card provider Citibank.

During the current and prior years, there were no defaults on any loans payable. No assets have been pledged as collateral. The Service's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11-12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Head of an authority (or a person appointed by the Head of an authority) may automatically pay the supplier simple interest. The rate of interest applied during the year was 8.01% (2019-20: 8.89%).

No interest was paid to suppliers in 2020-21 (\$Nil 2019-20).

NSW RURAL FIRE SERVICE

Notes to the financial statements for the year ended 30 June 2021

The table below summaries the maturity profile of the Service's financial liabilities, together with the interest rate exposure

Maturity analysis and interest rate exposure of financial liabilities

	Weighted Average Effective Int. Rate	Interest Rate Exposure			Maturity Dates			
		Nominal Amount ¹	Fixed Interest Rate	Variable Interest Rate	Non- Interest Bearing	<1 year	1-5 years	> 5 years
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2021								
Payables	Nil	35,560	-	-	35,560	35,560	-	-
Lease Liabilities		57,666		57,666	-	5,117	52,549	
		<u>93,226</u>	<u>-</u>	<u>57,666</u>	<u>35,560</u>	<u>40,677</u>	<u>52,549</u>	<u>-</u>
2020								
Payables	Nil	39,742	-	-	39,742	39,742	-	-
Lease Liabilities		51,327		51,327	-	5,337	45,990	
		<u>91,069</u>	<u>-</u>	<u>51,327</u>	<u>39,742</u>	<u>45,079</u>	<u>45,990</u>	<u>-</u>

Notes:

¹. The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Service can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to statement of financial position.

NSW RURAL FIRE SERVICE

Notes to the financial statements for the period ended 30 June 2021

(iii) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Other than in relation to the purchase of aircraft (refer below and to Note 5), the Service has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Service operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position reporting date. The analysis is performed on the same basis as for 2019. The analysis assumes that all other variables remain constant.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Exposure to interest rate risk arises primarily through the Service's interest bearing liabilities. The Service does not account for any fixed rate financial instruments at fair value through profit or loss or as at fair value through other comprehensive income. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The following table demonstrates the sensitivity to a reasonably possible change in interest rates.

	Carrying Amount \$'000	-1% Profit \$'000	Equity \$'000	1% Profit \$'000	Equity \$'000
2021					
<i>Financial assets</i>					
Cash and cash equivalents	263,563	(2,636)	(2,636)	2,636	2,636
Receivables	95,197	(952)	(952)	952	952
<i>Financial liabilities</i>					
Payables	35,560	356	356	(356)	(356)
Borrowings (Lease Liabilities)	57,666	577	577	(577)	(577)
2020					
<i>Financial assets</i>					
Cash and cash equivalents	98,666	(987)	(987)	987	987
Receivables	90,111	(901)	(901)	901	901
<i>Financial liabilities</i>					
Payables	39,742	397	397	(397)	(397)
Borrowings (Lease Liabilities)	51,327	513	513	(513)	(513)

(iv) Foreign currency risk

The Service manages its foreign exchange risk by entering into forward exchange contracts in accordance with risk management policies. The foreign exchange risk related to the principal amount of overseas purchase commitments made, that are dominated in US dollars have been fully hedged using forward contracts that will mature on the same dates as the forecast purchase payments are due. These contracts are designated as cash flow hedges.

The Service had no open hedge contracts at 30 June 2021.

(e) Fair value compared to carrying amount

Financial instruments are generally recognised at cost. The amortised cost of financial instruments recognised in the statement of financial position approximates the fair value because of the short term nature of many of the financial instruments.

26. Superannuation – Defined Benefit Plans

(a) NSW Government Defined Benefit Superannuation Schemes

The Crown assumed responsibility for the closed NSW public sector superannuation schemes on 1 July 2014. The Service accounts for the liability as having been extinguished, resulting in the amount assumed being shown as part of the non-monetary revenue item described as 'Acceptance by the Crown of employee benefits'.

(b) The Local Government Superannuation Scheme

Fund Information

The Service has a number of employees who are members of the Local Government Superannuation Scheme Pool B (the Scheme) as a result of the transfer of local government employees to the Service.

The Scheme consists of three Divisions. Division B and Division C comprise of both a defined benefit component and a defined contribution component, whilst Division D is a defined benefit scheme. All divisions are closed to new members, except for members of eligible entities who can transfer their entitlements into the Scheme.

The Scheme is deemed to be a "multi-employer defined benefit plan" for the purpose of AASB 119 as:

- Assets are not segregated within the sub-group according to the employees of each sponsoring employer;
- The contribution rates have been the same for all sponsoring employers. That is, contribution rates have not varied for each sponsoring employer according to the experience relating to the employees of that sponsoring employer;
- Benefits for employees of all sponsoring employers are determined according to the same formulae and without regard to the sponsoring employer; and
- The same actuarial assumptions are currently used in respect of the employees of each sponsoring employer.

Given the factors set out above, each sponsoring employer is exposed to the actuarial risk associated with current and former employees of other sponsoring employers and hence shares in the associated gains and losses (to the extent that they are not borne by members). As such, there is insufficient reliable information to allow each sponsoring employer to account for its proportionate share of the defined benefit obligation, sub-group assets and costs associated with the sub-group in the same way as it would for a single employer sponsored defined benefit plan.

As a result, the Service accounts for the Scheme as a defined contribution plan.

(i) Funding arrangements

Pooled employers are required to pay standard employer contributions and additional lump sum contributions to the Scheme.

The future service employer contributions were determined using the new entrant rate method under which a contribution rate sufficient to fund the total benefits over the working life-time of a typical new entrant is calculated. The current standard employer contribution rates, which applied to both 2020-21 and 2019-20, are:

- Division B - 1.9 times member contributions for non 180 point members and nil for 180 point members*;
- Division C - 2.5% salaries; and
- Division D - 1.64 times member contributions.

* For 180 point members, employers are required to contribute 7% of salaries to these members' accumulation accounts for the year ending 30 June 2021 (increasing to 7.5% in line with the increase in the Superannuation Guarantee), which are paid in addition to members' defined benefits.

The past service contribution for each Pooled Employer is a share of the total past service contributions of \$40.0m per annum for 1 July 2019 to 30 June 2021, apportioned according to each employer's share of the

NSW RURAL FIRE SERVICE

Notes to the financial statements for the period ended 30 June 2021

accrued liabilities as at 30 June 2019. These past service contributions are used to maintain the adequacy of the funding position for the accrued liabilities. The adequacy of contributions is assessed at each triennial actuarial investigation and monitored annually between triennials.

(ii) Liability for other entities obligations

Each sponsoring employer is exposed to the actuarial risks associated with current and former employees of other sponsoring employers and hence shares the associated gains and losses.

However, there is no relief under the Scheme's trust deed for employers to walk away from their obligations. Under limited circumstances an employer may withdraw from the plan (ie when there are no active members and on full payment of outstanding additional contributions). There is no provision for allocation of any surplus which may be present at the date of withdrawal of the entity.

(iii) Allocation of deficit or surplus

There are no specific provisions under the Scheme's trust deed dealing with a deficit or surplus on wind up of the Scheme.

There is no provision for allocation of any surplus which may be present at the date of withdrawal of an employer.

(iv) Expected contributions

The expected standard employer contributions for the next financial year are \$0.487m (2019-20: \$0.631m).

(v) Deficit or surplus of the Scheme

The estimated employer reserves financial position for the pooled employers is:

	30 June 2021		30 June 2020	
	\$'000	Asset Coverage	\$'000	Asset Coverage
Assets	2,620,500	N/A	1,695,200	NA
Past service liabilities	2,445,600	107.2%	1,773,200	95.6%
Vested benefits	2,468,700	106.2%	1,757,500	96.5%

Note: employer reserves only. Excludes member accounts and reserves in both assets and liabilities.

The key economic long term assumptions used to calculate the present value of accrued benefits are:

	2021	2020
Investment return	5.75% per annum	5.75% per annum
Salary inflation*	3.5% per annum	3.5% per annum
Increase in CPI	2.5% per annum	2.5% per annum

* Plus promotional increases

The contribution requirements may vary from the current rates if the overall sub-group experience is not in line with the actuarial assumptions in determining the funding program; however, any adjustment to the funding program would be the same for all sponsoring employers in the pooled employers group.

The Service has a contingent liability with respect to the deficit in the Scheme which it needs to continue to pay in future periods, and it is currently estimated at \$0.327m (2019-20: \$0.334m).

(vi) Participation in the Scheme

The Service has an estimated percentage representation of the Scheme at 30 June 2021 of 0.82% (2019-20: 0.83%).

NSW RURAL FIRE SERVICE

Notes to the financial statements for the period ended 30 June 2021

27. Related party disclosures

The Service's key management personnel comprise the holders of five positions being that of the Commissioner and four key direct reports, at the date of this report being two Executive Directors and two Deputy Commissioners with compensation as follows:

	2021 \$'000	2020 \$'000
Short-term employee benefits:		
Salaries	1,774	1,631
Other monetary allowances	-	-
Non-monetary benefits	34	62
Other long-term employee benefits	-	-
Post-employment benefits	124	112
Termination benefits	-	-
Total compensation	<u>1,932</u>	<u>1,805</u>

During the year, the Service did not enter into transactions with key management personnel, their close family members or controlled or jointly controlled entities of key management personnel.

During the year, the Service entered into transactions with entities that are controlled or jointly controlled by the Service's ultimate parent, being the NSW Government.

Significant income transactions included grants and contributions from the NSW Department of Justice representing the NSW Government statutory contribution to the Rural Fire Fighting Fund required by the *Rural Fires Act 1997*.

Significant expenditure transactions included payments to the NSW Self Insurance Corporation for insurance premiums, including presumptive legislation premiums 2020-21: \$11.635m (2019-20 \$72.288m), NSW Government Telecommunications Authority for radio network fees 2020-21: \$20.816m (2019-20: \$13.165m) and Government Property NSW for leasehold rent and make good payments 2020-21: \$7.689m (2019-20: \$7.372m).

At 30 June 2021 a receivable was due from Department of Justice amounting to \$16.067m (2019-20: \$32.602m) for expenses recoverable under the Natural Disaster Relief and Recovery Arrangements. Additionally, at 30 June 2021, a receivable was due from iCare amounting to \$66.559m (2019-20: receivable \$43.235m) relating to workers' compensation contributions for volunteers.

28. Events after the Reporting Period

There are no events which occurred after the reporting period which affect the financial statements.

End of audited financial statements

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APPENDICES



Photo by James Morris

APPENDICES

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APPENDIX 1 – OPERATIONS, PREPAREDNESS AND CAPABILITY

1.1 Incidents

INCIDENTS 2020/21

Bush, grass and forest fires attended by NSW RFS	4,746
Structural fires	1,321
Motor vehicle fires	1,835
Motor vehicle accidents	4,836
Investigation	3,624
Refuse fires	497
Spillages	778
Assist other agencies	1,893
Flood and storm	148
People rescued – general land/road/helicopter (bush fire and flood)	57
Other incidents	3,150
TOTAL	22,885

INCIDENTS: FOUR-YEAR VIEW

	2017/18	2018/19	2019/20	2020/21
Bush, grass and forest fires attended by NSW RFS	10,036	9,675	9,112	4,746
Structural fires	1,283	1,514	1,316	1,321
Motor vehicle fires	1,886	2,137	1,659	1,835
Motor vehicle accidents	4,681	5,496	4,239	4,836
Investigation	3,941	4,499	4,126	3,624
Controlled burns/pile burns (RFDs)	2,623	2,688	2,340	2,642
Refuse fires	676	659	592	497
Spillages	748	960	661	778
Assist other agencies	1,353	1,845	1,480	1,893
Flood and storm	52	144	128	148
Rescue	5	2	53	57
Other incidents	2,242	3,171	3,157	3,150
Totals	26,903	30,102	26,523	22,885

NOTES

1. The figure of total bush and grass fires refers to the incidents in which the NSW RFS responded.
2. Controlled burns/pile burns are not included in the total incidents figure.

1.2 New and renovation builds

NUMBER OF NEW AND RENOVATION BUILDS IN 2020/21

AREA	NEW		RENOVATION	
	FIRE CONTROL CENTRES	BRIGADE STATIONS	FIRE CONTROL CENTRES	BRIGADE STATIONS
Greater Sydney	0	0	0	0
Hunter	0	1	1	8
North Eastern	0	0	1	7
North Western	1	4	0	6
South Eastern	0	7	2	4
South Western	0	7	2	4
Western	1	8	0	12
TOTAL	2	27	6	41

1.3 Vehicles, boats and aircraft

TOTAL OPERATIONAL VEHICLES, BOATS AND AIRCRAFT 2020/21

VEHICLES	HUNTER ¹	NORTH EASTERN	NORTH WESTERN	GREATER SYDNEY	SOUTH EASTERN	SOUTH WESTERN	WESTERN	TOTAL
Tankers	439	419	482	393	591	646	887	3,857
Pumpers	23	3	1	25	8	4	5	69
Personnel transport and Command vehicles	121	90	54	274	124	74	143	880
Bulk water carriers	12	1	2	12	6	13	4	50
All general purpose trailers and miscellaneous vehicles	136	91	192	225	115	285	287	1,331
Communications vehicles and dedicated communications trailers	3	1	7	8	5	4	4	32
Catering vehicles and dedicated catering trailers	24	11	2	25	12	12	7	93
Marine craft	6	0	0	15	2	1	0	24
Aircraft								9
TOTAL	764	616	740	977	863	1,039	1,337	6,345

1. The Lower North Coast District moved from North Eastern to Hunter Area Command in 2020/21, producing a significant variance in figures when compared to 2019/20

NUMBER OF NEW, REALLOCATED AND REFURBISHED VEHICLES DELIVERED TO BRIGADES IN 2020/21

VEHICLE CATEGORY	STYLE	NEW FIRE APPLIANCES	NEW GROUP OFFICER, COMMAND OR TRANSPORT VEHICLES	REFURBISHED APPLIANCES	REALLOCATED (SECOND HAND APPLIANCE PROGRAM)
Category 1 Tanker	Dual Cab	67	-	40	31
Category 1 Tanker	Grasslands	11	-	-	3
Category 6 Tanker	Grasslands	10	-	-	-
Category 7 Tanker	Grasslands Dual Cab	26	-	-	10
Category 7 Tanker	Grasslands Single Cab	20	-	-	8
Category 9	First Response Unit	69	-	-	31
Category 10	Urban Pumper	6	-	-	3
Category 12 and 16	Transport/ Group Officer/ Command	-	45	-	8
Category 13	Bulk Water Carrier	4	-	-	-
Category 17	Logistics	7	-	-	-
Category 20	Road Crash Rescue	4	-	-	-
TOTAL		224	45	40	94

1.4 Bush Fire Community Protection: Properties Protected Report

Location	Number of works planned	Number of works completed	Proportion of works completed vs planned %	Number of properties covered by completed works	Value of properties covered by completed works \$M
Total bush fire protection works	19,019	15,149	79.7%	196,905	\$99,405
Total programmed hazard reduction works	10,042	7,358	73.3%	122,125	\$53,735
Bush fire hazard complaints	1,960	1,780	90.8%	1,577	\$693.9
Private land hazard reduction certificates	370	346	93.5%	674	\$296.6
Development control assessments	5,606	4,806	85.7%	54,192	36,611.5
Community education programs	1,041	859	82.5%	18,337	\$8,068.3

NOTES

1. The 'Total programmed hazard reduction works' data set is derived from the Bushfire Risk Information Management System (BRIMS) records as at 2 August 2021.
2. The 'Number of works planned' data set is comprised of activities with a scheduled or completed date occurring during 2020/21.
3. The 'Number of works completed' data set comprises activities with a completion date occurring during 2020/21.
4. The 'Value of properties covered by completed works' uses a standard property value of \$440,000 per property which was sourced from a published paper (McAneney K.J. 2005).
5. The planned works for hazard complaints comprise the complaints received in this reporting period and the carryovers.
6. The planned works for DAs comprise the DAs received in this reporting period and the carryovers.

HAZARD REDUCTION

1.5 Number of properties protected by hazard reduction works

PROPERTIES PROTECTED BY AGENCY

Agency	Number of properties protected
Department of Planning, Industry and Environment (Crown Lands)	22,777
Local Government Authority	36,646
NSW National Parks and Wildlife Service	30,747
Other	1,138
Forestry Corporation of NSW	254
Fire and Rescue NSW	1,001
NSW Rural Fire Service	29,562
Total	122,125

COMPLETED HAZARD REDUCTION AREAS SUMMARY BY TENURE AND METHOD

Land tenure	Burning (ha)	Mechanical (ha)	Other (ha)	Total (ha)
Australian Rail Track Corporation	3.66	62.21	0.00	65.87
Catchment Authority	80.40	0.00	0.00	80.40
Commonwealth	0.00	0.72	0.00	0.72
Department of Planning, Industry and Environment (Crown Lands)	1,559.14	2,822.41	50.69	4,441.63
Local Government Authority	553.11	6,399.25	1,238.44	8,190.80
NSW National Parks and Wildlife Service	53,144.95	2,822.41	0.00	55,967.36
Other	8,251.36	241.49	29.42	8,522.27
Private	88,852.34	593.24	8.31	89,453.89
RailCorp	7.88	28.65	0.00	36.53
Roads and Maritime Services	0.00	158.87	0.00	158.87
Forestry Corporation of NSW	9,505.70	29.65	45.48	9,580.83
Total	161,958.54	13,168.29	1,372.34	176,499.17

NOTE: The total hazard reduction areas on land tenures exclude 68.43 hectares by grazing means.

HAZARD REDUCTION UNDERTAKEN BY THE NSW RFS

While not a land management agency, members of the Service contribute significantly to hazard reduction activities in support of land management agencies and private property owners. During the reporting year, the NSW RFS undertook 807 hazard reduction works comprising approximately 6,062 hectares and protecting a total of 29,562 assets with a value of \$13.0 billion (based on median insurance house and contents value in Sydney 2004 - McAneney K.J. 2005).

HAZARD REDUCTION

HAZARD REDUCTION CERTIFICATES ISSUED

(Streamlined environmental approval of hazard reduction – pursuant to section 100F and 100G)

Certificate issuing agency	Number issued	% of total
Department of Planning, Industry and Environment (Crown Lands)	198	11.89%
Local Government Authority	347	20.84%
NSW National Parks and Wildlife Service	-	-
NSW Rural Fire Service	1,086	65.23%
Other	34	2.04%
Total	1,665	100%

HAZARD COMPLAINTS RECEIVED

Land tenure	Complaints received	% of total
Private Land	976	57.38%
Council Land	497	28.98%
State Government Land	166	9.76%
Commonwealth Land	-	0.00%
Australian Rail Track Corporation Land	4	0.23%
To be determined	62	3.6%
Total	1,701	100%

INSPECTIONS, FORMAL NOTICES AND ENFORCEMENT WORKS

Number of hazard complaints inspections undertaken	Number of formal notices issued under Section 66 of the Act	Enforcement works undertaken under Section 70 of the Act
1,790	46	1

PERMITS ISSUED UNDER THE RURAL FIRES ACT 1997

Permits issued by	Number issued	% of total
Fire and Rescue NSW	1,949	7.77%
NSW Rural Fire Service	23,137	92.23%
Total	25,086	100%

APPENDIX 2 – PEOPLE AND STRATEGY

2.1 Salaried and volunteer members

	2021	2020	2019	2018
Full-time equivalent (FTE) positions*	1,059	965	936	911
Headcount at Census*	1,079	998	965	948
Volunteer members	75,354	76,319	71,234	72,491

* This report is based on the Workforce Profile Report submitted to the Public Service Commission.

2.2 Executive remuneration

Senior executives	2021		2020		2019	
	Female	Male	Female	Male	Female	Male
Band 4	0	0	0	0	0	0
Band 3	0	1	0	1	0	1
Band 2	1	4*	1	3	2^	3
Band 1	6	12**	5	10#	5	11^
Totals	7	17	6	14	7	15
	24		20		22	

* This figure indicates one PSSE at Band 2 on leave pending retirement.

** This figure indicates one PSSE at Band 1 on leave pending retirement and one PSSE at Band 1 on secondment to another agency.

This figure indicates one PSSE at Band 1 on leave pending retirement at the time of reporting for the 2019/20 Annual Report.

^ These figures indicate one PSSE at Band 1 and one PSSE at Band 2 on leave pending retirement at time of reporting for the 2018/19 Annual Report.

Band	2021 Range (\$)	Average Remuneration (\$)		
		2021	2020	2019
Band 4	487,051-562,650	-	-	-
Band 3	345,551-487,050	450,012	403,905	439,015
Band 2	274,701-345,550	313,825	310,151	310,326
Band 1	192,600-274,700	222,588	227,952	220,723

NOTE: 3.76% of NSW RFS employee-related expenditure in 2021 was related to senior executives, compared with 4.62% in 2020 and 5.44% in 2019.

2.3 Membership applications

	2021	2020	2019	2018
New member applications	4,375	8,494	3,701	4,416
(includes junior member applications)	(333)	(795)	(400)	(356)

2.4 Workforce diversity

Trends in the representation of staff within Workforce Diversity Groups

Workforce Diversity Group	Benchmark/ target	2021	2020	2019
Women	50%	35%	35.7%	34.6%
Aboriginal people and Torres Strait Islanders	3.3%	4.3%	3.9%	2.9%
People whose first language spoken as a child was not English	23.2%	4.3%	4.9%	5.5%
People with a disability	5.6%	4.8%	5.0%	5.6%
People with a disability requiring work-related adjustment	N/A	2.0%	1.9%	2.2%

NOTES

1. The benchmark of 50% for representation of women across the sector is intended to reflect the gender composition of the NSW community.
2. The NSW Public Sector Aboriginal Employment Strategy 2014-17 introduced an aspirational target of 1.8% by 2021 for each of the sector's salary bands. If the aspirational target of 1.8% is achieved in salary bands not currently at or above 1.8%, the cumulative representation of Aboriginal employees in the sector is expected to reach 3.3%.
3. A benchmark from the Australian Bureau of Statistics (ABS) Census of Population and Housing has been included for people whose first language spoken as a child was not English. The ABS Census does not provide information about first language, but does provide information about country of birth. The benchmark of 23.2% is the percentage of the NSW general population born in a country where English is not the predominant language.
4. In December 2017 the NSW government announced the target of doubling the representation of people with a disability in the NSW public sector from an estimated 2.7% to 5.6% by 2027. The benchmark for "people with a disability requiring work-related adjustment" was not updated.

2.4 Workforce diversity (cont.)

Trends in the distribution of staff within Workforce Diversity Groups

Workforce Diversity Group	Benchmark/ target	2021	2020	2019
Women	100	102	99	96
Aboriginal people and Torres Strait Islanders	100	79	84	83
People whose first language spoken as a child was not English	100	114	114	106
People with a disability	100	105	105	102
People with a disability requiring work-related adjustment	100	111	N/A	120

NOTES

1. A Distribution Index score of 100 indicates that the distribution of members of the Workforce Diversity group across salary bands is equivalent to that of the rest of the workforce. A score less than 100 means that members of the Workforce Diversity group tend to be more concentrated at lower salary bands than is the case for other staff. The more pronounced this tendency is, the lower the score will be. In some cases, the index may be more than 100, indicating that members of the Workforce Diversity group tend to be more concentrated at higher salary bands than is the case for other staff.
2. The Distribution Index is not calculated when the number of employees in the Workforce Diversity group is less than 20 or when the number of other employees is less than 20.

2.5 Public Interest Disclosures (PID)

The table below provides the information that is mandatory for the NSW RFS to include in the Annual Report in accordance with the *Public Interest Disclosures Act 1994* and the *Public Interest Disclosures Regulation 2011*.

	Made by public officials performing their day to day functions	Under statutory or other legal obligation	All other PIDs
Number of public officials who made PIDs directly	0	0	9
Number of PIDs received	0	0	11
<i>Of PIDs received, number primarily about:</i>			
Corrupt conduct	0	0	11
Maladministration	0	0	0
Serious and substantial waste	0	0	0
Government information contravention	0	0	0
Local government pecuniary interest contravention	0	0	0

Number of PIDs finalised	3
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Additional information	Response
Does NSW RFS have an internal reporting policy?	Yes. NSW RFS Service Standard 1.1.30 <i>Public Interest Disclosures</i> revised and published 19 July 2019.
Has head of agency taken actions to meet staff awareness obligations?	Publication of Service Standard 1.1.30 on the public website, intranet and MyRFS. Public Interest Disclosures is a component of the Code of Conduct and Ethics Training provided to staff and senior volunteers.

2.6 Reported injuries and registered workers compensation claims

Injury type	Reported Injuries			Workers compensation claims	
	Volunteer member	Salaried member	Non NSW RFS personnel	Volunteer member	Salaried member
Allergic reaction	4	5	0	0	2
Breathing difficulties	12	2	0	4	6
Burn - fire related	3	1	0	4	0
Burn - not fire related (e.g. scald)	3	1	1	0	0
Exposure only (no known illness)	31	8	1	0	0
Faint/dizziness/collapse	7	5	1	0	1
Fatality	1	0	0	1	0
Foreign body	6	2	0	0	2
Fracture	7	2	0	7	2
Head injury/concussion	3	0	0	3	0
Heart related	5	2	0	8	2
Heat/hydration issue	8	0	0	0	1
Minor wound (e.g. cuts, grazes, bruising)	130	66	2	28	12
Major wound (e.g. amputation, internal damage)	1	1	0	1	0
Muscle/tendon strain/dislocation	112	49	1	74	24
Nausea/vomiting/diarrhoea	49	2	0	3	0
Psychological	15	10	0	20	9
Other/multiple injuries	49	13	4	52	11
Cancer (claims lodged)	13	0	0	24	2
TOTAL	459	169	10	229	74
GRAND TOTAL	638			303	

NOTE: There were no prosecutions under the *Work Health and Safety Act 2011* in the reporting period.

2.7 Bushfire and Natural Hazards Cooperative Research Centre (BNHCRC)

During 2020/21 the NSW RFS continued its partnership with the Bushfire and Natural Hazards Cooperative Research Centre (BNHCRC), contributing to, and participating in, the national research agenda.

This partnership focused on three research areas:

- Understanding and mitigating risks
- Resilience to hazards
- Policy and economics of hazards

During the reporting year, the NSW RFS received the final report from a research project commissioned by the Service to gather an understanding of community attitudes and perceptions in relation to the bush fires that occurred throughout NSW during the 2019/20 fire season. The findings of this research will contribute to an enhanced understanding of the suitability and effectiveness of its communications, and inform the future development of emergency management responses, community education and public safety initiatives.

The NSW RFS was also a key stakeholder in a number of projects including those relating to:

- Bush fire predictive modelling
- Communications and warning systems
- Diversity and inclusion
- Positive mental health in young emergency service personnel

On 30 June 2021 the BNHCRC was absorbed into a new research body, Natural Hazards Research Australia (NHRA). This signals an opportunity for renewal of the national natural hazard research agenda and the NSW RFS will continue its collaborative approach with the NHRA.

Year	Cash Contribution	In-kind Contribution*	Additional BNHCRC Research Contribution
2021	\$441,394	\$219,880.00	\$70,000**
2020	\$428,482	\$141,149.72	N/A
2019	\$416,000	\$242,194.85	N/A

* The in-kind contribution is based on a schedule of predetermined values for various levels of contribution towards BNHCRC outcomes or research utilisation. It also includes a component of actual costs incurred by the NSW RFS towards achieving these outcomes, such as travel expenses to attend conferences.

** For the research project into the 2019/20 bush fire season.

2.8 Awards

BRAVERY AND SERVICE AWARDS (INTERNAL)

	Volunteer members	Salaried members	Totals
Commissioner's Award for Valour	0	0	0
Commissioner's Commendation for Bravery	11	0	11
Commissioner's Unit Citation for Bravery	1	0	1
Commissioner's Commendation for Service (Individual)	11	1	12
Commissioner's Certificate of Commendation (Individual)	35	2	37
Commissioner's Unit Citation for Service	7	2	9
Commissioner's Certificate of Commendation (Unit)	23	9	32
Totals	88	14	102

MEMBERS AWARDED COMMISSIONER'S COMMENDATION FOR BRAVERY

Firefighter Colin Burns (posthumous) - Belowra Brigade, Far South Coast, Area South Eastern
Captain Stuart Anderson - Back Creek-Greater Hume Brigade, Southern Border, Area South Western
Deputy Group Captain Ian Avage - Splitters Creek Brigade, Southern Border, Area South Western
Captain Andrew Godde - Culcairn North West Brigade, Southern Border, Area South Western
Firefighter Andrew Julian - Back Creek-Greater Hume Brigade, Southern Border, Area South Western
Firefighter Rodney O'Keefe - Culcairn North West Brigade, Southern Border, Area South Western
Deputy Group Captain Scott Campbell - Lawrence Brigade, Clarence Valley, Area North Eastern
Senior Deputy Captain Nathan Barnden - Jellat Brigade, Far South Coast, Area South Eastern
Firefighter John Gallagher - Tathra Brigade, Far South Coast, Area South Eastern
Firefighter Ryan Clarkstone - Wilton Brigade, Southern Highlands, Area Greater Sydney
Firefighter Dean Symons - Illawong Brigade, Sutherland, Area Greater Sydney

BRIGADE AWARDED COMMISSIONER'S UNIT CITATION FOR BRAVERY

Harrington Brigade - Mid Coast, Area Hunter

LONG SERVICE AWARDS (INTERNAL)

Awarded for ten years of Long Service with Clasps awarded for each subsequent ten year period of service.

Long Service Medal/Clasps	Volunteer members	Salaried members	Totals
10-year Long Service Medal	1,100	12	1,112
20-year Long Service Clasp	401	7	408
30-year Long Service Clasp	221	6	227
40-year Long Service Clasp	180	5	185
50-year Long Service Clasp	89	5	94
60-year Long Service Clasp	55	0	55
70-year Long Service Clasp	9	0	9
Totals	2,055	35	2,090

NATIONAL MEDALS/CLASPS

The National Medal recognises long and diligent service by members of recognised organisations that help the community during times of crisis. It is Australia's most awarded civilian medal.

	Volunteer members	Salaried members	Totals
Medals	107	4	111
Clasps	101	2	103
Totals	208	6	214

AUSTRALIAN FIRE SERVICE MEDALS (AUSTRALIAN HONOURS SYSTEM)

Awarded for distinguished service by a member of an Australian fire service. Recipients of the AFSM are announced twice per year - on Australia Day and the Queen's Birthday.

	Volunteer members	Salaried members	Totals
Australia Day	6	1	7
Queen's Birthday	7	0	7
Totals	13	1	14

MEMBERS AWARDED AUSTRALIAN FIRE SERVICE MEDAL – AUSTRALIA DAY

Group Captain Darren Breust – Bland Temora, Area South Western

Inspector Guy Duckworth – Mid Coast, Area Hunter

Group Captain Glen Howe – Central Coast, Area Hunter

Captain Thomas Marshall – Cudgegong, Area Western

Group Captain Kenneth Pullen – Hawkesbury, Area Greater Sydney

Captain Dennis Stannard – Shoalhaven, Area South Eastern

Captain Alice Strutt – Lower North Coast, Area North Eastern

MEMBERS AWARDED AUSTRALIAN FIRE SERVICE MEDAL – QUEEN'S BIRTHDAY

Firefighter/President David Cullane OAM – Canobolas, Area Western

Group Captain Jeff Gould – Bland Temora, Area South Western

Firefighter/President Neville Lawrence OAM – Lower Hunter, Area Hunter

Group Captain Carolyn Noon – Canobolas, Area Western

Group Captain David Peters – Chifley/Lithgow, Area Western

Group Captain Geoffrey Ryan – Chifley/Lithgow, Area Western

Fire Investigator/Firefighter Paul Sweeney – Macarthur, Area Greater Sydney

APPENDIX 3 – TECHNOLOGY, FINANCE AND LEGAL

3.1 Risk management and insurance

Total deposit premiums (excluding GST) paid	2020/21 \$	2019/20 \$	2018/19 \$	2017/18 \$
Workers compensation – salaried staff	6,927,490	4,671,386	13,767,204	1,059,763
Workers compensation – volunteers	0 ³	63,202,000	96,859,504	2,500,000
Motor vehicle	3,238,536	1,678,900	1,780,180	2,614,550
Public liability	1,286,740	2,606,000	2,769,560	2,741,900
Property	132,696	92,880	103,980	108,050
Other	49,198	36,380	37,890	32,360
Totals	11,634,660	72,287,546	115,318,318	9,056,623

NOTES

- Insurance coverage is provided by the NSW Treasury Managed Fund for all areas except for workers compensation coverage for volunteers. NSW RFS volunteers are covered by the Bush Firefighters Compensation Fund (BFFCF) administered by iCare.
- In September 2018, the NSW government introduced amendments to workers compensation legislation to reverse the onus of proof for NSW firefighters who are diagnosed with one of 12 prescribed cancers and meet the applicable minimum qualifying service periods. This resulted in a significant increases in workers compensation for both staff and volunteers in 2018/19 and subsequent periods, as reflected in the table above.
- In the case of the BFFCF, the fund was in a surplus position of \$66.5m as at 30 June 2021. No premium was required to be paid in the 2020/21 year, hence no expense has been reported.

3.2 Payment performance

AGED ANALYSIS AT THE END OF EACH QUARTER 2020/21

Quarter	Current (i.e. within due date) \$'000	Less than 30 days overdue \$'000	Between 30 and 60 days overdue \$'000	Between 61 and 90 days	More than 90 days overdue \$'000
All suppliers					
September	1,416	7,060	1,379	(16)	(245)
December	944	2,238	158	208	341
March	1,000	811	428	(86)	413
June	5,276	783	306	101	251
Small business suppliers					
September	2	43	29	1	5
December	0	148	1	43	2
March	0	22	2	3	0
June	133	30	13	2	4

ACCOUNTS DUE OR PAID WITHIN EACH QUARTER 2020/21

Measure	Sept 2020	Dec 2020	March 2021	June 2021
All suppliers				
Number of accounts due for payment	9,411	10,184	8,372	8,158
Number of accounts paid on time	8,048	9,167	7,110	6,717
Actual percentage of accounts paid on time (based on number of accounts)	86%	90%	85%	82%
Dollar amount of accounts due for payment \$'000	115,714	99,702	111,597	81,674
Dollar amount of accounts paid on time \$'000	94,554	89,719	89,822	58,283
Actual percentage of accounts paid on time (based on \$)	82%	90%	81%	71%
Number of payments for interest on overdue accounts	0	0	0	0
Interest paid on overdue accounts	0	0	0	0
Small business suppliers				
Number of accounts due for payment to small business	535	523	488	507
Number of accounts due to small businesses paid on time	453	458	439	418
Actual percentage of small business accounts paid on time (based on number of accounts)	85%	88%	90%	82%
Dollar amount of accounts due for payment to small businesses \$'000	2,665	1,811	2,909	1,676
Dollar amount of accounts due to small businesses paid on time \$'000	2,203	1,540	2,795	1,336
Actual percentage of small business accounts paid on time (based on \$)	83%	85%	96%	80%
Number of payments to small business for interest on overdue accounts	0	0	0	0
Interest paid on overdue accounts	0	0	0	0

3.3 Engagement of consultants

Consultancies equal to or more than \$50,000	Cost (\$)
	Nil
Consultancies equal to or more than \$50,000	Cost (\$)
Accounting general	Nil
Total consultancies	Nil

3.4 Funds granted to non-government organisations

	Program area	2016/17	2017/18	2018/19	2019/20	2020/21	Nature and purpose
Nature Conservation Council of NSW	Operations	\$134,671	\$139,699	\$146,745	\$154,646	\$145,845	Annual funding to allow the Council to meet its responsibilities under the <i>Rural Fires Act 1997</i> .
Total		\$134,671	\$139,699	\$146,745	\$154,646	\$145,845	

3.5 Cyber security annual attestation statement for the 2020/21 Financial Year for NSW Rural Fire Service (NSW RFS)

I, Commissioner Rob Rogers, am of the opinion that the NSW RFS has managed cyber security risks in a manner consistent with the Mandatory Requirements set out in the NSW Government Cyber Security Policy.

Governance is in place to manage the cyber security maturity and initiatives of the NSW RFS. Risks to the information and systems of the NSW RFS have been assessed and are managed.

There exists a current cyber incident response plan for the NSW RFS which has been tested during the reporting period.

The NSW RFS has an Information Security Management System (ISMS) in place. The NSW RFS is doing the following to continuously improve the management of cyber security governance and resilience:

- Undertaking annual NSW Government Cyber Security Policy maturity assessments
- Undertaking annual internal and external penetration tests
- Implementing risk treatments arising from prior audits and assessments
- Reporting cyber security issues and improvements to our Audit and Risk Committee

This attestation covers the NSW RFS.



Rob Rogers AFSM
NSW RFS Commissioner
26 August 2021

3.6 Internal Audit and Risk Management Statement



NSW RURAL FIRE SERVICE

Internal Audit and Risk Management Attestation Statement for the 2020-2021 Financial Year for the NSW Rural Fire Service

I, Rob Rogers AFSM, am of the opinion that the NSW Rural Fire Service has internal audit and risk management processes in operation that are compliant with the seven (7) Core Requirements set out in the *Internal Audit and Risk Management Policy for the General Government Sector*, specifically:

Core Requirements	Compliance
1. Risk Management Framework	
1.1. The Accountable Authority shall accept ultimate responsibility and accountability for risk management in the agency.	Compliant
1.2. The Accountable Authority shall establish and maintain a risk management framework that is appropriate for the agency. The Accountable Authority shall ensure the framework is consistent with AS ISO 31000:2018.	Compliant
2. Internal Audit Function	
2.1. The Accountable Authority shall establish and maintain an internal audit function that is appropriate for the agency and fit for purpose.	Compliant
2.2. The Accountable Authority shall ensure the internal audit function operates consistent with the International Standards for Professional Practice for Internal Auditing.	Compliant
2.3. The Accountable Authority shall ensure the agency has an Internal Audit Charter that is consistent with the content of the 'model charter'.	Compliant
3. Audit and Risk Committee	
3.1. The Accountable Authority shall establish and maintain efficient and effective arrangements for independent Audit and Risk Committee oversight to provide advice and guidance to the Accountable Authority on the agency's governance processes, risk management and control frameworks, and its external accountability obligations.	Compliant
3.2. The Accountable Authority shall ensure the Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'.	Compliant

Membership

The independent chair and members of the Audit and Risk Committee are:

- Independent Chair, Mr Garry Dinnie, appointed for a three-year term, commencing 1 October 2018, ending on 1 October 2021
- Independent Member, Mr David Roden, reappointed for a three-year term, commencing 25 February 2020, ending 24 February 2023
- Independent Member, Ms Marcia Doheny, appointed for a three-year term, commencing 13 November 2018, ending 12 November 2021



Rob Rogers AFSM
Commissioner
NSW Rural Fire Service Date:
26 August 2021
Ref: Doc21/78163



Debbie Andreatta
Chief Audit Executive
NSW Rural Fire Service
8741 5555

3.7 Government Information (Public Access) Act 2009 (GIPA Act) statistics for 2020/21

TABLE A: NUMBER OF APPLICATIONS BY TYPE OF APPLICANT AND OUTCOME

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	1	1	1	0	0	0	0	0
Members of Parliament	0	1	0	0	0	0	0	0
Private sector business	10	43	7	2	0	0	0	2
Not-for-profit organisations or community groups	1	0	1	0	0	0	0	0
Members of the public (application by legal representative)	1	11	3	0	0	0	0	1
Members of the public (Other)	8	27	13	6	0	2	0	2

TABLE B: NUMBER OF APPLICATIONS BY TYPE OF APPLICATION AND OUTCOME

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications	1	2	0	0	0	0	0	0
Access applications (other than personal information applications)	16	57	23	5	0	1	0	3
Access applications that are partly personal information applications and partly other	4	24	2	3	0	1	0	2

TABLE C: INVALID APPLICATIONS

Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the <i>Act</i>)	7
Application is for excluded information of the agency (section 43 of the <i>Act</i>)	0
Application contravenes restraint order (section 110 of the <i>Act</i>)	0
Total number of invalid applications received	8
Invalid applications that subsequently became valid applications	7

TABLE D: CONCLUSIVE PRESUMPTION OF OVERRIDING PUBLIC INTEREST AGAINST DISCLOSURE: MATTERS LISTED IN SCHEDULE 1 TO THE *ACT*

	Number of times consideration used
Overriding secrecy laws	0
Cabinet information	3
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	14
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

TABLE E: OTHER PUBLIC INTEREST CONSIDERATIONS AGAINST DISCLOSURE:
MATTERS LISTED IN TABLE TO SECTION 14 OF THE ACT

	Number of occasions when application not successful
Responsible and effective government	79
Law enforcement and security	17
Individual rights, judicial processes and natural justice	117
Business interests of agencies and other persons	9
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

TABLE F: TIMELINESS

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	77
Decided after 35 days (by agreement with applicant)	62
Not decided within time (deemed refusal)	1
Total	140

TABLE G: NUMBER OF APPLICATIONS REVIEWED UNDER PART 5 OF THE ACT
(BY TYPE OF REVIEW AND OUTCOME)

	Decision varied	Decision upheld	Total
Internal review	0	1	1
Review by Information Commissioner	7	0	7
Internal review following recommendation under Section 93 of the Act	3	1	4
Review by NSW Civil and Administrative Tribunal (NCAT)	0	0	0
Total	10	2	12

TABLE H: APPLICATIONS FOR REVIEW UNDER PART 5 OF THE ACT
(BY TYPE OF APPLICANT)

	Number of applications for review
Applications by access applicants	12
Applications by persons to whom information the subject of the access application relates (see section 54 of the Act)	0

TABLE I: APPLICATIONS TRANSFERRED TO OTHER AGENCIES UNDER DIVISION 2 OF PART 4 OF THE ACT (BY TYPE OF TRANSFER)

	Number of applications transferred
Agency-initiated transfers	6
Applicant-initiated transfers	1

STATISTICS REQUIRED BY CLAUSE 7 OF THE GOVERNMENT INFORMATION (PUBLIC ACCESS) REGULATION 2018

Total number of access applications received by the agency during the reporting year (including withdrawn applications but not including invalid applications)	117
Total number of access applications received by the agency during the reporting year that the agency refused, either wholly or partly because the application was for the disclosure of information referred to in Schedule 1 to the Act.	17

In December 2020 a review was undertaken of the information proactively released by the NSW RFS under the *GIPA Act*. The existing program was examined, including consideration of the categories of information already proactively released, as well as other types of information held by the Service. While the review determined that the current program was appropriate, the NSW RFS has sought to release additional information via its website on matters that are considered to be of public interest, such as progress on priority projects and the NSW RFS and Brigades Donations Fund Report On the Use Of Donated Funds.

3.8 Privacy statement

The *Privacy and Personal Information Protection Act 1998* (PPIPA) establishes certain principles governing the manner and circumstances in which personal information may be collected and used. The *Health Records and Information Privacy Act 2002* (HRIPA) also stipulates the responsibilities of private organisations and public agencies in dealing with health information.

The NSW RFS Service Standard 1.1.14 *Personal Information and Privacy* sets out the manner in which members of the NSW RFS shall collect and use personal information in carrying out the functions of the NSW RFS, so as to comply with the provisions of the PPIPA and HRIPA. The NSW RFS Privacy Management Plan also forms part of this Service Standard and articulates the responsibilities of the NSW RFS under PPIPA and HRIPA.

In the 2020/21 financial year, the NSW RFS determined two applications for internal review under the PPIPA. Both reviews found that no breaches of the PPIPA had occurred.

3.9 Minister-approved travel

Due to the COVID-19 pandemic, there were no overseas travel approvals from 1 July 2020 to 30 June 2021.

3.10 Annual Report costs

The Communications Services team is responsible for the production of the Annual Report. The total external costs incurred in the production of this report were \$0.

The report is accessible on the NSW RFS website www.rfs.nsw.gov.au

Copies may be obtained by emailing: comms@rfs.nsw.gov.au

Glossary

Acronym	Meaning
AASB	Australian Accounting Standards Board
ABS	Australian Bureau of Statistics
AFAC	Australasian Fire and Emergency Service Authorities Council
AFSM	Australian Fire Service Medal
APM	Australian Police Medal
AVL	Automatic Vehicle Location
BFCC	Bush Fire Co-ordinating Committee
BFFCF	Bush Firefighters Compensation Fund
BFMC	Bush Fire Management Committee
BIRS	Brigade Incident Reporting System
BNHCRC	Bushfire and Natural Hazards Cooperative Research Centre
CAD	Computer Aided Dispatch
CB	Citizen Band
CCEP	Critical Communication Enhancement Program
CEG	Corporate Executive Group
FAQ	Frequently Asked Questions
FCC	Fire Control Centre
FRNSW	Fire and Rescue NSW
FSJSC	Fire Services Joint Standing Committee
GIPA	Government Information (Public Access)
GRN	Government Radio Network
GSF	Government Sector Finance
GST	Goods and Services Tax
HRIPA	<i>Health Records and Information Privacy Act 2002</i>
HSR	Health and Safety Representative
iCare	Insurance and Care NSW
ICON	Incident Control On Line
ICT	Information and Communications Technology
IRC	Industrial Relations Commission
ISMS	Information Security Management System
ISO	International Organization for

Acronym	Meaning
	Standardization
LAT	Large Air Tanker
LGA	Local Government Area
MDT	Mobile Data Terminal
MIA	Murrumbidgee Irrigation Area
MP	Member of Parliament
MyRFS	www.myrfs.nsw.gov.au (volunteer extranet)
NAFC	National Aerial Firefighting Centre
NHRA	Natural Hazards Research Australia
NSP	Neighbourhood Safer Places
NSW RFS	NSW Rural Fire Service
NSW SES	NSW State Emergency Service
OAM	Medal of the Order of Australia
PID	Public Interest Disclosures
PPC	Personal Protective Clothing
PPE	Personal Protective Equipment
PPIPA	<i>Privacy and Personal Information Protection Act 1998</i>
PSA	Public Service Association (of NSW)
PSSE	Public Service Senior Executive
RFD	Rural Fire District
RFSA	NSW Rural Fire Service Association
RFSAC	Rural Fire Service Advisory Council
RTRP	Radio Terminal Replacement Program
Section 44	Section 44 of the <i>Rural Fires Act 1997</i> (declaration of major fire emergency)
STS	Sail Training Ship
TMF	Treasury Managed Fund
UHF	Ultra High Frequency
WHS	Workplace Health and Safety
YHM	Your Health Matters

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