

24 STATE FIRE COMMISSION

AUTHORITY OUTLINE

The State Fire Commission's primary purpose is to minimise the social, economic and environmental impact of fire on the Tasmanian community. This is pursued through the provision of a rapid and effective response to emergencies and through the delivery of a broad range of fire prevention, reduction and safety programs.

The Commission is also responsible for:

- road crash rescue (in Hobart, Launceston, Burnie, Devonport and surrounding areas);
- managing incidents involving hazardous materials;
- providing an Urban Search and Rescue capability to manage the rescue of people from collapsed buildings and structures; and
- providing a rescue/mitigation response to terrorist incidents involving chemical, biological and radiological agents.

The State Fire Commission reports to the Minister for Police and Emergency Management, Hon Rene Hidding MP, and the supporting agency is the Department of Police and Emergency Management. The Commission delivers all of its services through its operational arm, the Tasmania Fire Service.

This chapter provides the State Fire Commission's financial information for 2015-16 and over the Forward Estimates period (2016-17 to 2018-19). Further information on the Commission can be found at www.fire.tas.gov.au.

KEY DELIVERABLES

Table 24.1 provides a summary of the Budget and Forward Estimate allocations for key deliverables by the Commission.

Table 24.1: Key Deliverables Statement

	2015-16	2016-17	2017-18	2018-19
	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000
Bushfire Ready Neighbourhoods Program	581	580	590	601
Fire Fighting Appliance Replacement Program	2 500	3 200	3 450	4 150
Fire Station Build Program	600	1 200	1 215	1 095
Information Technology Replacement Program	390	390	390	340
Red Hot Tips	154	....	....	....
State Emergency Service	2 538	2 596	2 653	2 706
State Fire Management Council	770	613	628	644

Bushfire Ready Neighbourhoods Program

The Bushfire Ready Neighbourhoods Program commenced in 2013-14. This Program is included in the Commission's five year plan at a total cost of \$2.8 million. For many years, the Commission has been providing high quality bushfire information, which has led to an increase in awareness of bushfire risk and intention to take appropriate action. However, there are still many households in Tasmania which are not prepared for bushfire. This Program will provide information for everyone in the community to enable them to prepare for hazards, particularly low frequency hazards such as bushfires.

Fire Fighting Appliance Replacement Program

The Commission is committed to providing its fire fighters with safe and operationally effective fire trucks, allocated on a 'fitness for purpose' basis. The Commission has developed a rolling and sustainable fire truck replacement program that will ultimately result in a decline in the maximum age of its operational fleet of trucks from in excess of 25 years, to somewhere in the vicinity of 20 years of age.

Total funding of \$13.3 million over a four year period has been allocated to the Fire Fighting Appliance Replacement Program, which will see the heavy tanker fleet upgraded to crew cab appliances, additional medium and light tankers fabricated, as well as the purchase of two new pumpers and the refurbishment of aerial appliances.

Fire Station Build Program

An amount of \$4.1 million has been allocated over the next four years for capital upgrades to Commission facilities which will include a combination of replacement and refurbishment of fire stations. One of the key outcomes of the Program will be reducing the exposure to diesel particulate through better station design; this will include the separation of fire fighter's personal protective clothing from fire fighting appliance diesel exhaust. This separation provides the added benefit of further eliminating any exposure to the possibility of residual contaminants in protective clothing used in fire fighting. This measure is consistent with mitigating actions related to presumptive legislation for cancer in fire fighters.

Information Technology Replacement Program

The replacement program for the computer and network infrastructure will continue to focus on the transition to Voice-Over-Internet Protocol (VOIP) technology. This is necessary due to the decommissioning of the current Government phone network that uses the spectrum network. The In-Vehicle Computer project, to provide more accurate and timely information in the management of emergencies and surrounding location to the crew in transit and during the event, will also continue in 2015-16.

Red Hot Tips

The Red Hot Tips Program was committed for three years from 2013-14 with a total cost of approximately \$463 000. The purpose of the Program is to assist landholders in rural areas of Tasmania implement safe and strategic planned burning of native vegetation on private land. Planned burning is a very important tool for managing fuel hazards and for enhancing biodiversity and native vegetation condition, including enhancing regeneration and assisting in weed management.

State Emergency Service

Management arrangements within the Department of Police and Emergency Management (DPEM) have been revised and the State Emergency Service (SES) now reports through the Tasmania Fire Service, better reflecting the close alignment of these agencies. The SES and the Commission have many synergies; they both have a large pool of dedicated volunteers, work together on emergency incidents and many of their premises are co-located.

Under the new arrangement, the Director of the SES reports through the Chief Fire Officer to the Secretary of DPEM (Commissioner of Police). Previously, the Director reported directly to the Secretary.

The Commission provides ongoing funding for the SES of \$2.5 million in 2015-16 increasing to \$2.7 million in 2018-19.

There will be no change to the operational role of either agency or the way employees and volunteers respond to emergencies.

State Fire Management Council

The State Fire Management Council (SFMC) is an independently chaired body established under section 14 of the *Fire Service Act 1979*. It has the following functions:

- to develop a state vegetation fire management policy to be used as the basis for all fire management planning;
- to advise and report regularly to the Minister on such matters relating to the administration of the Fire Service Act, as it applies to vegetation fire management; and
- to provide advice to the State Fire Commission regarding the prevention and mitigation of vegetation fires.

Legislative amendments in 2012 increased the roles and responsibilities of SFMC, particularly in regard to re-establishing Fire Management Area Committees (FMACs) with broader strategic fire management goals. In order to meet these enhanced responsibilities, the Commission will provide the necessary bushfire planning and risk assessment expertise, and administrative support to both the SFMC and FMACs.

The SFMC plays a key role in the development of implementation strategies to deliver the Government's \$28.5 million Fuel Reduction Burns election commitment that will produce a tenure blind, risk based program of burns to reduce fuel in the areas that pose the greatest risk to the Tasmanian community. The \$28.5 million funding is provided to the Department of Primary Industries, Parks, Water and Environment. The State Fire Commission will contribute an additional \$770 000 in 2015-16 including \$398 000 for the employment of 3.4 Full Time Equivalents to support the Fuel Reduction Unit.

DETAILED BUDGET STATEMENTS

Table 24.2: Statement of Comprehensive Income¹

	2014-15	2015-16	2016-17	2017-18	2018-19
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue and other income from transactions					
Grants	3 083	4 989	5 021	5 051	5 082
Taxation	62 225	64 689	66 444	68 708	70 590
Sales of goods and services	5 807	5 874	6 021	6 172	6 326
Interest	150	51	53	54	55
Other revenue ²	1 180	1 573	1 610	1 650	1 690
Total revenue and other income from transactions	72 445	77 176	79 149	81 635	83 743
Expenses from transactions					
Employee benefits	46 078	48 024	48 811	49 799	50 806
Depreciation and amortisation	6 303	6 937	6 687	6 509	6 409
Supplies and consumables	19 849	21 887	21 944	22 246	22 682
Borrowing costs	240	330	330	330	330
Other expenses	3 732	3 892	3 913	3 990	4 069
Total expenses from transactions	76 202	81 070	81 685	82 874	84 296
Net result from transactions (net operating balance)	(3 757)	(3 894)	(2 536)	(1 239)	(553)
Net result	(3 757)	(3 894)	(2 536)	(1 239)	(553)
Comprehensive result	(3 757)	(3 894)	(2 536)	(1 239)	(553)

Notes:

- Administrative arrangements relating to the transition of the SES from the Department of Police and Emergency Management to the State Fire Commission are expected to be finalised in 2015-16. As a result, the financial statements for both the Department and State Fire Commission may be subject to future amendment.
- The increase in Other revenue in 2015-16 reflects reimbursement from the Fuel Reduction Burns funding held within the Department of Primary Industries, Parks, Water and Environment for the employment of two regional planners.

Table 24.3: Statement of Financial Position as at 30 June

	2015	2016	2017	2018	2019
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Assets					
Financial assets					
Cash and deposits	714	505	(273)	(378)	(377)
Receivables ¹	2 410	1 522	1 522	1 522	1 522
Other financial assets	1 789	1 743	1 743	1 743	1 743
	4 913	3 770	2 992	2 887	2 888
Non-financial assets					
Inventories	1 454	1 438	1 438	1 438	1 438
Property, plant and equipment ¹	106 041	102 303	101 346	100 811	100 857
Other assets	1 120	1 211	1 211	1 211	1 211
	108 615	104 952	103 995	103 460	103 506
Total assets	113 528	108 722	106 987	106 347	106 394
Liabilities					
Payables ¹	3 404	1 664	1 864	1 864	1 864
Interest bearing liabilities ²	3 330	4 830	4 830	4 830	4 830
Employee benefits	13 422	15 022	15 623	16 222	16 822
Superannuation	1 321	1 176	1 176	1 176	1 176
Other liabilities ³	....	323	323	323	323
Total liabilities	21 477	23 015	23 816	24 415	25 015
Net assets (liabilities)	92 051	85 707	83 171	81 932	81 379
Equity					
Reserves	17 499	17 732	17 732	17 732	17 732
Accumulated funds	74 552	67 975	65 439	64 200	63 647
Total equity	92 051	85 707	83 171	81 932	81 379

Notes:

1. The decrease in Receivables, Property, plant and equipment and Payables in 2016 reflects revised estimates based on 30 June 2014 actuals.
2. The increase in Interest bearing liabilities in 2016 reflects the funding of the Commission's capital expenditure program.
3. The increase in Other liabilities in 2016 reflects revised estimates based on 30 June 2014 actuals.

Table 24.4: Statement of Cash Flows

	2014-15	2015-16	2016-17	2017-18	2018-19
	Budget	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Cash inflows					
Grants	3 083	4 989	5 021	5 051	5 082
Taxation	62 225	64 689	66 444	68 708	70 590
Sales of goods and services	5 246	5 874	6 021	6 172	6 326
GST receipts	561	....	....	....	....
Interest received	150	51	53	54	55
Other cash receipts	1 180	1 274	1 611	1 650	1 690
Total cash inflows	72 445	76 877	79 150	81 635	83 743
Cash outflows					
Employee benefits	(41 047)	(42 669)	(43 451)	(44 331)	(45 229)
Superannuation	(5 031)	(5 355)	(5 360)	(5 468)	(5 577)
Borrowing costs	(240)	(330)	(330)	(330)	(330)
GST payments	(2 038)	....	....	....	....
Supplies and consumables	(17 906)	(24 247)	(22 605)	(23 125)	(23 580)
Other cash payments	(3 637)	(2 943)	(2 962)	(3 021)	(3 081)
Total cash outflows	(69 899)	(75 544)	(74 708)	(76 275)	(77 797)
Net cash from (used by) operating activities	2 546	1 333	4 442	5 360	5 946
Cash flows from investing activities					
Payments for acquisition of non-financial assets	(5 930)	(4 120)	(5 520)	(5 765)	(6 245)
Proceeds from the disposal of non-financial assets	300	300	300	300	300
Net cash from (used by) investing activities	(5 630)	(3 820)	(5 220)	(5 465)	(5 945)
Cash flows from financing activities					
Net borrowings	....	1 500	....	....	....
Net cash from (used by) financing activities	....	1 500	....	....	....
Net increase (decrease) in cash and cash equivalents held	(3 084)	(987)	(778)	(105)	1
Cash and deposits at the beginning of the reporting period	3 798	1 492	505	(273)	(378)
Cash and deposits at the end of the reporting period	714	505	(273)	(378)	(377)