
**Independent Auditor's Report of
the NSW RFS**

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**Independent Auditor's Report
of the Bush Fire Coordinating
Committee**

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year ended

30 June 2012



INDEPENDENT AUDITOR'S REPORT

New South Wales Rural Fire Service

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of New South Wales Rural Fire Service (the Service), which comprise the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity, statement of cash flows, service group statements and a summary of compliance with financial directives for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Service as at 30 June 2012, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 45E of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010

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

The Commissioner's Responsibility for the Financial Statements

The Commissioner is responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Commissioner determines is necessary to enable the preparation of the financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Service's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Service's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Service's Head, as well as evaluating the overall presentation of the financial statements.

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

My opinion does not provide assurance:

- about the future viability of the Service
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- 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 other information that may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and relevant ethical pronouncements. The PF&A Act further promotes independence 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 but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.

David Nolan
Director, Financial Audit Services

27 September 2012
SYDNEY

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**NSW RURAL FIRE SERVICE
FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2012**

Statement by Commissioner

Pursuant to Section 45F of the Public Finance and Audit Act 1983 I state that:

- a) The accompanying financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, the Financial Reporting Code for General Government Sector Agencies, the applicable clauses of the Public Finance and Audit Regulation 2010 and the Treasurer's Directions;
- b) The financial statements exhibit a true and fair view of the financial position and financial performance of the Service for the year ended 30 June 2012; and
- c) At the date of this statement there are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

A handwritten signature in blue ink, appearing to read 'S Fitzsimmons', enclosed within a blue oval shape.

**S Fitzsimmons AFSM
Commissioner**

25 September 2012

statement of comprehensive income for the year ended 30 June 2012

	Notes	Actual 2012 \$'000	Budget 2012 \$'000	Actual 2011 \$'000
Expenses excluding losses				
Operating expenses				
Employee related	2(a)	95,054	91,523	93,327
Other operating expenses	2(b)	33,996	28,546	28,832
Depreciation and amortisation	2(c)	4,332	4,764	4,815
Grants and subsidies	2(d)	138,792	152,406	171,115
Other expenses	2(e)	14,597	8,143	9,381
Total expenses excluding losses		286,771	285,382	307,470
Revenue				
Recurrent appropriation	3(a)	-	-	64,635
Capital appropriation	3(a)	-	-	12,862
Sale of goods and services	3(b)	170	406	364
Grants and contributions	3(c)	284,171	266,471	228,879
Acceptance by the Crown Entity of employee				
Benefits and other liabilities	3(d)	-	-	242
Other revenue	3(e)	13,062	7,753	14,035
Total revenue		297,403	274,630	321,017
Gain on disposal	4	214	-	168
Net Result		10,846	(10,752)	13,715
Other comprehensive income				
Superannuation actuarial gains/ (losses)	19(g)	(14,663)	-	576
Total other comprehensive income		(14,663)	-	576
TOTAL COMPREHENSIVE INCOME		(3,817)	(10,752)	14,291

The accompanying notes form part of these financial statements.

statement of financial position as at 30 June 2012

	Notes	Actual 2012 \$'000	Budget 2012 \$'000	Actual 2011 \$'000
ASSETS				
Current Assets				
Cash and cash equivalents	6(a)	58,228	30,663	39,695
Receivables	7	3,244	5,226	5,227
Total Current Assets		61,472	35,889	44,922
Non-Current Assets				
Property, plant and equipment	8			
-Leasehold improvements		1,336	1,820	1,655
-Plant and equipment		14,670	15,622	14,203
-Infrastructure systems		1,589	1,181	1,074
Total Property, plant and equipment		17,595	18,623	16,932
Intangible assets	9	521	-	157
Total Non-Current Assets		18,116	18,623	17,089
Total Assets		79,588	54,512	62,011
LIABILITIES				
Current Liabilities				
Payables	10	17,977	14,420	14,420
Provisions	11	26,208	22,496	22,496
Total Current Liabilities		44,185	36,916	36,916
Non-Current Liabilities				
Provisions	11	24,044	9,919	9,919
Total Non-Current Liabilities		24,044	9,919	9,919
Total Liabilities		68,229	46,835	46,835
Net Assets		11,359	7,677	15,176
EQUITY				
Accumulated funds		11,359	7,677	15,176
Total Equity		11,359	7,677	15,176

The accompanying notes form part of these financial statements.

statement of changes in equity for the year ended 30 June 2012

	Notes	Accumulated Funds \$'000	Total \$'000
Balance at 1 July 2011		15,176	15,176
Net result for the year		10,846	10,846
Other comprehensive income:			
Superannuation actuarial gains/(losses)		(14,663)	(14,663)
Total other comprehensive income		(14,663)	(14,663)
Total comprehensive income for the year		(3,817)	(3,817)
Transactions with owners in their capacity as owners			
Increase/(decrease) in net assets from Equity transfers	12	-	-
Balance at 30 June 2012		11,359	11,359
Balance at 1 July 2010		12,617	12,617
Net result for the year		13,715	13,715
Other comprehensive income:			
Superannuation actuarial gains/(losses)		576	576
Total other comprehensive income		576	576
Total comprehensive income for the year		14,291	14,291
Transactions with owners in their capacity as owners			
Increase/(decrease) in net assets from Equity transfers	12	(11,732)	(11,732)
Balance at 30 June 2011		15,176	15,176

The accompanying notes form part of these financial statements.

statement of cash flows for the year ended 30 June 2012

	Notes	Actual 2012 \$'000	Budget 2012 \$'000	Actual 2011 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Employee related		(91,944)	(91,523)	(91,330)
Grants and subsidies		(138,792)	(152,406)	(171,115)
Other		(57,550)	(36,689)	(43,151)
Total Payments		(288,286)	(280,618)	(305,596)
Receipts				
Recurrent appropriation		-	-	64,635
Capital appropriation		-	-	12,862
Sale of goods and services		170	406	364
Grants and contributions		284,414	266,471	228,929
Cash reimbursements from the Crown Entity		-	-	242
GST Receipts		12,697	-	11,612
Other		14,684	7,753	13,335
Total Receipts		311,965	274,630	331,979
NET CASH FLOWS FROM OPERATING ACTIVITIES	16	23,679	(5,988)	26,383
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of Plant and Equipment		2,711	4,980	4,474
Purchases of Plant and Equipment		(7,857)	(11,278)	(10,323)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(5,146)	(6,298)	(5,849)
NET INCREASE / (DECREASE) IN CASH		18,533	(12,286)	20,534
Opening cash and cash equivalents		39,695	42,949	31,033
Cash transferred in/ (out) as a result of administrative restructuring	12	-	-	(11,872)
CLOSING CASH AND CASH EQUIVALENTS	6(a)	58,228	30,663	39,695

The accompanying notes form part of these financial statements.

supplementary financial statements service group statements for the year ended 30 June 2012

ENTITY'S EXPENSES & INCOME	Service Group 1*		Service Group 2*		Service Group 3*		Service Group 4*		Not Attributable		Total		
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	
Expenses excluding losses													
Operating expenses													
• Employee related	4,734	4,070	69,471	61,839	20,849	24,410	-	3,008	-	-	95,054	93,327	
• Other operating expenses	4,430	2,201	15,508	12,836	14,058	12,761	-	1,034	-	-	33,996	28,832	
Depreciation and amortisation	57	131	3,046	3,072	1,229	1,577	-	35	-	-	4,332	4,815	
Grants and subsidies	332	329	118,806	154,394	19,654	3,675	-	12,717	-	-	138,792	171,115	
Other expenses	-	-	7,984	9,381	6,613	-	-	-	-	-	14,597	9,381	
Total expenses excluding losses	9,553	6,731	214,815	241,522	62,403	42,423	-	16,794	-	-	286,771	307,470	
Revenue**													
Recurrent appropriation	-	-	-	-	-	-	-	-	-	64,635	-	64,635	
Capital appropriation	-	-	-	-	-	-	-	-	-	12,862	-	12,862	
Sale of goods and services	120	-	50	-	-	364	-	-	-	-	170	364	
Grants and contributions	-	-	114,888	8,738	169,283	220,141	-	-	-	-	284,171	228,879	
Acceptance by the Crown Entity of Employee Benefits and other liabilities	-	-	-	-	-	-	-	-	-	242	-	242	
Other revenue	327	547	6,324	5,428	6,411	2,471	-	5,589	-	-	13,062	14,035	
Total revenue	447	547	121,262	14,166	175,694	222,976	-	5,589	-	77,739	297,403	321,017	
Gain/(loss) on disposal	3	-	187	-	24	92	-	76	-	-	214	168	
NET RESULT	(9,103)	(6,184)	(93,366)	(227,356)	113,315	180,645	-	(11,129)	-	77,739	10,846	13,715	
Other comprehensive income													
Superannuation actuarial gains/(losses)	-	-	-	-	-	-	-	-	-	(14,663)	576	(14,663)	576
TOTAL OTHER COMPREHENSIVE INCOME	-	-	-	-	-	-	-	-	-	(14,663)	576	(14,663)	576
TOTAL COMPREHENSIVE INCOME	(9,103)	(6,184)	(93,366)	(227,356)	113,315	180,645	-	(11,129)	-	78,315	(3,817)	14,291	

* The names and purposes of each service group are summarised in Note 5.

** Appropriations are made on an entity basis and not to individual service groups. Consequently, appropriations must be included in the 'Not Attributable' column. Cluster grant funding is also unlikely to be attributable to individual service groups.

Service Group 4 is only applicable in 2010-2011 financial year as Rural Fire Service does not have these responsibilities in the 2011-12 financial year.

supplementary financial statements
service group statements for the year ended 30 June 2012 (cont.)

ENTITY'S ASSETS & LIABILITIES	Service Group 1*		Service Group 2*		Service Group 3*		Not Attributable		Total	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Current Assets										
Cash and cash equivalents	-	-	-	-	-	-	58,228	39,695	58,228	39,695
Receivables	-	311	1,971	1,726	1,273	3,190	-	-	3,244	5,227
Total Current Assets	-	311	1,971	1,726	1,273	3,190	58,228	39,695	61,472	44,922
Non-Current Assets										
Property, plant and equipment	80	115	14,228	13,174	3,287	3,643	-	-	17,595	16,932
Intangibles	-	-	-	-	521	157	-	-	521	157
Other	-	-	-	-	-	-	-	-	-	-
Total Non-Current Assets	80	115	14,228	13,174	3,808	3,800	-	-	18,116	17,089
TOTAL ASSETS	80	426	16,199	14,900	5,081	6,990	58,228	39,695	79,588	62,011
Current Liabilities										
Payables	-	312	8,493	9,320	9,484	4,788	-	-	17,977	14,420
Provisions	-	-	-	-	26,208	22,496	-	-	26,208	22,496
Other	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets held for sale	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	-	312	8,493	9,320	35,692	27,284	-	-	44,185	36,916
Non-Current Liabilities										
Borrowings	-	-	-	-	-	-	-	-	-	-
Provisions	-	-	-	-	24,044	9,919	-	-	24,044	9,919
Other	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	-	-	-	-	24,044	9,919	-	-	24,044	9,919
TOTAL LIABILITIES	-	312	8,493	9,320	59,736	37,203	-	-	68,229	46,835
NET ASSETS	80	114	7,706	5,580	(54,655)	(30,213)	58,228	39,695	11,359	15,176

* The names and purposes of each service group are summarised in Note 5.

supplementary financial statements summary of compliance with financial directives

	2012				2011			
	RECURRENT APP'N \$'000	EXPENDITURE/ NET CLAIM ON CONSOLIDATED FUND \$'000	CAPITAL APP'N \$'000	EXPENDITURE/ NET CLAIM ON CONSOLIDATED FUND \$'000	RECURRENT APP'N \$'000	EXPENDITURE/ NET CLAIM ON CONSOLIDATED FUND \$'000	CAPITAL APP'N \$'000	EXPENDITURE/ NET CLAIM ON CONSOLIDATED FUND \$'000
ORIGINAL BUDGET APPROPRIATION / EXPENDITURE								
• Appropriation Act					64,350		53,507	362
• Additional Appropriations								
• s21A PF&AA - special appropriation								
• s24 PF&AA - transfers of functions between entities								
• s26 PF&AA - Commonwealth specific purpose payments								
					64,350		53,507	362
OTHER APPROPRIATION / EXPENDITURE								
• Treasurer's Advance					11,128		11,128	-
• Section 22 - expenditure for certain works and services								12,500
• Transfers to/from another entity (per relevant section of the Appropriation Act)					(10,843)		-	-
Total Appropriations / Expenditure / Net Claim on Consolidated Fund (includes transfer payments)	-	-	-	-	64,635	12,862	64,635	12,862
Amount drawn down against Appropriation							64,635	12,862
Liability to Consolidated Fund*								12,862
								-

* In 2011 an amount relating to Emergency Management NSW was included. Under changed administrative arrangements that amount is no longer included.

notes to the financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

The NSW Rural Fire Service is a separate reporting entity and there are no reporting entities under its control. The NSW Rural Fire Service is a NSW government department. NSW Rural Fire Service is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

The financial statements for the year ended 30 June 2012 have been authorised for issue by the Commissioner on 25 September 2012.

(b) Basis of Preparation

The Service's financial statements are general purpose financial statements which have been prepared in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- the requirements of the *Public Finance and Audit Act 1983* and Regulations; and
- the Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Agencies or issued by the Treasurer.

Plant and equipment are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention.

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.

(c) Statement of Compliance

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

(d) Funding – NSW Rural Fire Service

Under the *Rural Fires Act 1997* the Rural Fire fighting Fund consists of the contributions from Local Government is 11.7%, the NSW Treasury 14.6% and the Insurance Industry 73.7%.

Contributions are recognised in accordance with AASB 1004.

(e) Borrowing Costs

Borrowing costs are recognised as expenses in the period in which they are incurred, in accordance with Treasury's Mandate to not-for-profit general government sector agencies.

(f) 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. Insurance coverage for volunteers is provided through the Bush Fire Fighters Compensation Fund managed by Work Cover NSW, with an annual premium.

(g) 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 the cost of acquisition of an asset 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.

(h) Income Recognition

Income is measured at the fair value of the consideration or contribution received or receivable. In addition to the Rural Fire fighting Fund, other grants and contributions are received from the Commonwealth and State Governments. Additional comments regarding the accounting policies for the recognition of income are discussed below.

(i) Parliamentary Appropriations and Contributions

Parliamentary appropriations and contributions from other bodies (including grants and donations) are generally recognised as income when the Service obtains control over the assets comprising the appropriations/ contributions. Control over appropriations and contributions are normally obtained upon the receipt of cash.

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.

During June 2011 the Appropriation (Supply and Budget Variations) Bill 2011 was released which identifies the Department of Attorney General and Justice (DAGJ) as a principal agency under which funding appropriations are to be managed for all agencies in the Justice cluster, of which, RFS is part of.

Appropriations and contributions are received from local government councils (11.7%) insurance companies (73.7%), and NSW Treasury (14.6%). All contributions are now reported as grants and contributions revenue for the purposes of income recognition.

The Rural Fire Service receives annual funding payments from DAGJ (as principal agency for the Justice cluster) which are paid pursuant to the Appropriation (Supply and Budget) Bill 2011.

(ii) Sale of goods

Revenue from the sale of goods is recognised as revenue when the Service transfers the significant risks and rewards of ownership of the assets.

notes to the financial statements

(iii) *Rendering of Services*

Revenue is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

(iv) *Investment Revenue*

Interest revenue is retained by NSW Treasury and therefore not recognised in the financial statements.

(i) *Assets*

(i) *Acquisitions of Assets*

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Service. 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 specific requirements of other Australian Accounting Standards.

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

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Where payment for an item is deferred beyond normal credit terms, its cost is the cash equivalent, i.e. the deferred payment amount is effectively discounted at an asset-specific rate.

(ii) *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.

(iii) *Revaluation of Plant and Equipment*

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 items.

(iv) *Impairment of Plant and Equipment*

As a not-for-profit entity with no cash generating units, AASB 136 *Impairment of Assets* is not applicable. AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement costs. This means that, where an asset already measured at fair value, the impairment can only arise if selling costs are material. Selling costs for the entity are regarded as immaterial.

(v) *Depreciation of 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 entity.

All materially separately identifiable components of assets are depreciated over their shorter useful life.

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

Asset Category	Useful Life
Computer Equipment	Between 3-4 years
Computer Software	3 years
Leasehold Improvements	Period of the Lease
Plant and Equipment	Between 3-20 years

(vi) *Maintenance*

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

(vii) *Leased Assets*

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor effectively retains all such risks and benefits.

Operating lease payments are charged to the statement of comprehensive income in the periods in which they are incurred.

There are no finance lease arrangements.

(viii) *Intangible Assets*

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.

The useful lives of intangible assets are assessed as finite.

Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the entity's intangible assets, the assets are carried at cost less any accumulated amortisation.

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.

The Service's intangible assets are amortised using the straight line method over a period of three years for computer software.

(ix) *Rural Fire Fighting Equipment*

The ownership of all fire fighting 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 fire fighting equipment purchased for the State Mitigation Support Service which is recorded on the Service's asset register.

notes to the financial statements

(x) *Loans and Receivables*

Loans and Receivables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest rate method, less an allowance for impairment of receivables. Any changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process. Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial. An allowance for impairment is established when there is objective evidence that the Service will not be able to collect all amounts due.

These factors were determined based on an actuarial review to approximate present value.

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 (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

(j) *Liabilities*

(i) *Payables*

These amounts represent liabilities for goods and services provided to the service and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Short term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(k) *Equity and Reserves*

Accumulated funds include all current and prior period retained funds.

(l) *Equity Transfers*

The transfer of net assets between agencies as a result of an administrative restructure, transfers of programs functions and parts thereof between NSW public sector agencies and 'equity appropriations' are designated or required by Accounting Standards to be treated as contributions by owners and recognised as an adjustment to "Accumulated Funds". This treatment is consistent with AASB 1004 *Contributions* and Australian Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*.

(ii) *Employee Benefits and other Provisions*

a) *Salaries and Wages, Annual Leave, Sick Leave and On-Costs*

Liabilities for salaries and wages (including non-monetary benefits), annual leave and paid sick leave that are due to be settled within 12 months after the end of the period in which the employees render the service are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

Transfers arising from an administrative restructure involving not-for-profit entities and for-profit government departments are recognised at the amount at which the assets and liabilities were recognised by the transferor immediately prior to the restructure. Subject to below, in most instances this will approximate fair value.

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.

All other equity transfers are recognised at fair value, except for intangibles. Where an intangible has been recognised at (amortised) cost by the transferor because there is no active market, the agency recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, the agency does not recognise that asset.

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

(m) *Budgeted Amounts*

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period, as adjusted for section 24 of the PFAA where there has been a transfer of functions between departments. Other amendments made to the budget are not reflected in the budgeted amounts.

The amount of annual leave not expected to be taken within 12 months is discounted, however the effect of this would not be material.

b) *Long Service Leave and Superannuation*

The Service recognises liabilities for long service leave for all employees.

(n) *Centralised Billing and Collecting Services (Ministry for Police and Emergency Services)*

The Ministry for Police and Emergency Services (MPES) is responsible for the centralised billing and collection of legislated contributions for the funding of Emergency Service Agencies from the insurance industry and Local Councils. MPES acts as agent for the Service, the Fire and Rescue NSW and the State Emergency Service.

Long service leave is measured at present value in accordance with AASB 119 *Employee Benefits*. This is based on the application of certain factors (specified in NSWTC 12/06) to employees with five or more years of service, using current rates of pay.

notes to the financial statements

(o) *Comparative Information*

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

(p) *New Australian Accounting Standards issued but not effective*

The following Accounting Standards are being early adopted this financial year:

- AASB 101 Presentation of Financial Statements
- AASB 107 Cash Flow Statements
- AASB 116 Property, Plant and Equipment – Refer TPP 07-1
- AASB 136 Impairment of Assets – Refer TPP 07-1
- AASB 138 Intangible Assets

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

- AASB 9 and AASB 2010-7 regarding financial instruments
- AASB 13 and AASB 2011-8 regarding fair value measurement
- AASB 119 Employee Benefits – Refer NSW TC 11/04
- AASB 2011-10 and AASB 2011-11 regarding employee benefits
- AASB 1053 and AASB 2010-2 regarding differential reporting

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

notes to the financial statements

2. Expenses Excluding Losses

	2012 \$'000	2011 \$'000
(a) Employee related expenses		
Salaries and wages (including recreation leave)	80,250	76,251
Superannuation – defined benefit plans*	1,132	1,603
Superannuation – defined contribution plans*	5,696	5,172
Long service leave	2,195	1,276
Workers' compensation insurance	790	474
Payroll tax	4,705	4,783
Fringe benefit tax	286	3,768
	95,054	93,327

* Refer Note 19. Superannuation actuarial loss of \$14.663m in 2011/2012 (\$0.576m gain in 2010/2011) is recognised as Other comprehensive income.

	2012 \$'000	2011 \$'000
(b) Other operating expenses include the following:		
Auditor's remuneration		
- audit of financial statements	120	110
Operating lease rental expense		
- minimum lease payments	4,118	3,179
Maintenance *	195	360
Travel	2,897	2,738
Telephones	1,575	1,161
Fees for service	3,643	5,771
Contractors	3,283	-
Printing and stationery	642	1,162
Consumables	369	482
Vehicle operation	3,100	741
All outgoings – Buildings	1,242	1,127
Staff Training	877	1,012
Legal Fees	550	329
Rescue and Emergency Training	-	148
Electricity	464	374
Advertising	1,692	1,870
Audit Fees Internal	534	354
Computer Software	889	1,172
Equipment General	1,248	2,847
Equipment Computer	2,110	2,005
Other Expenses	4,448	1,890
	33,996	28,832

	2012 \$'000	2011 \$'000
*Reconciliation – Total Maintenance		
Maintenance expense – contracted labour and other (non-employee related), as above	195	360
Employee related maintenance included in Note 2(a)	-	-
Total Maintenance included in Note 2(a) + 2(b)	195	360

notes to the financial statements

2. Expenses Excluding Losses (cont.)

	2012 \$'000	2011 \$'000
(c) Depreciation and amortisation expense		
Depreciation		
Computer equipment	446	752
Plant and equipment	3,241	3,350
Leasehold improvements	534	493
	4,221	4,595
Amortisation		
Intangibles	111	220
	4,332	4,815

	2012 \$'000	2011 \$'000
(d) Grants and subsidies		
Natural Disaster Mitigation Program	-	5,669
Volunteer Rescue Units	-	7,027
Fire Mitigation Works	6,507	12,040
Payments for Council costs associated with Rural Fire Fighting activities and equipment	109,519	128,703
Emergency Fund – Natural Disasters	20,677	17,676
Other	2,089	-
	138,792	171,115

	2012 \$'000	2011 \$'000
(e) Other expenses		
Workers' compensation insurance-volunteers	3,000	3,000
Public liability and other insurance	7,227	3,503
Aerial support	4,370	2,878
	14,597	9,381

3. Revenue

	2012 \$'000	2011 \$'000
(a) Appropriations		
Recurrent appropriations		
Total recurrent draw-downs from NSW Treasury (per Summary of Compliance)	-	64,635
	-	64,635
Comprising:		
Recurrent appropriations (per Statement of Comprehensive Income)	-	64,635

	2012 \$'000	2011 \$'000
Capital appropriations		
Total capital draw-downs from NSW Treasury (per Summary of Compliance)	-	12,862
	-	12,862
Comprising:		
Capital appropriations (per Statement of Comprehensive Income)	-	12,862

notes to the financial statements

3. Revenue (cont.)

	2012 \$'000	2011 \$'000
(b) Sale of goods and services		
Rendering of services	170	364
	170	364

	2012 \$'000	2011 \$'000
(c) Grants and contributions		
Insurance Company Contributions	213,808	189,779
Local Government Contributions	31,795	29,719
Natural Disaster Relief Contributions*	11,221	5,937
Other Commonwealth and State Government Grants	1,926	3,444
Department of Attorney General Justice Grants:		
Recurrent Grant	25,378	-
Capital Grant	43	-
	284,171	228,879

* Natural Disasters Relief Contributions included above consist of emergencies declared under Section 44 of the Rural Fires Act exceeding the claims threshold of \$240,000.

	2012 \$'000	2011 \$'000
(d) Acceptance by the Crown Entity of Employee Benefits and Other Liabilities		
The following expenses have been assumed by the Crown Entity		
Long service leave	-	242
	-	242

Also refer to Note 1(j) (ii) (b)

	2012 \$'000	2011 \$'000
(e) Other revenue		
Sale of equipment	1,128	1,132
Comcover-protection Commonwealth property	516	545
Business Development-Overseas Training	272	351
Section 44 – Interstate Assistance	235	313
Aviation – Use of contract by other agencies	4,155	3,931
TMF Hindsight Premium Payments	156	304
Workers Compensation Receipts	863	287
Insurance Claims Proceeds	719	-
Development Applications	431	377
Other	4,587	6,795
	13,062	14,035

In accordance with Section 119(4)(b) of the Rural Fires Act, distribution of proceeds from the sale by Councils of fire fighting equipment between the Service and the Councils is in the same proportion to each body's contribution to the purchase of equipment as shown above. The Service's share of such proceeds totalled \$1,127,700 in 2011/12, (\$1,132,502 in 2010/11).

notes to the financial statements

4. Gain / (Loss) on Disposal

	2012 \$'000	2011 \$'000
Gain/(Loss) on disposal of Plant and Equipment		
Proceeds from disposal	2,711	4,474
Written down value of assets disposed	(2,497)	(4,306)
	214	168

5. Service Groups of the Entity

- (a) **Service Group 1** Community Safety
- Purpose: The protection of the Community through measures that enhance community awareness of and participation in fire risk reduction while reducing environmental impact on the NSW Rural Fire Services incident management activities.
- (b) **Service Group 2** Emergency Bush Fire Response Operations
- Purpose: To cover the rapid and effective emergency response to incidents in bushfire prone areas to minimise injury and loss to the community.
- (c) **Service Group 3** Operational and Administrative Support
- Purpose: Covers the management and administrative support functions of the Service including financial, human resource and operational support, fire fighting fleet maintenance and the strategy and policy development roles.
- (d) **Service Group 4** Emergency Management NSW
- Purpose: This service group initiates policies and strategies for improving the delivery of emergency management services through better prevention, preparedness, response and recovery. It also has a central role in coordinating policies and initiatives put forward across the portfolio. Emergency Management NSW provides policy advice, executive and secretarial support to the State Emergency Management Committee (SEMC), and the State Rescue Board (SRB). It provides executive and operational support to the State Emergency Operations Controller and the State Emergency Recovery Controller. This Service Group is only applicable in the 2010-2011 financial year as Rural Fire Service does not have these responsibilities in the 2011-12 financial year.

6. Current Assets – Cash and Cash Equivalents

	2012 \$'000	2011 \$'000
(a) Cash		
Cash at bank and on hand	58,228	39,695
	58,228	39,695

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 the financial year to the Statement of Cash Flows as follows:

Cash and cash equivalents (per Statement of Financial Position)	58,228	39,695
Closing cash and cash equivalents (per Statement of Cash Flows)	58,228	39,695

Refer Note 18, for details regarding credit risk and liquidity risk arising from financial instruments.

(b) Financing facilities available

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 \$30m.

notes to the financial statements

7. Current Assets – Receivables

	2012 \$'000	2011 \$'000
Fees for Service	202	445
Other Receivables	4	779
Less: Allowance for impairment	(19)	(84)
	187	1,140
GST receivable	1,971	2,796
	2,158	3,936
Prepayments	1,086	1,291
	3,244	5,227
Movement in the allowance for impairment		
Balance at 1 July	84	93
Amounts written off during the year	(84)	(27)
Amounts recovered during the year	-	-
Increase/(decrease) in allowance recognised in profit or loss	19	18
Balance at 30 June	19	84

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 18.

8. Non Current Assets – Property, Plant and Equipment

	Infrastructure Systems \$'000	Plant and Equipment \$'000	Leasehold Improvements (Fitouts) \$'000	Total \$'000
At 1 July 2011 – Fair Value				
Gross carrying amount	2,818	19,722	4,931	27,471
Accumulated depreciation	(1,744)	(5,519)	(3,276)	(10,539)
Net carrying amount	1,074	14,203	1,655	16,932
At 30 June 2012– Fair Value				
Gross carrying amount	3,920	21,666	5,146	30,732
Accumulated depreciation	(2,331)	(6,996)	(3,810)	(13,137)
Net carrying amount	1,589	14,670	1,336	17,595

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current financial year is set out below:

	Infrastructure Systems \$'000	Plant and Equipment \$'000	Leasehold Improvements (Fitouts) \$'000	Total \$'000
Year ended 30 June 2012				
Net carrying amount at start of year	1,074	14,203	1,655	16,932
Additions	962	6,187	216	7,365
Disposals	(1)	(2,591)	-	(2,592)
Depreciation expense	(446)	(3,240)	(535)	(4,221)
Prior year adjustment	-	111	-	111
Net carrying amount at end of year	1,589	14,670	1,336	17,595

notes to the financial statements

8. Non Current Assets – Property, Plant and Equipment (cont.)

	Infrastructure Systems \$'000	Plant and Equipment \$'000	Leasehold Improvements (Fitouts) \$'000	Total \$'000
At 1 July 2010- Fair Value				
Gross carrying amount	3,808	17,694	4,768	26,270
Accumulated depreciation	(2,293)	(5,528)	(2,783)	(10,604)
Net carrying amount	1,515	12,166	1,985	15,666
At 30 June 2011 – Fair Value				
Gross carrying amount	2,818	19,722	4,931	27,471
Accumulated depreciation	(1,744)	(5,519)	(3,276)	(10,539)
Net carrying amount	1,074	14,203	1,655	16,932

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the previous financial year is set out below:

	Infrastructure Systems \$'000	Plant and Equipment \$'000	Leasehold Improvements (Fitouts) \$'000	Total \$'000
Year ended 30 June 2011				
Net carrying amount at start of year	1,515	12,166	1,985	15,666
Additions	524	9,633	163	10,320
Disposals	(211)	(4,248)	-	(4,459)
Depreciation expense	(754)	(3,348)	(493)	(4,595)
Net carrying amount at end of year	1,074	14,203	1,655	16,932

9. Non Current Assets – Intangible Assets

	Software \$'000	Total \$'000
At 1 July 2011		
Cost (gross carrying amount)	1,473	1,473
Accumulated amortisation	(1,316)	(1,316)
Net carrying amount	157	157
At 30 June 2012		
Cost (gross carrying amount)	1,926	1,926
Accumulated amortisation	(1,405)	(1,405)
Net carrying amount	521	521

	Software \$'000	Total \$'000
Year ended 30 June 2012		
Net carrying amount at start of year	157	157
Additions	481	481
Disposals	(6)	(6)
Amortisation (recognised in 'depreciation and amortisation expense')	(111)	(111)
Net carrying amount at end of year	521	521

notes to the financial statements

9. Non Current Assets – Intangible Assets (cont.)

	Software \$'000	Total \$'000
At 1 July 2010		
Cost (gross carrying amount)	1,468	1,468
Accumulated amortisation	(1,091)	(1,091)
Net carrying amount	377	377
At 30 June 2011		
Cost (gross carrying amount)	1,473	1,473
Accumulated amortisation	(1,316)	(1,316)
Net carrying amount	157	157

	Software \$'000	Total \$'000
Year ended 30 June 2011		
Net carrying amount at start of year	377	377
Additions	-	-
Disposals	-	-
Amortisation (recognised in 'depreciation and amortisation expense')	(220)	(220)
Net carrying amount at end of year	157	157

10. Current Liabilities – Payables

	2012 \$'000	2011 \$'000
Accrued salaries, wages and on-costs	2,253	2,318
Creditors	15,724	12,102
	17,977	14,420

Details regarding credit risk, liquidity risk, and market risk, including a maturity analysis of the above payables are disclosed in Note 18.

11. Current/Non Current Liabilities – Provisions

	2012 \$'000	2011 \$'000
Employee benefits and related on-costs		
Recreation leave	9,837	8,267
Long Service Leave	17,172	14,977
Unfunded Superannuation (refer note 19)	23,155	9,171
Provisions for Fringe Benefits Tax	88	-
Total Provisions	50,252	32,415

	2012 \$'000	2011 \$'000
Aggregate employee benefits and related on-costs		
Provisions – current	26,208	22,496
Provisions – non current	24,044	9,919
Accrued salaries, wages and on-costs (Note 10)	2,253	2,318
	52,505	34,733

notes to the financial statements

12. Increase/(Decrease) in Net Assets from Equity Transfers

Responsibility relinquished for Service Group 4 – Emergency Management NSW

	2012 \$'000	2011 \$'000
Assets transferred to Ministry of Police and Emergency Services		
Cash and Cash Equivalents	-	(11,872)
Receivables	-	(315)
Plant and Equipment	-	(112)
Liabilities transferred to Ministry of Police and Emergency Services		
Payables	-	170
Provision for employee benefits	-	397
Decrease in net assets from equity transfers	-	(11,732)

Net assets of the Emergency Management Service Group were transferred as at 31 March 2011.

13. Commitments for Expenditure

Operating Lease Commitments

Future non-cancellable operating lease rentals not provided for and payable:

	2012 \$'000	2011 \$'000
Not later than one year	5,137	4,467
Later than one year but not later than five years	11,372	12,843
Later than five years	3,603	6,574
Total (including GST)	20,212	23,885

Operating lease commitments include input tax credits of \$1,828,364 in 2011/12, (\$2,171,340 in 2010/11), that are expected to be recoverable from the ATO.

Operating lease commitments comprise motor vehicle and premises for Head Office, Regional Offices and a warehouse at Glendenning.

14. Contingent Assets and Contingent Liabilities

At balance date the Service had minor estimated amounts of financial settlements pertaining to legal claims that were not considered material.

15. Budget Review

Net result

The actual net result was higher than budget by \$21.598m, mainly due to an increase in the Rural Fire Fighting Fund (\$8.346m), deferred expenditure on the Radio Upgrade Project (\$4.000m) and unexpended Fire Mitigation Works due to poor weather (\$7.419m).

Additional operating costs were incurred in responding to natural disasters throughout the year. These were offset by additional grants from natural disaster relief of \$11.221m.

Current Assets

Current assets were \$25.583m above budget. There was an increase in cash higher than budget by \$27.565m. The decrease in receivables is lower than budget by \$1.982m.

Non-Current Assets

Non-current assets were lower than budget by \$0.507m, mainly due to decrease in the disposal of plant and equipment and deferral in the acquisition in motor vehicles.

Current Liabilities

Current liabilities were \$7.269m higher than budget due to payables being higher than budget by \$3.557m, and provisions higher than budget by \$3.712m.

notes to the financial statements

Non-Current Liabilities

Non-Current Liabilities were \$14.125m higher than budget, due to the higher provision made for the employee benefit plan, impacted by the fund assets' performance losses.

Cash Flows

Total payments were higher than budget by \$7.668m, mainly due to other costs being higher than budget by \$20.861m, and grant and subsidies paid were lower than budget by \$13.614m.

Total receipts were \$37.335m higher of budget, mainly due to a higher level of contributions from the services contributors received during the year and an increase in the Rural Fire Fighting Fund.

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

	2012 \$'000	2011 \$'000
Net cash used on operating activities	23,679	26,383
Depreciation	(4,332)	(4,815)
Decrease/(increase) in provisions	(17,837)	(492)
Increase/(decrease) in prepayments and other assets	(1,983)	2,364
Decrease/(increase) in creditors	(3,558)	(9,317)
Superannuation actuarial loss/(gain)	14,663	(576)
Net gain/(loss) on sale of plant and equipment	214	168
Net result	10,846	13,715

17. Non Cash Financing and Investment Activities

	2012 \$'000	2011 \$'000
Long service leave liability assumed by Crown Entity	-	242
	-	242

notes to the financial statements

18. 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.

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 Audit and Risk Committee on a continuous basis.

(a) Financial instrument categories

Financial Assets	Note	Category	Carrying Amount 2012 \$'000	Carrying Amount 2011 \$'000
Class:				
Cash and cash equivalents	6a	N/A	58,228	39,695
Receivables ¹	7	Loans and receivables (at amortised cost)	206	1,382
Financial Liabilities	Note	Category	Carrying Amount 2012 \$'000	Carrying Amount 2011 \$'000
Class:				
Payables ²	10	Financial liabilities (at amortised cost)	17,677	14,420

Notes

1. Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).
2. Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7).

The carrying amount of these financial instruments approximates their fair value.

(b) 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 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

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest earned on the Services' cash is retained by NSW Treasury.

Receivables – trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are made on 30 day terms.

The Service is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors that are not past due (2012: \$149,496; 2011: \$259,002) and less than 6 months past due (2012: \$17,400; 2011: \$102,000) are not considered impaired. Together, these represent 82% of the total trade debtors.

The only financial assets that are past due or impaired are 'sales of goods and services' in the 'receivables' category of the statement of financial position.

notes to the financial statements

18. Financial Instruments (cont.)

	\$'000	\$'000	\$'000
	Total ^{1,2}	Past due but not impaired ^{1,2}	Considered impaired ^{1,2}
2012			
< 3 months overdue	150	1	-
3 months – 6 months overdue	17	17	-
> 6 months overdue	35	35	-
2011			
< 3 months overdue	102	102	-
3 months – 6 months overdue	-	-	-
> 6 months overdue	84	-	84

Notes

- Each column in the table reports 'gross receivables'.
- The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7 and excludes receivables that are not past due and not impaired. Therefore, the 'total' will not reconcile to the receivables total recognised in the statement of financial position.

(c) 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.

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 period's 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 12.37% (2011: 12.92%).

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

Fixed interest maturing and interest rate exposure of financial liabilities

	Weighted interest rate	1 year or less	1 year to 5 years	More than 5 years	Non-interest bearing 1 year or less	Total
2012						
Financial liabilities						
Trade and other payables	-	-	-	-	17,977	17,977
Total financial liabilities	-	-	-	-	17,977	17,977
2011						
Financial liabilities						
Trade and other payables	-	-	-	-	14,420	14,420
Total financial liabilities	-	-	-	-	14,420	14,420

d) 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.

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 date. The analysis is performed on the same basis as for 2011. The analysis assumes that all other variables remain constant.

notes to the financial statements

18. Financial Instruments (cont.)

(e) Interest rate risk

Exposure to interest rate risk arises primarily through the entity's interest bearing liabilities. The entity does not account for any fixed rate financial instruments as fair value through profit or loss or as available-for-sale. 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 Service's exposure to interest rate risk is set out below.

\$'000					
2012	Carrying Amount	-1% Profit	-1% Equity	1% Profit	1% Equity
Financial assets					
Cash and cash equivalents	58,228	(582)	(582)	582	582
2011	Carrying Amount	-1% Profit	-1% Equity	1% Profit	1% Equity
Financial assets					
Cash and cash equivalents	39,695	(397)	(397)	397	397

19. Superannuation – Defined Benefit Plans

Funded Information

The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes:

- State Superannuation Scheme (SSS);
- State Authorities Superannuation Scheme (SASS);
- State Authorities Non Contributory Superannuation Scheme (SANCS); and
- Local Government Employees Superannuation Scheme.

These schemes are all defined benefit schemes – at least a component of the final benefit is derived from a multiple of member salary and years of membership. All the schemes are closed to new members.

(a) Reconciliation of the Present value of the Defined Benefit Obligations

A reconciliation of the present value of the defined benefit obligation for the financial year to 30 June 2012 is as follows:

	SASS \$'000	SANCS \$'000	SSS \$'000	TOTAL \$'000
Present value of partly funded defined benefit obligations at beginning of the year	10,203	2,608	27,857	40,668
Current service cost	389	120	198	707
Interest cost	523	132	1,450	2,105
Contributions by fund participants	204	0	213	417
Actuarial (gains)/losses	960	288	10,544	11,792
Benefits paid	(1,627)	(481)	(853)	(2,961)
Present value of partly funded defined benefit obligations at end of the year	10,652	2,667	39,409	52,728

Comparative information as at 30 June 2011 as follows:

	SASS \$'000	SANCS \$'000	SSS \$'000	TOTAL \$'000
Present value of partly funded defined benefit obligations at beginning of the year	9,372	2,372	27,061	38,805
Current service cost	369	108	207	684
Interest cost	468	118	1,380	1,966
Contributions by fund participants	190	-	180	370
Actuarial (gains)/losses	447	(45)	(497)	(95)
Benefits paid	(643)	55	(474)	(1,062)
Present value of partly funded defined benefit obligations at end of the year	10,203	2,608	27,857	40,668

notes to the financial statements

19. Superannuation – Defined Benefit Plans (cont.)

(b) Reconciliation of the Fair Value of Fund Assets

A reconciliation of the fair value of fund assets for the financial year to 30 June 2012 is as follows:

	SASS \$'000	SANCS \$'000	SSS \$'000	TOTAL \$'000
Fair value of fund assets at beginning of the year	9,008	2,374	20,116	31,498
Expected return on fund assets	764	200	1,711	2,675
Actuarial gains (losses)	(917)	(202)	(1,753)	(2,872)
Employer contributions	374	108	334	816
Contributions by Fund participants	205	0	213	418
Benefits paid	(1,627)	(481)	(853)	(2,961)
Fair value of fund assets at end of the year	7,807	1,999	19,768	29,574

Comparative information as at 30 June 2011 is as follows:

	SASS \$'000	SANCS \$'000	SSS \$'000	TOTAL \$'000
Fair value of fund assets at beginning of the year	8,281	2,029	18,352	28,662
Expected return on fund assets	701	173	1,560	2,434
Actuarial gains (losses)	107	(3)	377	481
Employer contributions	372	120	121	613
Contributions by Fund participants	190	-	180	370
Benefits paid	(643)	55	(474)	(1,062)
Fair value of fund assets at end of the year	9,008	2,374	20,116	31,498

(c) Reconciliation of Assets and Liabilities

A summary of assets and liabilities recognised in the Statement of Financial Position as at 30 June 2012 is as follows:

	SASS \$'000	SANCS \$'000	SSS \$'000	TOTAL \$'000
Present value of partly funded defined benefits obligations	10,652	2,667	39,409	52,728
Fair value of fund assets at end of year	(7,807)	(1,998)	(19,768)	(29,573)
Subtotal	2,845	669	19,641	23,155
Net liability/(asset)	2,845	669	19,641	23,155

Comparative information as at 30 June 2011 is as follows:

	SASS \$'000	SANCS \$'000	SSS \$'000	TOTAL \$'000
Present value of partly funded defined benefits obligations	10,203	2,608	27,857	40,668
Fair value of fund assets at end of year	(9,008)	(2,373)	(20,116)	(31,497)
Subtotal	1,195	235	7,741	9,171
Net liability/(asset)	1,195	235	7,741	9,171

(d) Actual Return on Fund Assets

A summary of actual return on fund assets for the year ended 30 June 2012 is provided below:

	SASS \$'000	SANCS \$'000	SSS \$'000	TOTAL \$'000
Actual return on plan assets	(13,226)	(1,929)	52,629	37,474

Comparative information as at 30 June 2011 is as follows:

	SASS \$'000	SANCS \$'000	SSS \$'000	TOTAL \$'000
Actual return on plan assets	682	169	1,542	2,393

notes to the financial statements

19. Superannuation – Defined Benefit Plans (cont.)

Details of valuation method and principal actuarial assumptions as at the reporting date are as follows:

(i) Valuation Method

The Projected Unit Credit (PUC) valuation method was used to determine the present value of the defined benefit obligations and the related current service costs. This method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

(ii) Economic Assumptions

	30 June 2012	30 June 2011
Salary increase rate (excluding promotional increases)	2.50%	3.50%
Rate of CPI Increase	2.50%	2.50%
Expected return on assets	8.60%	8.60%
Discount rate	3.06%	5.28%

(iii) Demographic Assumptions

The demographic assumptions at 30 June 2012 are those that were used in the 2009 triennial actuarial valuation, plus an additional allowance for staff reductions consistent with the Labour Expense Cap advised in the 2012-13 Budget. The triennial review report is available from the NSW Treasury website.

(e) Historical Information

	SASS Financial Year 30 June 2012 \$'000	SANCS Financial Year 30 June 2012 \$'000	SSS Financial Year 30 June 2012 \$'000
Present value of defined benefit Obligation	10,652	2,667	39,409
Fair value of Fund assets	(7,807)	(1,998)	(19,768)
(Surplus)/Deficit in Fund	2,846	669	19,641
Experience adjustments – Fund Liabilities	960	288	10,544
Experience adjustments – Fund assets	917	202	1,753

Comparative information as at 30 June 2011 is as follows:

	SASS Financial Year 30 June 2011 \$'000	SANCS Financial Year 30 June 2011 \$'000	SSS Financial Year 30 June 2011 \$'000
Present value of defined benefit Obligation	10,203	2,608	27,857
Fair value of Fund assets	(9,008)	(2,373)	(20,116)
(Surplus)/Deficit in Fund	1,195	235	7,741
Experience adjustments – Fund Liabilities	447	(45)	(497)
Experience adjustments – Fund assets	(107)	3	(377)

Comparative information as at 30 June 2010 is as follows:

	SASS Financial Year 30 June 2010 \$'000	SANCS Financial Year 30 June 2010 \$'000	SSS Financial Year 30 June 2010 \$'000
Present value of defined benefit Obligation	9,372	2,372	27,060
Fair value of Fund assets	(8,281)	(2,029)	(18,352)
(Surplus)/Deficit in Fund	1,091	343	8,708
Experience adjustments – Fund Liabilities	406	104	2,115
Experience adjustments – Fund assets	(200)	(11)	151

notes to the financial statements

19. Superannuation – Defined Benefit Plans (cont.)

Comparative information as at 30 June 2009 is as follows:

	SASS Financial Year 30 June 2009 \$'000	SANCS Financial Year 30 June 2009 \$'000	SSS Financial Year 30 June 2009 \$'000
Present value of defined benefit Obligation	8,617	2,119	23,781
Fair value of Fund assets	(7,559)	(1,810)	(17,094)
(Surplus)/Deficit in Fund	1,058	309	6,687
Experience adjustments – Fund Liabilities	388	91	3,998
Experience adjustments – Fund assets	663	306	2,858

Comparative information as at 30 June 2008 is as follows:

	SASS Financial Year 30 June 2008 \$'000	SANCS Financial Year 30 June 2008 \$'000	SSS Financial Year 30 June 2008 \$'000
Present value of defined benefit Obligation	6,917	1,683	19,596
Fair value of Fund assets	(6,762)	(1,714)	(19,318)
(Surplus)/Deficit in Fund	156	(31)	278
Experience adjustments – Fund Liabilities	(240)	(45)	(928)
Experience adjustments – Fund assets	809	261	3,275

(f) Expense recognised in the surplus/deficit

Components recognised in the surplus/deficit for the year ended 30 June 2012 is summarised below:

	SASS \$'000	SANCS \$'000	SSS \$'000	TOTAL \$'000
Current service cost	389	120	198	707
Interest cost	522	132	1,450	2,104
Expected return on fund assets (net of expenses)	(764)	(200)	(1,710)	(2,674)
Actuarial losses/(gains) recognised in year	-	-	-	-
Expenses/(income) recognised	147	52	(62)	137

Comparative information as at 30 June 2011 is as follows:

	SASS \$'000	SANCS \$'000	SSS \$'000	TOTAL \$'000
Current service cost	369	108	207	684
Interest cost	468	118	1,381	1,967
Expected return on fund assets (net of expenses)	(701)	(173)	(1,560)	(2,434)
Actuarial losses/(gains) recognised in year	-	-	-	-
Expense/(income) recognised	136	53	28	217

(g) Amounts recognised in other comprehensive income

The following has been recognised in other comprehensive income for the year ended 30 June 2012:

	SASS \$'000	SANCS \$'000	SSS \$'000	TOTAL \$'000
Actuarial (gains)/losses	1,877	490	12,296	14,663

notes to the financial statements

19. Superannuation – Defined Benefit Plans (cont.)

Comparative information as at 30 June 2011 is as follows:

	SASS \$'000	SANCS \$'000	SSS \$'000	TOTAL \$'000
Actuarial (gains)/losses	340	(42)	(874)	(576)

(h) Fund Assets

The percentage invested in each asset class at the reporting date:

	30 June 2012	30 June 2011
Australian equities	28.0%	33.4%
Overseas equities	23.7%	29.5%
Australian fixed interest securities	4.9%	5.7%
Overseas fixed interest securities	2.4%	3.1%
Property	8.6%	9.9%
Cash	19.5%	5.1%
Other	12.9%	13.3%

Fair value of Fund Assets

All fund assets are invested by Superannuation Trustee Corporation at arm's length through independent fund managers.

Expected Rate of Return on Assets

The expected return on assets assumption is determined by weighting the expected long – term return for each asset class by the target allocation of assets to each class. The returns used for each class are net of investment tax and investment fees.

Expected Contributions

Expected contributions	SASS Financial Year to 30 June 2012 \$'000	SANCS Financial Year to 30 June 2012 \$'000	SSS Financial Year to 30 June 2012 \$'000
Expected employer contributions	388	124	340

Comparative information as at 30 June 2011 is as follows:

Expected contributions	SASS Financial Year to 30 June 2011 \$'000	SANCS Financial Year to 30 June 2011 \$'000	SSS Financial Year to 30 June 2011 \$'000
Expected employer contributions	361	118	287

(i) Funding Arrangements for Employer Contributions

i) Surplus/Deficit

The following is a summary of the 30 June 2012 financial position of the Fund calculated in accordance with AAS 25 – Financial Reporting by Superannuation Plans.

	SASS \$'000	SANCS \$'000	SSS \$'000	TOTAL \$'000
Accrued benefits	8,990	2,185	20,564	31,739
Net market value of Fund assets	(7,807)	(1,998)	(19,768)	(29,573)
Net (surplus)/deficit	1,183	187	796	2,166

notes to the financial statements

19. Superannuation – Defined Benefit Plans (cont.)

Comparative figures as at 30 June 2011 are as follows:

	SASS \$'000	SANCS \$'000	SSS \$'000	TOTAL \$'000
Accrued benefits	9,360	2,334	19,387	31,081
Net market value of Fund assets	(9,008)	(2,374)	(20,116)	(31,498)
Net (surplus)/deficit	352	(40)	(729)	(417)

ii) Contribution recommendations

Recommended contribution rates for the Service as at 30 June 2012 are:

SASS	SANCS	SSS
multiple of member contributions	% member salary	multiple of member contributions
1.90	2.50	1.60

Comparative figures as at 30 June 2011 are as follows:

SASS	SANCS	SSS
multiple of member contributions	% member salary	multiple of member contributions
1.90	2.50	1.60

iii) Funding Method

Contribution rates are set after discussions between the employer, STC and NSW Treasury.

iv) Economic Assumptions

The economic assumptions adopted for the 2009 actuarial review of the Fund were:

	30 June 2012	30 June 2011
Weighted-Average Assumptions		
Expected rate of return on Fund assets backing current pension liabilities	8.3% per annum	8.3% per annum
Expected rate of return on Fund assets backing other liabilities	7.3% per annum	7.3% per annum
Expected salary increase rate	4.0% per annum	4.0% per annum
Expected rate of CPI increase	2.5% per annum	2.5% per annum

Nature of asset/liability

If a surplus exists in the employer's interest in the Fund, the employer may be able to take advantage of it in the form of a reduction in the required contribution rate, depending on the advice of the Fund's actuary.

Where a deficiency exists, the employer is responsible for any difference between the employer's share of fund assets and the defined benefit obligation.

The Local Government Superannuation Scheme – Year ended 30 June 2012

The Local Government Superannuation Scheme – Pool B (the Scheme) is a defined benefit plan that has been deemed to be a "multi-employer fund" for purposes of AASB119. Sufficient information under AASB119 is not available to account for the Scheme as a defined benefit plan, because the assets to the Scheme are pooled together for all employers.

The amount of employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2012 was \$955,073 (2011: \$1,199,173). The last valuation of the Scheme was performed by Mr Martin Stevenson BSc, FIA, FIAA on 16th February 2010 and covers the period ended 30 June 2009. However the position is monitored annually and the actuary has estimated that as at 30th June 2012 a deficit still exists. Effective from 1 July 2009, employers are required to contribute additional contributions to assist in extinguishing this deficit. The amount of additional contribution advised above is \$376,780.

The share of this deficit that can be broadly attributed to the employer was estimated to be in the order of \$2,678,012 as at 30 June 2012 (2011: \$2,029,687).

20. After Balance Date Events

There are no events which occurred after balance date which effect the financial statements.

End of audited financial statements



INDEPENDENT AUDITOR'S REPORT

Bush Fire Co-ordinating Committee

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Bush Fire Co-ordinating Committee (the Committee), which comprise the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Committee as at 30 June 2012, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

The Committee's Responsibility for the Financial Statements

The members of the Committee are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the members of the Committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Committee's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Committee's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the members of the Committee, as well as evaluating the overall presentation of the financial statements.

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

My opinion does not provide assurance:

- about the future viability of the Committee
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information which may have been hyperlinked to/from the financial statements

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence 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, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.

David Nolan
Director, Financial Audit Services

20 September 2012
SYDNEY

bush fire co-ordinating committee
chairman's report



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**Bush Fire Co-ordinating Committee
Financial Statements for the Year Ended 30 June 2012**

Statement by Chairman

Pursuant to Section 41C of the Public Finance and Audit Act 1983 I state that:

- a) The accompanying financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, the applicable clauses of the Public Finance and Audit Regulation 2010 and the Treasurer's Directions;
- b) The financial statements exhibit a true and fair view of the financial position and financial performance of the Service for the year ended 30 June 2012; and
- c) At the date of this statement there are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

S Fitzsimmons AFSM
Chairman

18 September 2012

bush fire co-ordinating committee
statement of financial position as at 30 June 2012

	NOTES	2012 \$'000	2011 \$'000
TOTAL ASSETS		-	-
TOTAL LIABILITIES		-	-
NET ASSETS		-	-
EQUITY			
Accumulated funds		-	-
TOTAL EQUITY		-	-

(The accompanying notes form part of these financial statements.)

statement of comprehensive income for the year ended 30 June 2012

	NOTES	2012 \$'000	2011 \$'000
REVENUE			
Grants	2	34	36
		34	36
EXPENDITURE			
Personnel Services	2	34	36
		34	36
SURPLUS FOR THE YEAR		-	-
TOTAL COMPREHENSIVE INCOME		-	-

(The accompanying notes form part of these financial statements.)

statement of changes in equity for the year ended 30 June 2012

	NOTES	2012 \$'000	2011 \$'000
EQUITY OPENING BALANCE			
Accumulated funds		-	-
Surplus for the Year		-	-
EQUITY CLOSING BALANCE		-	-
ACCUMULATED FUNDS		-	-

(The accompanying notes form part of these financial statements.)

bush fire co-ordinating committee

statement of cash flows for the year ended 30 June 2012

	NOTES	2012 \$'000	2011 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Cash Provided/(Used) by Operating Activities		-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Net Cash Provided/(Used) by Investing Activities		-	-
Net Increase/(Decrease) in Cash Held		-	-
Cash at the Beginning of the year		-	-
CASH AT THE END OF THE YEAR		-	-

(The accompanying notes form part of these financial statements.)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

1. SUMMARY OF ACCOUNTING POLICIES

(a) Reporting Entity

The Bush Fire Co-ordinating Committee is a corporation constituted under Section 46 of the *Rural Fires Act 1997*. The Committee is the peak planning body for bush fire management in New South Wales.

The Committee is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating activities.

The financial statements for the year ended 30 June 2012 have been authorised for issue by the Bush Fire Co-ordinating Committee on 13 September 2012.

(b) Basis of Preparation

The Committee's financial statements are general purpose financial statements which have been prepared in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations) and the requirements of the Public Finance and Audit Act, 1983 and Regulation.

Financial statements items are prepared in accordance with the historical cost convention.

Judgements, key assumptions and estimations management 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.

(c) Statement of Compliance

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

(d) Income Recognition

Income is measured at the fair value of the consideration received or receivable. Revenue (in the form of a grant from the NSW Rural Fire Service) is recognised as income when the Committee gains control over the assets comprising the grant contribution.

(e) Administrative Support

The NSW Rural Fire Service provides miscellaneous goods and services as administrative support to the Committee at no charge. The value of this minor administrative support is not material.

Personnel Services

Committee members are engaged and remunerated by the NSW Rural Fire Service and their services are provided to the Committee for a fee, which includes a component for relevant on-costs.

(f) Insurance

The Committee does not hold its own insurance coverage as it does not have any employees, hold any assets or have any potential liability exposure.

bush fire co-ordinating committee

(g) New Australian Accounting Standards Issued but not Effective

At the reporting date, a number of Accounting Standards adopted by the AASB had been issued but are not yet operative and have not been early adopted. The initial application of these standards will have no material impact on the financial performance or position.

(h) Comparative information

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

2. REVENUE AND EXPENSES

	2012 \$'000	2011 \$'000
Revenue		
Grants from NSW Rural Fire Service	34	36

	2012 \$'000	2011 \$'000
Expenditure		
Personnel services provided by NSW Rural Fire Service	34	36

3. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

As at 30 June 2012 the Committee had no contingent assets or contingent liabilities. (Nil in 2010-11).

4. FINANCIAL INSTRUMENTS

The Committee does not hold any financial instruments.

5. AFTER BALANCE DATE EVENTS

There are no events subsequent to balance date which affect the financial statements.

End of audited financial statements of the Bush Fire Co-ordinating Committee.

FRONT COVER PHOTO:

Part of the Roadside Vegetation Program, this roadside burn was on the Barrier Highway, about 170km west of Cobar. The volunteer in the photo was one of the Region East (Firefighter Steve Skinner, Valley Heights Brigade) crew who came out to assist the local brigades. It was a very successful burn. Photo by Robyn Favelle



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