our vision
To create a safer Melbourne community

our mission
Protecting our community

goals
• Safer communities
• Engage stakeholders
• Capable workforce
• Well managed performance
• Holistic planning

MFB provides
P - Prevention
P - Preparedness
R - Response
R - Recovery
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The Metropolitan Fire and Emergency Services Board (MFB) is responsible for protecting more than two million Melbourne residents, workers and visitors as well as billions of dollars worth of assets and key infrastructure.

It works in partnership with other agencies to facilitate and deliver a range of emergency services to the Victorian community in the metropolitan fire district (MFD)—an area of more than 1,000 square kilometres covering 25 municipalities.

To achieve its goal of protecting the community, it provides specialist prevention, preparedness, response and recovery services across the MFD. The MFB is also involved in the development of emergency management plans for the state, providing ongoing advice to local, state and federal government departments and agencies, as well as local communities.

The people who live and work in the metropolitan fire district come from diverse backgrounds. Their average age is 35.4 and they speak more than 250 languages. One third of them were born overseas. More than 100,000 have little or no spoken English. The MFB works closely with community groups, facilitating education campaigns and programs to ensure that people are equipped with the skills, information and tools needed to prevent, prepare, respond and recover from emergencies.
emergency response statistics

number of building fires by type of property use (mfd only)
(01/07/2007 - 30/06/2008)
Note: 2004 – 05 figure was influenced by severe weather conditions on 2 and 3 February 2005. The 2004 – 05 90th percentile response time excluding these days is 7.6 minutes.

2005 – 06 figure was influenced by severe weather conditions on 26 and 27 February 2006. The 2004 – 05 90th percentile response time excluding these days is 7.9 minutes.

2007 – 08 performance of 8.3 minutes is consistent with performance for the same period last year. 2007 – 08 performance excluding 2 April 2008 is 8.2 minutes.

The response time figure was influenced by high demand for our services due to the severe weather conditions on 2 April 2008.
emergency response statistics (continued)

number of calls by LGA (MFD and CFA areas)

- **2007-08**
  - Banyule: 1130
  - Bayside: 1137
  - Boroondara: 1422
  - Brimbank: 2368
  - Darebin: 1795
  - Glen Eira: 1021
  - Greater Dandenong: 93
  - Hampton: 1334
  - Hume: 1481
  - Kingston: 751
  - Knox: 67
  - Manningham: 667
  - Maribyrnong: 1339
  - Maroondah: 987
  - Melbourne: 6404
  - Monash: 93
  - Moonee Valley: 2038
  - Moreland: 1049
  - Nilma: 1760
  - Port Phillip: 9
  - Port Philip: 1702
  - Stonnington: 1534
  - Sunbury: 1720
  - Yarra: 1356
  - Yarra Ranges: 667
  - Other Areas: 1339
  - TOTAL: 987
  - TOTAL: 6404
  - TOTAL: 35673

- **2006-07**

- **2005-06**

- **2004-05**

- **TOTAL**: 36364

- **TOTAL**: 33081

- **TOTAL**: 31161
containment of fires to room of origin

Reports affected by industrial action have been excluded from the analysis. Containment to room of origin excluding suspicious structural fires is 91.1%.

EMR successful resuscitations
The MFB is engaged in more than high profile fire fighting functions. Other facets of our work may often go unheralded but are equally as important.
This is my first report as President of the Metropolitan Fire and Emergency Services Board (MFB). My hope is that the thoughts set out here will contribute to the debates that we have with our stakeholders, Minister, Board, management and staff over the next few years. Many of these comments have an internal focus. This is unusual for an annual report, but is an honest reflection on the organisation’s current challenges and vulnerabilities.

The MFB is a complex organisation. As the MFB’s 2020 strategy work has shown, this complexity will not diminish over coming years. New risks are emerging, our workforce is ageing and we cannot rely on public affection or our monopoly provider status to carry us through.

The MFB is engaged in more than high profile firefighting functions. Other facets of our work may often go unheralded but are equally as important. Examples include work in educating young people and the community at large about fire safety; work with hazardous materials; engagement of diverse communities; contributing to state emergency planning; and saving lives through the emergency medical response service.

We are very good at meeting immediate, external demands such as fires and emergencies. I believe, however, that we do not match this excellence in our internal decision-making and operations. This is because of the weight of history and complex industrial relationships. There is great scope to improve our communications, behaviours, processes and the overall degree of contentment in the organisation.

It is difficult to understand why we make so much of our internal operations such hard work. It does not have to be this way. A major goal for all of us over the next few years, from the Board right through to our newest recruits, must be to achieve a significant improvement in the way that we do business, manage and resolve issues. The platform established by CEO Ken Latta will go a long way towards this goal.

We must enhance the MFB’s internal capabilities, otherwise our capacity to meet statutory and community obligations will be put at risk.

After a period in office I am now convinced that the observations set out above are widely held by the staff of the MFB, many stakeholders and significant members of the community. We cannot ignore these messages and I assure those interested in the welfare of the organisation and our staff that the next few years will see improvements in these currently vulnerable areas.

On behalf of the Board I would like to recognise my predecessor, Julie Elliott, for her contribution to the organisation over many years. Similarly Melanie Raymond stepped down after a six year term on the Board. Melanie was particularly responsible for the increasing emphasis by the MFB on diversity within our staffing and services to the community.

The CEO, Ken Latta, his management team and leaders within the organisation have initiated many exciting projects that will set the pace for the next few years. They are to be congratulated for introducing many of the changes that are necessary, if sometimes uncomfortable, to meet the needs of the MFB and the community.
The MFB must adapt if it is to be relevant to this changing metropolis. The MFB is committed to engaging and working closely with community groups, other stakeholders and service delivery partners to meet the challenge.
Melbourne is one of the world’s high density urban residential and business centres. The MFB must adapt if it is to be relevant to this changing metropolis. The MFB is committed to engaging and working closely with community groups, other stakeholders and service delivery partners to meet the challenge.

To be effective the MFB must enhance its analysis and research capacity to support informed decision making about the future, as well as influencing decision makers and guiding collaboration with our many partners. It must understand the drivers of change and continuously reinvent itself so that it is relevant into the future. It must be flexible and adaptive.

To this end we have introduced a number of significant internal changes. We have differentiated between those departments providing services to those we serve and those who provide internal support to enable us to do this so well. We have introduced a ‘supportive leadership’ approach and are in the process, through training reforms and other internal programs, of developing our leadership group in this way.

We are also revising the roles and responsibilities of our organisational structure to better define the value-adding role that they play within the organisation. We have introduced new project management approaches, with associated professional development arrangements to enhance the way we introduce new and innovative change.

This year we took a major step forward to enhance the safety of our operational firefighters by introducing new personal protective uniforms. The Australian manufactured uniforms are cutting edge, functional and adaptable to the type of work undertaken by MFB firefighters. They were rigorously tested to ensure that they meet the highest standards.

In October 2007, a fire at a Yarraville furniture manufacturing plant resulted in one of our colleagues sustaining serious injuries. Protection of our firefighters in their work is a major priority at the forefront of our minds.

MFB firefighters were recognised during the year for their individual efforts in dangerous situations, including at the scene of a shooting in central Melbourne. Their commitment is an example of the dedication of all MFB operational staff who go about their duties with diligence and professionalism.

Co-responding with our ambulance colleagues, highly trained MFB firefighters are the first to attend to heart attack victims and similar patients. Their resuscitation efforts and preparing patients for hand-over to ambulance officers is saving lives. There are numerous occasions when, even after their best efforts, responding crews are not able to resuscitate people. The MFB considers the support of its people in these instances as vital, therefore a very mature peer support program is offered for all critical events.

The MFB 2020 project was completed and will provide a framework for future planning. The project was a successful and productive partnership with the United Firefighters Union (UFU) and included extensive community and staff involvement.

We achieved a significant milestone in minimising our impact on the environment when we reached an agreement with the Country Fire Authority (CFA) to use class A recycled water for training and fire fighting.

A Diversity in Emergency Services Conference jointly organised by the MFB and the UFU was a great success and did much to lift awareness and acceptance of diversity among our workforce. A diversity development framework was subsequently endorsed by the MFB Board and will guide our future work in this area.

In a related development, we became the first fire service in Australia to introduce a reconciliation action plan. It formalised the MFB’s recognition of Aboriginal people as the traditional custodians of the land and sets out measures the MFB can take to close the gap between Aboriginal Australians and the broader community.

The MFB continued to meet challenges created by our diverse and ageing population by informing community groups of the skills and tools needed to prepare for and recover from emergency situations.

We used innovative approaches such as our SmokeBUSter2 which boasts the latest multimedia technology to simulate high risk household scenarios. It is used to deliver fire safety messages to all age groups from primary school children to seniors. We continued to press home the fire safety message through the winter fire safety campaign in association with the CFA, Energy Safe Victoria, the Alfred Hospital and Archicentre.

Finally, I am indebted to the MFB Board for their stewardship of the MFB and their counsel. I also record my appreciation to the Corporate Leadership Group and to all staff - in operational, technical and administrative roles - for their contributions during the year.

Ken Latta
Chief Executive Officer
The seven-member MFB Board is established under the Metropolitan Fire Brigades Act 1958 and is responsible for the governance and strategic direction of the organisation.

**Changes to Board membership 2007-08**

Former MFB President, Ms Julie Elliott, stepped down in September 2007 after seven years service with the MFB, including two years as President. She previously filled the roles of Deputy President, the Chair of the Finance and Audit Committee, and Chair of the MFB and Country Fire Authority Joint Activities Committee.

Ms Melanie Raymond left the Board on 30 June 2008 after six years. She served on the Governance and Risk Committee and also chaired the joint Activity Committee for a period.
ADRIAN NYE
PRESIDENT
BA (Hons), DipEd, MBA, FCPA

Mr Nye was appointed President of the MFB in October 2007. He has had more than 20 years experience in public sector management including senior management roles in the Department of Treasury and Finance. He also has had extensive board and governance experience with statutory authorities and as a management consultant. Mr Nye is the Chairman of the Victorian Managed Insurance Authority and a member of the advisory board to the Municipal Association of Victoria’s insurance company, Civic Mutual Plus. Mr Nye is Deputy Director of the Emergency Services Superannuation Board and a Director of the Adult Community and Further Education Board. He is also an independent member of the Broadmeadows Schools Regeneration Project.

IAN SPICER AM
DEPUTY PRESIDENT
LLB, FAIM, FCIM, AICS

Mr Spicer was first appointed to the MFB Board in September 1997 and became Deputy President in June 2006. He chairs the Audit Committee. He has had more than 35 years business experience in Australia and overseas and is a former Chief Executive of the Australian Chamber of Commerce and Industry, the Confederation of Australian Industry and the Victorian Employers’ Federation (now the Victorian Employers’ Chamber of Commerce and Industry). Mr Spicer is on the Board of the Australian Institute of Health and Welfare and is a member of a number of Australian government advisory bodies.

CAROL ANDRADES
BA, LLB, LLM

Ms Andrades was appointed to the MFB Board on 1 July 2006. Ms Andrades has a background in industrial, employment and discrimination law and is a consultant to the Victorian legal firm Ryan Carlisle Thomas. She has written and lectured extensively on these topics and has provided expert advice to the International Labour Organisation on Vietnam’s labour code. Ms Andrades is a Senior Fellow in the Law Faculty of the University of Melbourne, where she is a visiting lecturer. She is also an Australian Executive Member of the International Centre for Trade Union Rights, an advisory Board Member of the University of Melbourne’s Centre for Employment Law and Labour Relations, and a member of the Industrial Law Committee of the Law Council of Australia.
SAM AZIZ
BA (Hons), MA (Defence Studies),
Advanced Diploma (Business),
Advanced Diploma (Government)
Mr Aziz was appointed to the MFB Board on 20 September 2005.
A Director with a Commonwealth law enforcement agency, he previously filled international and domestic security positions in the Commonwealth Attorney General's Department and the Department of Defence.
Mr Aziz is an honorary adviser on government and public affairs to the Coptic Orthodox Church Diocese of Melbourne and has worked with community groups and local government organisations for more than 10 years.
He was a Commissioner of the Victorian Multicultural Commission for five years.

JAY BONNINGTON
BCom, MBA, FAICD, FCPA
Ms Bonnington was appointed to the MFB Board on 1 July 2006.
She started her career as a chartered accountant in New Zealand before filling senior financial roles in large corporations in the UK, USA, Europe and South Africa, including 10 years with the large construction and engineering group, Transfield.
Ms Bonnington was formerly Chief Executive Officer of the Make-A-Wish Foundation of Australia, which grants wishes to seriously ill children.
Ms Bonnington is on the Board of St John of God Health Care, Prince Henry's Medical Research Institute, South East Water, Prahran Market, the Royal Botanic Gardens and Agriculture Services Victoria Pty Ltd.
She is also an honorary Board member of The Queens Fund, a not for profit organisation assisting women and children in need, and Scope.

MELANIE RAYMOND
BA (Hons), MA (Hons), MAICD
Ms Raymond was appointed to the MFB Board on 1 July 2002.
She has been Chair of the Board of Directors of the not-for-profit welfare agency Youth Projects since 1999, and is a director of the Inner North Community Foundation, an independent philanthropic foundation which supports innovative projects for young people in Darebin, Moreland and Yarra.
Ms Raymond is a member of the Victorian Liquor Control Advisory Council.
A former City of Moreland councillor, Ms Raymond has worked in media and public relations for 15 years and in 1996 completed an executive program in industrial relations at the Harvard University Business School.
She is a former chair of the MFB and Country Fire Authority Joint Activities Committee.
In March 2008, Ms Raymond was named Woman of the Year by Moreland City Council for her work in leadership and representation of women.

GEOFF LAKE
BA, LLB (Hons)
Mr Lake was appointed to the MFB Board on 14 June 2005 and chairs the Governance and Risk Committee.
He has had more than seven years experience in local government as a City of Monash councillor, President of the Municipal Association of Victoria, and Vice-President of the Australian Local Government Association, based in Canberra.
He was first elected to the City of Monash Council in March 2000 and is now serving his third term as a representative.
He is employed by a commercial law firm in Melbourne.
executive management team

Left to right, top row Peter Quinsee, Keith Adamson, Shane Wright, Tony Murphy, Andrew Zammit
Left to right, bottom row Ken Latta, Margret Holmes, Harry Wiedemann
Mr Latta has been the MFB Chief Executive Officer since April 2007 and is responsible for the overall leadership of the organisation. His role includes promoting the organisation to ensure the public has confidence in the MFB and supports its activities. He works with stakeholders, positioning the MFB as a leader in protecting the community.

Mr Murphy is responsible for the MFB’s emergency response activity across the four zones of the MFD. This includes focus on continuous improvement, response to key risks, contributing to the development of and compliance with emergency management arrangements, and fostering relationships with other emergency service organisations. He began his MFB career in 1979.

Ms Holmes joined the MFB in October 2006. She is responsible for the Corporate Secretariat which supports the MFB Board and the executive management team, legal services and compliance, diversity development, and records and document management services. As well, the directorate handles requests under the Freedom of Information Act and provides the Registrar for the Metropolitan Fire and Emergency Services Appeals Commission.

Mr Zammit has been an operational firefighter since 1987 and has filled the role of Acting Director since January 2008. He has responsibility for the MFB’s internal and external communications and for raising and enhancing the MFB’s profile among its key stakeholders, through events, government relations, media relations and public relations campaigns. The former director, Ms Sue Fitzpatrick, resigned in early 2008.
Mr Wiedemann, who joined the MFB in 1989, is responsible for the organisation’s financial management, false alarm reduction strategies, fire equipment services and risk management.

The Director, Mr Gary Barge, commenced 12 months’ leave in May 2008.

Mr Wilson is responsible for providing services across the organisation. His area includes property development, facilities management, mechanical engineering, procurement, information and communications and fleet management.

Mr Wilson joined the MFB in April 1985.

The former Director, Mr Peter Whelan, resigned in May 2008.

Mr Adamson is responsible for developing and delivering community education programs, providing advice to the building industry and ensuring compliance with codes and regulations covering the built environment and the handling, storage and transport of dangerous goods.

His directorate also manages investigations into the cause of serious fires and the analysis of fire behaviour in built structures.

Mr Adamson, who joined the MFB in 1973, was formerly the Director of the Office of the CEO.

Mr Wright, who has been with the MFB since 1981, is responsible for human resources including occupational health and safety, employment and professional development and industrial relations. His area is also responsible for research, performance monitoring, data analysis, corporate planning and information and communications systems.

The former Director of Human Resources, Mr Jim Carlisle, resigned in December 2007. Under the MFB’s new structure, the human resources department merged with capacity development in January 2008.
Mr Quinsee’s directorate is responsible for supporting operational service delivery by equipment development, training and readiness of specialised resources. He joined the MFB in 1980. Under the new MFB structure, parts of the Corporate Strategy Directorate merged with Operations Support in January 2008.

In 2007-08 the MFB employed 1,702 operational staff, 254 corporate employees, 60 temporary staff and 13 trainees and apprentices. Like many emergency services organisations, the MFB operational workforce has been, and remains, predominantly male. However the 60 new recruit firefighters who joined the MFB in 2007-08 included five females. The MFB is proud of its many long serving staff and during the year long service and good conduct awards were presented to 177 staff members.
the year in review

ensuring emergency response capacity and capability

Emergency response statistics

The MFB’s emergency response profile is constantly evolving. The ability to be receptive to the type of response challenges faced by the community in the future is vital as the MFB is committed to providing best practice response services.

The trend of the past two years has continued during the reporting period. There was a slight decrease of 0.4 per cent in the number of incidents attended by the MFB in the 2007 - 08 reporting period, but total property loss in dollar terms increased by 14 per cent.

The response to fires represents 28 per cent of total responses – 9,881 fires, while the response to false alarms represents 43 per cent of responses – 15,075.

The MFB sets high performance targets. It aims to contain 90 per cent of fires to the room where they were started and it achieved this in 88.9 per cent of incidents. Its response time target is 7.7 minutes and for the fourth consecutive year it performed close to that target, achieving 8.3 minutes at the 90th percentile.

The MFB attended over 1,400 residential fires and almost 400 fires in shops/stores and offices.

There were 11 fire related fatalities in 2007 - 08 – four more than in the previous 12 months. The MFB seeks to minimise fatalities by reminding the community about fire safety through its public awareness campaigns.

Severe April storms

Along with other emergency services organisations, the MFB’s resources were strained during severe storm activity in Melbourne on 2 April 2008.

The MFB usually averages about 100 responses a day but the storms generated 902 calls and 295 responses. More than 120 of the calls concerned fallen power lines.

Life threatening situations received the highest priority during the emergency. Calls advising of fallen power lines, building damage, or trees down were given a lower priority.

Eleven fire stations were left without power for varying periods and generators were used to maintain operational capability. Two fibre optic switching points were damaged, causing the failure of turnout systems in several stations. These stations reverted to manual operations, consistent with business continuity arrangements.

After reviewing its performance during the storm emergency, the MFB committed to providing more fire stations with generators and further refined its business continuity planning.
Operational support

Use of modern equipment and techniques maintains the MFB’s capacity to respond effectively to emergencies and to protect the community. One potential concern can be the health risks from hazardous materials. Following review and evaluation of available options, MFB deployed updated hazardous material mitigation and decontamination equipment for use by its operations staff.

An effective aid to firefighters is the use of foam concentrates, but there can be safety concerns and impacts on the environment. After review and testing involving more than 75 appliances and more than 40,000 litres of foam concentrate, the MFB selected Angus Tridol foam for use. It is safer to use and is more environmentally friendly than the previous product.

Having back-up capacity is an important part of being prepared for response to major incidents. To support this capacity, a consolidated operational equipment store was developed at the Sunshine fire station. The reserve appliance equipment cache was enhanced by equipping all spare appliances with operations gear to ensure maximum response capability in daily responses, task force and wildfire deployment scenarios. A comprehensive operational equipment database was also developed to streamline maintenance.

Effective response and firefighter safety are supported by advance knowledge about a site when responding to an incident. A database available to crews through the station turnout system provides that information and was enhanced during the year, with particular focus on high risk buildings.

Other measures to augment the MFB’s emergency response and capacity included the extension of incident management training to senior station officers and the implementation in June 2008 of the AIRS2 fire reporting system. This system will improve the quality of the data available for decision making.

Work continued with the UFU to evaluate and finalise the station community safety planning pilot and the site information worksheet. These worksheets are now in use.

In the past 12 months, the MFB has introduced into service seven new Mark 5 pumpers, a heavy rescue vehicle and a water recycling module. A new incident control unit is being commissioned to ensure the MFB is able to enhance fire ground communications and emergency management.

Emergency Medical Response

The MFB’s Emergency Medical Response (EMR) program is saving lives. Since becoming a core function in 2001, the program has seen firefighters trained and equipped to provide CPR and defibrillation. During a medical emergency, the closest firefighters are dispatched at the same time as the closest ambulance.

MFB EMR firefighters resuscitated 23 patients during the year - the highest number on record. One hundred and four ‘resuscitation survivors’ have been directly attributed to the program since it began.

Research

The MFB completed a wide range of research projects during the financial year, covering technical fire issues, community safety and MFB future direction.

To better understand the distribution of emergency calls, MFB used spatial analysis tools to study trends in arson and impacts of changes to the Emergency Services Telecommunications Authority computer aided dispatch system.

Post Incident Analysis (PIA) reports provide valuable information about an incident, but also about common themes and critical concerns. The PIA reports included a review of a chemical fire at a Yarraville furniture manufacturing plant in October 2007 in which a firefighter was severely injured. The fire was caused by a build-up of nitrocellulose in and around a spray booth, which decomposed and caused a runaway chemical reaction - the pre-cursor to the fire.

The report led to safety alerts about nitrocellulose and spray painting booths being issued to
firefighters. Discussions were also held with the furniture industry about dangerous work practices involving lacquers.

Another PIA report concerned an incident in which ammonia leaked in two large freezers containing 900 pallets of frozen meat at a Thomastown meatworks in July 2007. It took MFB firefighters nine days to safely manage the leak. A large portion of the ammonia froze on the floor among the pallets. Firefighters used bulk CO2 and citric acid to make the atmosphere in the plant safe, allowing the meat to be removed and the site cleaned.

Operational performance is supported by a culture which supports evidence-based decision making and continuous improvement. Projects to support this approach include reviewing current performance benchmarks, the development of a framework for organisational performance reporting, and tools to improve access to and an understanding of performance information across all levels of the organisation.
After the fire survey
Understanding residential fires and occupiers helps the MFB plan better for the future. During the year the MFB undertook an “after the fire” survey to identify and evaluate community vulnerability to fire in the home.

The survey found that 56 per cent of residential structure fires attended by the MFB occurred as the result of the misuse of either a heat source or material which ignited or as a result of equipment failure.

The average building age of homes which experienced a fire was 46 years, but 69 per cent were less than 50 years old.

Young people (aged under 19) and the elderly (80 and older) were over represented in households which experienced residential structure fires. Twelve per cent of respondents reported a person with a disability in their home who required extra assistance during a fire.

While 90 per cent of residences surveyed had smoke alarms fitted at the time of the fire, only 55 per cent of smoke alarms operated and only 41 per cent succeeded in alerting the occupant to the presence of smoke or fire.

Only 13 per cent of respondents who owned a fire extinguisher attempted to use it and only nine per cent of respondents who owned a fire blanket used it in an attempt to extinguish the fire.

Ninety six per cent of respondents had no difficulty in dialling the emergency number 000, but almost two thirds made the call from the burning house.

Survey results confirmed the need for continuing fire safety education campaigns.

Overall, respondents reported a high level of satisfaction with the service they received from the MFB with 95 per cent saying they were “very satisfied” or “satisfied”. In particular, respondents held the professionalism of MFB firefighters in high regard.

MFB fire station development
A new fire station was completed at Croydon at a cost of $4.3 million. The facility includes office accommodation, a lecture room, kitchen and gymnasium, as well as improved bedrooms and bathrooms to address privacy.

The Footscray fire station, which was built in 1941, was redeveloped at a cost of $5.7 million. The old appliance bay was demolished and replaced with one which can house up to four appliances. The facility includes specialist facilities for Ambulance Victoria.

Both stations feature solar-boosted, gas-fired hot water systems, energy efficient appliances and thermostatically controlled air conditioning units.

The MFB is also proud of its historic buildings.

The Newport fire station, which was built on land acquired from the Railways Commission for £1, celebrated its centenary in June 2007. The land was granted in perpetuity on the condition that a fire station occupied the site.
Building safety

Warning on sprinkler systems

A move by the Australian Building Codes Board to consider a “reference guide” for sprinkler systems rather than an Australian Standard prompted safety warnings from the MFB.

The MFB issued a warning concerning proposed changes to the Building Code of Australia, which it said would reduce property protection and potentially place firefighters at greater risk during fire-fighting operations in very large buildings.

The MFB was joined by the Australasian Fire Authorities Council, the Insurance Council of Australia, the UFU and other bodies in opposing the introduction of less effective sprinkler systems.

The MFB argued that firefighters were “occupants” of a building when they were engaged in fire-fighting operations and must be provided with reasonable protection.

Building safety requirements

The MFB enhanced its ability to oversee building safety requirements by the development of a building infringement database. In the past, the MFB relied on external representatives such as municipal building surveyors to take action on its behalf.

Nine infringement notices and 13 warning notices were issued using powers under the Building Act. Inspections focused on high risk buildings such as nightclubs and found the most common safety faults to be blocked or locked exits.

Road safety

After more than three years involvement in testing and simulation exercises, the MFB provided a final letter of acceptance of the fire and life safety systems installed in the EastLink tollway’s Mullum Mullum and Melba tunnels prior to the tollway being opened to the public in June 2008.

The MFB also took part in discussions to develop a fire safety strategy for the West Gate Bridge that would meet the concerns of all stakeholders. As a result, the bridge is to be fitted with solenoid isolation valves that operate when a break glass alarm on the bridge deck is activated. This will ensure that water flows to hydrants when opened.

The MFB partnered with other emergency service providers to promote road safety among secondary school students and young drivers through a “Fit to Drive” campaign.

Recognition of the MFB’s contribution to road safety was underlined by the acceptance of papers for presentation at three major conferences – the Australasian College of Road Safety conference in Brisbane, the Road Safety and Research, Policy and Education conference in Adelaide, and the World Health Organization international Safer Communities conference in Christchurch, New Zealand.
Fire safety awareness surveys

More than two million people from diverse backgrounds live in the MFB’s area of responsibility – the metropolitan fire district. They speak more than 250 languages and one third of them were born overseas. More than 100,000 have little or no spoken English. This makes it imperative for the MFB to develop a greater understanding of its constituents and to plan how to best engage with their communities.

To this end, the MFB commissioned research in early 2007 into the fire safety awareness of the Chinese and Burmese communities. The Chinese community study found that while most respondents were aware of the MFB, only a few were aware of the range of emergency services provided by it, including the EMR program. The level of fire safety awareness was also low, particularly among the elderly and new migrants.

The research indicated that language barriers were a factor in the level of anxiety felt by the survey respondents when calling 000. Respondents said they were not confident that they could provide the necessary information to the operator in the event of an emergency.

There are more than 2,000 people of Burmese origin in Victoria and the research commissioned by the MFB canvassed the views of the Karen community, who come from southern Burma, and the Chin community, who come from the north of the country near the Indian border.

Neither group had an understanding of the MFB’s role although they knew to dial 000 in the event of a fire. Their knowledge of fire safety was extremely low, especially among recent arrivals in the Chin community. None had fire extinguishers in their homes and most had not received information about fire safety, including smoke alarms. The Karen community was better informed about fire safety and most had at least one or two smoke alarms in their homes.

The research findings will be used to develop and to deliver appropriate fire safety messages and to address barriers to community engagement and participation by the Chinese and Burmese communities in MFB services, employment and programs.
Building bridges with the community

The MFB actively pursues opportunities to generate cross-cultural interaction and understanding. During 2007-08, educational sessions focusing on the Muslim and Sudanese communities and dealing with religious, cultural and historical issues were arranged for MFB staff.

An inaugural iftar (fast-breaking) dinner was held with members of the Muslim community during Ramadan. MFB Chief Executive Officer, Mr Ken Latta, told the more than 60 guests at the dinner in the Richmond Town Hall that the brigade was committed to positive community engagement. This was underlined in its programs which aimed to reach all community groups.

MFB staff also attended the inaugural Tonga Day celebrations in Melbourne to present certificates to the participants in the MFB Tongan youth leadership program.

An accord was reached between the MFB and Horn of Africa community leaders to work together to support the Sudanese, Somali, and Eritrean communities in Melbourne. This followed a meeting in Sunshine organised by the MFB and the Centre for African-Australian Women’s Issues.

Other community initiatives included an information day for Melbourne’s Somali and Vietnamese communities and a youth leadership program co-ordinated by the Hobsons Bay Council for young Burmese and Sudanese people in which the MFB participated.
SmokeBUSter2 a winner

The MFB’s education display at the 2007 Royal Melbourne Show was named the best government or semi-government exhibition. The main focus of the exhibition was a new SmokeBUSter2 community education bus which attracted 5,000 visitors in the first week of the show.

SmokeBUSter2, which took three years to develop, boasts the latest multimedia technology to simulate high risk household scenarios to convey fire safety messages to all age groups from primary school children to seniors.

The original SmokeBUSter was retired after seven years of service and after travelling thousands of kilometres to bring fire safety messages to communities across Victoria.
Support for the Aboriginal community

The MFB continued to foster positive engagement with the Aboriginal community with the appointment of an Aboriginal Affairs Co-ordinator under a two-year structured training and employment project. The project will focus on the development and delivery of pre-employment programs targeting under-represented groups.

A Reconciliation Action Plan was adopted under the umbrella of the MFB’s Diversity Development Framework to provide a ‘whole of organisation’ response to Indigenous employment, training, community engagement and service planning and delivery.

MFB donated a semi-automated external defibrillator to the Victorian Aboriginal Health Service to enhance the service’s ability to respond to medical emergencies in the Indigenous community.

The MFB’s SmokeBUSter display and the Eastern Hill fire truck, which depicts Aboriginal artwork, were used to support Reconciliation Week activities in Melbourne.

The MFB supported the Long Walk and also hosted a Reconciliation Victoria stall, providing fire safety information.

During NAIDOC week, the Aboriginal flag was flown at MFB headquarters and other stations to recognise the traditional custodians of the land and to respect Aboriginal heritage.
Student accommodation fire safety
The MFB hosted a safety forum in April 2008 to educate the community about fire risk reduction strategies in student accommodation. It was attended by 90 students, landlords, host families and representatives from local government and education institutions.
The need for such a forum was underlined by the tragic deaths of three international students in a house fire in Footscray in early 2008.
Issues highlighted during the forum included an absence of smoke alarms or vandalised or inoperative smoke alarms in student accommodation, the use of portable burners for cooking, the unsafe use of heaters and candles, the overloading of power boards due to insufficient power points, and a general lack of fire safety awareness among students.
The MFB is working with the CFA, the Real Estate Institute of Victoria and ISANA International Education Association to improve fire safety policies and approaches in student accommodation. ISANA is an association of Australian and New Zealand international education professionals who work in international student services, advocacy, teaching and policy development.

Aid for Samoan fire brigade
The MFB continued to assist the Samoan Fire Service, which suffered a major setback in 1992 when its fire station and fire-fighting equipment were destroyed in a cyclone.
In its latest aid package, the MFB donated a shipping container of firefighting equipment, including 200 sets of breathing apparatus, rescue equipment, a boat, and personal protective equipment.

Promoting safety messages
The first series of MFB fire-fighting collectable cards – 26 cards depicting the diversity of firefighters and the many roles they play as well as historical facts and figures - was launched during cultural diversity week.
MFB firefighters also took part in a state-wide community awareness program in partnership with McDonald’s Australia, advising people on what to do if a fire occurred in their homes.
The MFB and the Country Fire Authority (CFA) again reminded Victorians to “change your clock, change your fire alarm batteries” at the end of daylight saving.
Operational training

Training and education moved to its new home at the recently completed Burnley complex. The move was marked by a ceremony attended by past and present MFB members. Training will be a high priority for the MFB as it moves into the future. Prior to the move to Burnley, training programs were revised to ensure the MFB met its responsibilities as a registered training organisation. This included the adoption of the public safety training package in place of the earlier Australian fire competencies standard. The basic electrical awareness course for operational firefighters was endorsed by Energy Safe Victoria.

Training highlights included the graduation of 60 recruits in August and December and 17 senior station officers, also in December.

More than 1,300 MFB firefighters undertook the level two wildfire training program to further enhance the MFB’s capability to support CFA firefighters. EMR continuing education sessions were conducted throughout the financial year. To maintain EMR, a structured program also delivered ongoing recertification of skills.

Workforce advancement

The MFB has placed renewed emphasis on leadership – valuing innovation and creativity. This focus is based on a supportive leadership model and has been promoted widely in discussions across the senior levels of the organisation.

Progress continued to ensure MFB staff, particularly operational staff, developed the competencies to meet future challenges. The MFB is aware that its workforce is ageing and an increasing rate of retirements is anticipated in the coming years. The MFB is planning to ensure that the knowledge of retiring staff will be replaced and a skills identification matrix was developed in support of a model identifying likely separations. These were used to develop a workforce development strategy. This included making development opportunities available to enable staff to take up external secondments or attend national conferences including the Future Summit and future leaders’ program at the Australian Institute of Police Management.

Future initiatives include a mentoring program to match MFB firefighters with young people from under-represented communities, further officer development programs, and a leadership framework for the organisation.

Workplace behaviour sessions were held to raise awareness of the potential impact that individual or group behaviour may have on work colleagues. More than 200 site visits were conducted to clarify behavioural expectations and to discuss legislative requirements concerning equal opportunity, diversity and the prevention of workplace bullying. Individuals and groups were given the opportunity to raise and deal with issues specific to their environment or work group.

During the year a fortnightly newsletter from the Chief Fire Officer, Chief’s Corner, provided information to staff and gave them an opportunity to raise issues and questions.
Diversity development

Greater resources were applied to diversity development during the year. The Board adopted a Diversity Development Framework to guide future work in this area. The MFB became the first fire service in Australia to develop a Reconciliation Action Plan, which formalised the MFB’s recognition of the status of Aboriginal people as the traditional custodians of the land. The plan included a number of actions which will contribute to the national goal of reconciliation.

Another highlight was the development of a Disability Action Plan, which will assist the MFB to improve its service delivery, communication and community engagement for people with disabilities. It also helped to raise staff awareness and develop competencies in working with and serving people with disabilities.

The year’s highlights included a Diversity in Emergency Services conference in October 2007, which was attended by more than 300 delegates. The conference helped to focus the MFB’s attention on how to achieve its objectives and the complexity of the task ahead. Diversity-relevant links were forged between the MFB and other emergency services organisations in Australia and overseas. The MFB strengthened its relations with the UFU through the joint organisation of the conference and in supporting the development of its women’s network.

Staff and community attitudes to diversity were surveyed and a research project on mentoring programs in emergency services was completed. The staff survey indicated that the majority of MFB staff supported diversity and understood that well managed diversity within the MFB could lead to improved service delivery and better community safety outcomes. The community survey found that support for diversity within the MFB was an indicator that all applicants wishing to become firefighters would be given a “fair go” regardless of their ethnicity, gender, race or religion.

Diversity awareness training was provided to 90 new recruits.

In other developments, the MFB progressed plans for pre-employment training programs for under-represented groups to improve their prospects when applying for MFB jobs and a mentoring program to link under-represented groups with MFB firefighters to increase their interest in fire-fighting as a career.
Bidja stone sculpture
A sculpture, the ‘bidja stone’ was installed at the Burnley complex, acknowledging the traditional owners of the land upon which the complex is built. The Burnley complex is close to the Burnley Park corroboree tree where many Aboriginal clans continued to meet well after European settlement. The motifs on the stone represent a bidja corroboree and an Aboriginal story about the creation of fire as told in the Murray River region. A common theme of Indigenous fire creation stories is that fire was discovered by creatures who selfishly kept it to themselves. Other creatures, often a bird, outwit them and ensure that the benefits of fire can be enjoyed by everyone.

The stone sculpture was commissioned by the MFB Board. It was created by Yorta Yorta artist, Ms Lee Darroch, and carved in collaboration with members of the Artery Cooperative.
Employee support program

Enhanced support services were offered to MFB employees and their families through the MFB employee support program.

Counselling services were increasingly taken up as acceptance of the program spread through the MFB.

An increased focus on critical incident stress led to the introduction of a cumulative stress program which seeks to identify and follow up MFB fire crews most likely to be affected by such events.

Other key initiatives during the year included the introduction of an aged care and referral service, joint training with similar MFB programs and the consolidation of the role of the emergency services chaplain in the MFB.

The MFB also played a key role in the inaugural Victorian Emergency Services Peer Alliance conference.

Project management

In the past 12 months there has been renewed emphasis on the value of applying project management principles to assist in managing MFB projects. To support this, a project register was enhanced to capture, monitor and track the progress of projects. There was also an increased alignment between project management and the budget process with project briefs now required for all capital project proposals exceeding $10,000.

The MFB introduced new personal protective uniforms made from flame resistant material worn by NASA astronauts.
safety culture at work

Firefighters’ personal protective clothing upgraded

The MFB introduced new personal protective uniforms made from flame resistant material worn by NASA astronauts. The Australian manufactured uniforms offer enhanced protection to firefighters, as well as being functional and adaptable to the types of work undertaken by MFB firefighters. The new uniforms were rigorously tested to ensure that they meet the highest safety standards.

Health and safety

Highlights included the development of operational appliance storage and equipment systems (also known as OASES) and electrical safety programs, the registration and training of volunteer fitness leaders through the MFB active program, and a successful trial of new gymnasium equipment.

A revised health and safety strategy was developed in consultation with employee representatives following a stakeholder review initiated by WorkSafe. Implementation of the strategy began during the year and it is expected to provide a sound platform for the achievement of shared objectives in the future.

An external review of all exposure procedures has been commissioned. The review is being conducted by exposure experts from Noel Arnold and Associates. The review will inform future decision making in the MFB.

WorkCover claims fell by 15 per cent.

A review was undertaken of processes relating to internal WorkCover claims management and the MFB’s WorkCover agent. An analysis was also undertaken of the comparative services available from six WorkSafe agents and the selection of the MFB agent in 2008-09 and beyond.

An integrated management system incorporating occupational health and safety and quality and risk systems was established. This management system forms part of a business assurance framework. The MFB moved to a single certifying body, which will conduct audits against occupational health and safety and quality standards. Recertification under this new management system began in June.

A major challenge facing the MFB is the significant time lost due to some firefighters struggling to regain fire-fighting fitness following progressive physical deterioration or to recover from physical incapacity as a result of on-the-job incidents. MFB is committed to developing a suitable program to support return to work for firefighters.
MFB 2020

The MFB 2020 is a project that will shape the future of the MFB by focusing on the factors that may impact on the organisation and determining how to respond to these. The project has outlined a set of priorities and key activities with measurable objectives for the organisation. The MFB 2020 project was completed during the financial year and will provide a framework for future planning. The insights and knowledge gained from the project will be used in 2008–09 to further develop the MFB’s planning strategy.

The project involved a successful and productive partnership with the UFU and extensive community and staff involvement. Community involvement included forums in four zones with representatives from key groups working within the zone to explore views on possible changes in coming years. Staff were involved in focus groups and workshops.

Two stakeholder information sessions were held at Eastern Hill in Melbourne for representatives of Victoria Police, the State Emergency Service, the Metropolitan Ambulance Service, the CFA, state government departments, insurance companies, the Melbourne City Council and WorkSafe.

Through the consultative process with its internal and external stakeholders, the MFB gained a clear understanding of the factors that will impact on the organisation in the next 15 years, and their likely nature.

Media and corporate communications

The MFB pursued a proactive media and communications policy, which resulted in a positive media profile in the print and broadcast media. MFB activities were reported on more than 2,800 occasions throughout the year with more than 1,700 mentions on radio. Media events included the unveiling of the new uniform, announcement of the joint MFB and CFA agreement on the use of class A recycled water for training and fire-fighting, and various media campaign launches.

Among the community events the MFB participated in were the Docklands Community Safety Day, the Principal for a Day program designed to strengthen relations between government schools and business and community leaders, and the Albert Park Festival of Cycling.

MFB web site redesigned

The MFB’s website (www.mfb.vic.gov.au), which averages more than 45,000 visits a month, was redesigned to improve access to MFB information. New features include community safety information, up-to-date news for the media and the general public, and access to incident and total fire ban updates.

The website content was rewritten to ensure simplicity and user-friendliness and includes emergency information in several languages for Melbourne’s diverse communities.
The Great ANZAC Run

The Great ANZAC Run covered more than 4,000 kilometres from Gallipoli to London, crossing Turkey, Greece, Italy, France, Belgium and England to raise money for the Alfred Hospital Burns Unit in Melbourne.

The 24 runners – members of the MFB charity running club – visited many World War 1 battle sites and war graves on their 22-day journey to pay homage to the Australians who lost their lives in the conflict.

The support team included Fire Services Museum of Victoria personnel who travelled in a 1914 Hotchkiss pumper.

The event leader and co-ordinator, Leading Firefighter Paul Ritchie, described the reception they received from European fire services as “outstanding”.


The MFB charity running club was established in 1977 and has raised more than $2 million for various charities. It is one of several sporting clubs established by MFB employees.
sustainability and environment

The MFB is committed to reducing the environmental impact of its business activities and the effect of emergency incidents on the environment. The MFB has had an Environmental Action Committee (EAC) since 2003. The EAC reports to the executive management team and is strongly supported by the CEO. The EAC is a cross functional team representing all directorates. It has representation from firefighters, officers, corporate staff and the UFU. The role of the EAC is to recommend policies and strategies to the Board, facilitate implementation of environmental initiatives throughout the organisation and report on issues and achievements to stakeholders.

The MFB’s sustainability and environment program made significant achievements. They included:

- The implementation of new approaches to conserve resources with a focus on reduced water use.
- Advances in the MFB environmental management system and an established environmental resource.
- Improved monitoring and reporting of environmental performance indicators.
- The establishment of long term plans and goals under a revised environmental strategy.

The MFB and the CFA took a lead in water conservation in Victoria by agreeing to use class A recycled water for training and fire-fighting. The initiative followed extensive Australian and international research, which established that class A recycled water – sewage and industrial waste water that has been treated to a high standard – was safe to use.

The MFB and CFA developed a management plan and user manual for firefighters using class A recycled water in conjunction with Victoria’s water authorities, EPA Victoria and the Department of Human Services Victoria.

The joint agreement secured a reliable source of water for training and fire-fighting and reduced the impact of these activities on Melbourne’s drinking water supplies.

The MFB and CFA developed a management plan and user manual for firefighters using class A recycled water in conjunction with Victoria’s water authorities, EPA Victoria and the Department of Human Services Victoria.

The MFB received $172,000 from the Smart Water Fund for an innovative water saving project in which water used for training firefighters is recycled and used on parks and sports fields or for flushing toilets within public amenities. This project is expected to save more than 60 megalitres of water every year.

Other MFB initiatives to reduce its environmental impact included:

- The installation of rainwater tanks at fire stations and the fitting of solar hot water systems when fire stations are upgraded.
- The purchase of 15 per cent green power.
- The replacement of old fire appliances with diesel appliances which meet the European Commission’s Euro 4 standard.
- The formation of a climate change strategy development team.
- The introduction of water efficient fittings.

The MFB modified its procurement process during the year to incorporate an assessment of supplier environmental credentials during tenders. Further integration of environmental criteria took place during the review of maintenance and standard operating procedures.

Establishing baseline data on the MFB’s environmental performance was a key focus during the year. In April 2008, the MFB produced its first quarterly environmental report to provide management teams with information on trends in water, energy, and paper consumption as well as waste and greenhouse gas emissions.

MFB’s 2007 – 08 resource consumption data and reporting requirements are shown in the table on page 44.
### Environmental indicator report

<table>
<thead>
<tr>
<th>Environmental Indicator</th>
<th>Unit of Measure</th>
<th>2005 - 06</th>
<th>2006 - 07</th>
<th>2007 - 08</th>
</tr>
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<tbody>
<tr>
<td><strong>Paper</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
<td>Reams per FTE</td>
<td>4.9</td>
<td>4.2</td>
<td>4.6</td>
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<tr>
<td>Use per FTE&lt;sup&gt;2&lt;/sup&gt;</td>
<td>Reams per FTE</td>
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<td></td>
<td></td>
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<tr>
<td>Total Use</td>
<td>Reams</td>
<td>9,028</td>
<td>8,146</td>
<td>8,091</td>
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<td>% with recycled content</td>
<td>Percentage</td>
<td>71%</td>
<td>78%</td>
<td>92%</td>
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<tr>
<td><strong>Waste</strong>&lt;sup&gt;3&lt;/sup&gt;</td>
<td>m3 per FTE</td>
<td>3.8</td>
<td>3.5</td>
<td>3.2</td>
</tr>
<tr>
<td>Waste generated per FTE</td>
<td>m3 per FTE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Waste</td>
<td>m3</td>
<td>7,060</td>
<td>6,751</td>
<td>6,299</td>
</tr>
<tr>
<td>Total Recycled</td>
<td>Percentage</td>
<td>25%</td>
<td>22%</td>
<td>19%</td>
</tr>
<tr>
<td><strong>Water</strong>&lt;sup&gt;4&lt;/sup&gt;</td>
<td>KL per FTE</td>
<td>15.3</td>
<td>15.0</td>
<td>13.4</td>
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<tr>
<td>Consumption per FTE</td>
<td>KL</td>
<td>28,428</td>
<td>28,842</td>
<td>26,188</td>
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<tr>
<td>Total consumption</td>
<td>KL</td>
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<tr>
<td><strong>Energy</strong>&lt;sup&gt;5&lt;/sup&gt;</td>
<td>Percentage</td>
<td>15%</td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td>% Green Power purchased</td>
<td>GJ per FTE</td>
<td>24.1</td>
<td>24.5</td>
<td>23.2</td>
</tr>
<tr>
<td>Consumption per FTE</td>
<td>GJ per FTE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumption per sq m of floor space</td>
<td>GJ per m2</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
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<tr>
<td>Total consumption</td>
<td>GJ</td>
<td>44,718</td>
<td>47,192</td>
<td>45,412</td>
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<tr>
<td>Total associated Greenhouse Gas Emissions</td>
<td>tonnes CO₂&lt;sub&gt;e&lt;/sub&gt;</td>
<td>9,335</td>
<td>9,740</td>
<td>9,675</td>
</tr>
<tr>
<td><strong>Transportation (light fleet)</strong>&lt;sup&gt;6&lt;/sup&gt;</td>
<td>GJ per FTE</td>
<td>9.2</td>
<td>8.8</td>
<td>9.2</td>
</tr>
<tr>
<td>Fuel consumption per FTE</td>
<td>GJ</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total fuel consumption</td>
<td>GJ</td>
<td>17,079</td>
<td>17,003</td>
<td>17,995</td>
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<tr>
<td>Total associated Greenhouse Gas Emissions</td>
<td>tonnes CO₂&lt;sub&gt;e&lt;/sub&gt;</td>
<td>1140</td>
<td>1130</td>
<td>1193</td>
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<tr>
<td>Travel associated with light fleet</td>
<td>kilometres per FTE</td>
<td>2,186</td>
<td>2,121</td>
<td>2,145</td>
</tr>
<tr>
<td>Total travel associated with light fleet</td>
<td>kilometres</td>
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<td>4,086,902</td>
<td>4,191,738</td>
</tr>
<tr>
<td>Employees regularly using public transport, cycling or walking to and from work</td>
<td>Percentage</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>

1 Paper usage inclusive of all MFB sites and operations (offices, administration and fire station operations). One ream is equivalent to 500 sheets of A4 paper.

2 FTE – Full time equivalent staff as at the end of the financial year.

3 Waste measurement is based on total volume of bins collected from MFB sites (m3). Data on weights (tonnes) of waste is not available for all forms of waste.

4 Water use data reported for metered potable water for MFB sites inclusive of offices, training centres and fire stations. Usage does not include fire water used in operations. 2007 – 08 year has been extrapolated from nine months data (July 2007 – March 2008).

5 Includes electricity and natural gas consumed at MFB offices, training centres and fire stations. 2007 – 08 year has been extrapolated from 9 months data (July 2007 – March 2008). Greenhouse gas emissions are reported using scope 1 and 2 Australian Greenhouse Office calculation factors.

6 Light fleet inclusive of all hybrids, LPG and unleaded petrol cars, excludes diesel vehicles. 2007 – 08 year has been extrapolated from 11 months data (July 2007 – March 2008). Greenhouse gas emissions are reported using scope 1 and 2 emission factor calculations from the Australian Greenhouse Office.

n/a - Data not available to report.
joint MFB, CFA activities

Many joint MFB, CFA community safety campaigns were conducted during the year. They included:

• A juvenile fire awareness intervention program where specially trained firefighters visited and counselled young people who had demonstrated inappropriate behaviour in relation to fire.
• A “change your clock, change your smoke alarm battery” partnership supported by Duracell. The campaign served as a timely reminder for Victorians to change their smoke alarm battery prior to the end of daylight saving. Victoria’s fire services also assisted local councils by installing new smoke alarm batteries in premises occupied by vulnerable residents.
• A winter fire safety campaign from 1 June until the end of August to raise community awareness about the increased risks of residential fires during the winter months. The campaign also promoted preventative strategies to help to reduce risks.
• A road safety education campaign, Fit to Drive, for students in years 10, 11 and 12.

Victoria’s fire services also continued to participate in the Victorian burns prevention partnership. This initiative with the Alfred Hospital and Royal Children’s Hospital Burns Units shares knowledge about burns prevention and develops joint projects and media campaigns to raise awareness of fire safety.

At a workshop in May 2008, senior staff from both organisations identified a number of additional opportunities for resource sharing and partnering arrangements, which will reduce duplication and improve community safety outcomes without requiring increased resources.

On the financial side, the MFB and CFA’s contribution management continued, with joint inspections and a joint advertising campaign.

In the past four years, the MFB and CFA have actively sought opportunities to work together and share resources, operational knowledge and expertise. To this end, the MFB’s southern zone staff held joint drills, exercises and networking events during the year with the CFA. These events provided firefighters with an opportunity to enhance operational and personal relationships.

The MFB continued to support the CFA and Department of Sustainability during firefighting operations during the summer.

The MFB and CFA entered into an agreement to jointly implement the AIRS2 (incident reporting system) and signed a memorandum of understanding regarding emergency responses in the EastLink tunnels.
honours and awards

Medal of the Order of Australia

Former MFB firefighter, John Cannon, was awarded a Medal of the Order of Australia (OAM) in the Queen’s Birthday Honours in 2008 for service to the community, particularly through the St Vincent de Paul Society in Victoria.

Since he retired from the MFB in 1988, Mr Cannon has delivered fire safety presentations to thousands of retirees.

The Australian Fire Service Medal

Three members of the MFB were awarded the Australian Fire Service Medal in the Australia Day and Queen’s Birthday Honours in 2008.

The honour was established in 1988 to replace two awards that previously recognised distinguished service in the Australian Fire Services. It is awarded to paid and volunteer members.

Commander Frank Van Bakel, who joined the MFB in 1976, was recognised for his distinguished service and outstanding leadership in the development, implementation and enhancement of MFB operational communications.

His citation reads in part: “The development and delivery of these significant initiatives could not have been achieved without Mr Van Bakel’s outstanding dedication, expertise and commitment”.

Senior Station Officer John Jugum, who joined the MFB in 1989, was acknowledged for his outstanding leadership in the development, delivery and management of the critical incident stress and peer support programs in the MFB and the wider emergency services community.

His citation reads in part: “Mr Jugum has consistently demonstrated outstanding leadership in the development of others, particularly in the areas of improving training and mentoring of peers, including the production of a peer manual and supportive material, and in the development and delivery of information and training to MFB employees and external organisations”.

Leading Firefighter Paul Ritchie, who was described in his citation as an experienced and competent firefighter, was acknowledged for his “real passion” of promoting the MFB to the community through the MFB charity running club.

Three 1,100 kilometre runs from the Australian War Memorial in Canberra to the Melbourne Cricket Ground organised by Mr Ritchie consolidated the relationship between MFB and the CFA and the fire services in the Australian Capital Territory and New South Wales.

At the time of his award, he was organising the Great ANZAC Run from Gallipoli to London to aid the Alfred Hospital Burns Unit.

Mr Ritchie’s citation reads in part: “(he) is an outstanding individual who has fostered and furthered the role of the MFB within the community, promoted firefighter fitness, and helped raise funds for charities”.

Left John Jugum
Chief Officer's Certificate of Commendation

An MFB commander and crews who attended a shooting in central Melbourne in June 2007 which left one person dead and two others seriously injured, were awarded the Chief Officer’s Certificate of Commendation in recognition of their professionalism. Twenty-three firefighters initially responded to two building alarm calls activated by members of the public. On arrival, they immediately assessed the incident, rendering emergency medical assistance to the wounded, and continued to do so after the arrival of paramedics.

Commander Wayne Garrard was commended for his leadership which was recognised as a crucial factor in ensuring the safety and wellbeing of the attending crews while they delivered emergency medical care to the victims. The following crews were also commended:
Their professionalism, skill and proficiency were noted as key factors in their preparedness to deliver emergency medical care to the casualties. Their prompt and unselfish actions, combined with their willingness to expose themselves to danger in an effort to save the lives of others, was acknowledged as bringing great credit on them and on the MFB.

Two MFB staff who rescued an elderly man from a burning house in Reservoir in September 2007 were recognised for their professionalism and compassion.

LFF Stephen Hill and QFF Matthew Brand continued to search for the unconscious man in thick smoke despite the fact that a defensive attack had been adopted and structural collapse was imminent.

Their prompt and unselfish actions and their willingness to expose themselves to danger to save a life, was recognised as bringing great credit on them and on the MFB.

Commander Mick Swift and the following crews who attended the same incident were also commended:

**Bundoora**

Pumper 14 - SO Andrew Rowley, LFF Gary Lynch and LFF John Battista

Water Tanker 14 - LFF Shane O’Neill, LFF Adam Clarke and LFF Stephen Hill

**Thomastown**

Pumper 7 - SSO John Hillbrick, LFF Kevin Delos, FF Matthew Brand and QFF Chris Keating

Teleboom 7 - SO Neil West, LFF Michael Burns, LFF Matthew Burr and SFF Greg Read

Rescue 7 - SO Peter Fisher and LFF Greg Adams

**Preston**

Pumper 12 - SO Greg Hunter, LFF Greg Cahill and LFF Matthew Burke
South Melbourne
Breathing Apparatus Support 38 – FF Grant Treverton
Two Thomastown Metropolitan Ambulance Service paramedics – Ms Kiera Humphries and Ms Jacqui Knight – and MICA 15 paramedics Mr Robert Voss and Mr Brian Hicks – were also recognised for their roles in the same rescue.
Station Officer Allan Morton received a Chief Officer’s Certificate of Commendation for his commitment and initiative in designing, developing and implementing a data transfer system for the MFB’s defibrillators – a system that has now become the benchmark for the pre-hospital area of acute medical care.
The system is secure, instantaneous and accurate and maintains the medical privacy of patients. It led to a rationalisation of the number of data cards used, resulting in a saving of more than $15,000.
Three members of the public were also commended. A Melbourne man who saved two people from their burning two storey townhouse in Brunswick in October 2007, and a father and daughter who used a garden hose to fight a fire in a Pascoe Vale house in May 2007 were recognised with Chief Officer’s Certificates of Commendation.
Mr Anthony Cannatta broke down the front door of the townhouse to lead the occupants to safety from the smoke filled building. He searched other rooms to confirm that there were no other occupants inside before he sought safety.
Mr Raymond Theuma and his daughter Bianca were recognised for their efforts in controlling a house fire. Mr Theuma twice entered the house to search for occupants despite the dense smoke and extreme temperature.

Executive Officer’s Certificate of Commendation
Three MFB crews received the Executive Officer’s Certificate of Commendation.
The crews of Preston fire station’s Pumper 12 and Northcote fire station’s Pumper 13 who were involved in rescuing a man from a burning unit in Thornbury in August 2007 were recognised for their professionalism, resourcefulness and teamwork.

Preston
Pumper 12 – SO Paul Daniel, LFF Brian Parsons and LFF Simon Hohman

Northcote
Pumper 13 – SO Anthony Franklin, LFF Alan Kent and LFF Peter Leahy

The crew of Spotswood’s Pumper 45 – B Platoon who attended an incident in Yarraville in May 2007 in which a man had suffered extensive burns after coming in contact with live wires were also commended for their professionalism, resourcefulness and teamwork.

Spotswood
Pumper 45 – B Platoon – SO Michael Campbell, LFF Robert Dore and LFF Russell Magowan

National Medal
Seven MFB staff members were awarded a second clasp to the National Medal in recognition of 35 years service.
Forty-five staff with 25 years service received a first clasp to the National Medal.

Achiever award presented to MFB director
The MFB’s Director of Finance and Risk, Mr Gary Barge, received the prestigious Laurie Lavelle Achiever of the Year award at the annual Australasian Fire Authorities Council conference in Tasmania in September.
The award, now in its tenth year, recognises outstanding contributions that significantly enhance the knowledge or skills, operations, performance, or public profile of the fire services in Australasia.
Mr Barge was nominated for his leadership in establishing the AFAC Unwanted False Alarm Committee and Business Management Group, which now has members from every urban fire service within Australia and New Zealand.
The committee has been instrumental in reducing the number of false alarms and has freed resources for other emergency calls. This has been a major factor in enabling the MFB to participate in the Emergency Medical Response program.

Achiever award presented to MFB director
The MFB's Director of Finance and Risk, Mr Gary Barge, received the prestigious Laurie Lavelle Achiever of the Year award at the annual Australasian Fire Authorities Council conference in Tasmania in September.
The award, now in its tenth year, recognises outstanding contributions that significantly enhance the knowledge or skills, operations, performance, or public profile of the fire services in Australasia.
Mr Barge was nominated for his leadership in establishing the AFAC Unwanted False Alarm Committee and Business Management Group, which now has members from every urban fire service within Australia and New Zealand.
The committee has been instrumental in reducing the number of false alarms and has freed resources for other emergency calls. This has been a major factor in enabling the MFB to participate in the Emergency Medical Response program.

Right Gary Barge
This statement outlines the MFB’s current Corporate Governance practices.

**Responsible Minister**
The responsible Minister is the Minister for Police and Emergency Services.

**Functions and powers**

The Board’s principal decision-making powers affecting members of the public are contained within the Act and the Regulations, and they should be referred to when detailed information is sought.

MFB’s headquarters is located at 456 Albert Street, East Melbourne Victoria 3002, Australia.

**Changes to governing legislation**
There were no changes made to the governing legislation during the year under review.

**The Board**
The Board is responsible for the overall governance of the organisation including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

**Composition of the Board**
The composition of the Board (determined in accordance with the Act) allows for up to seven members to be appointed by the Governor in Council, one of whom is to be appointed as President of the Board, and another as Deputy President.

Mr Adrian Nye was appointed President of the Board on 2 October 2007, following the expiry of Ms Julie Elliott’s term of office. Other Board members in office for the year were Mr Ian Spicer (Deputy President), Mr Sam Aziz, Ms Jay Bonnington, Ms Carol Andrades, Mr Geoff Lake and Ms Melanie Raymond. Mr Lake’s term of office expired on 14 June 2008 and he was re-appointed the following month.

The Board met on 12 occasions in 2007–08. Executives, operational staff and representatives of other organisations are invited to Board meetings when required for discussions on relevant agenda items.
**Code of Conduct**

The Board has adopted a Code of Conduct having regard to the Directors’ Code of Conduct developed by the State Services Authority.

The Board complies with the provisions of Section 21 of the Act which ensures that members of the Board do not place themselves in a position where there is conflict, actual or potential, between their private interests and the duty owed to the MFB. The Corporate Secretary maintains a register of members’ interests.

All Board members and staff are required to act with integrity in the performance of their duties. The MFB Board and executive management team are committed to the promotion of the Public Sector Values and Employment Principles as set out in Section 7 of the Public Administration Act 2004.

**Board member professional development**

All Board members have the opportunity to visit Board facilities and meet with management and operational staff to enhance their understanding of key operational issues and business operations. The Board has a formal induction program for new Board members covering the nature of the business, financial management, key performance indicators, current issues, corporate strategy and the expectations of the Board concerning performance of Board members. Board members have also attended seminars/conferences on current operational and governance issues, including programs conducted by the Australian Institute of Company Directors.

**Evaluation of Board’s performance**

The Board has an annual planning meeting at which it assesses its performance as well as the performance of the organisation. During the year the Board commenced a review of its governance arrangements, including the development of a streamlined Governance Charter.

**Board committees**

The Board has two standing committees, the Audit Committee and the Governance and Risk Committee. Both committees have written charters and operating procedures approved by the Board. The committees report to the Board after each committee meeting. The Board acts as the Executive Remuneration Committee when required.

**Audit Committee**

The Audit Committee provides the Board with assurance that there are adequate processes in place for:
- Effective identification and management of financial risks
- Reliable financial reporting
- Compliance with laws and regulations
- Maintenance of reliable systems of internal control
- Development of strategy to enable the Board to meet its financial obligations in the foreseeable future.

The Audit Committee meets regularly with the internal and external auditors. The Chief Executive Officer and the Director Finance and Risk attend Audit Committee meetings by invitation, and other senior executive staff attend at the discretion of the committee.

**Governance and Risk Committee**

The Governance and Risk Committee provides the Board with assurance that there are adequate processes in place for:
- Effective identification and management of risks
- Timely, informative and reliable reporting to stakeholders
- Compliance with laws and regulations
- Maintenance of reliable systems of internal control
- Development of strategy to enable the Board to meet its obligations in the foreseeable future.

During the financial year, the membership of the Governance and Risk Committee was as follows: Mr G Lake (Chairman), Ms M Raymond, Ms C Andrades and Mr A Nye (ex officio).

**Joint Coordinating Committee**

The MFB and CFA are currently reviewing their arrangements under the Joint Activities Governance Deed.

For information on joint MFB/CFA activities, refer to the heading “Joint MFB, CFA activities”.

During the financial year, the membership of the Audit Committee was as follows: Mr I Spicer (Chair), Mr S Aziz, Ms J Bonnington and Mr A Nye (ex officio).
**Attendance by Board members**

<table>
<thead>
<tr>
<th>Number of meetings to 30 June 2008</th>
<th>Board</th>
<th>Audit Committee</th>
<th>Governance and Risk Committee</th>
<th>Executive Remuneration Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Nye(^1)</td>
<td>12</td>
<td>6</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>I Spicer</td>
<td>12</td>
<td>6</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>S Aziz</td>
<td>8</td>
<td>4</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>C Andrades</td>
<td>9</td>
<td>5</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>J Bonnington</td>
<td>12</td>
<td>6</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>G Lake(^2)</td>
<td>11</td>
<td>5</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>M Raymond</td>
<td>12</td>
<td>6</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>J Elliott(^3)</td>
<td>4</td>
<td>1</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

\(^1\) Term of office commenced on 2 October 2007  
\(^2\) Mr Lake also attended the June 2008 Board meeting as an observer. His term of office was subsequently renewed to 28 July 2008  
\(^3\) Term of office expired on 30 September 2007

---

**Internal control**

The Board acknowledges that it is responsible for the overall internal control framework of the organisation. To assist in discharging this responsibility the Board has implemented an internal control framework that can be described as follows:

- **Annual plan** – the performance of the organisation in the delivery of the corporate objectives is monitored by the Board throughout the year.
- **Financial reporting** - there is a comprehensive budgeting system with an annual budget approved by the Board and the Minister. Monthly actual results are reported against budget and revised forecasts for the year are prepared regularly.
- **Internal audit** - through the Board’s Audit Committee a comprehensive three year rolling internal audit program is established. This program includes financial, operational and system processes and controls. The MFB has engaged an external service provider as its Internal Auditor.
- **Investment appraisal** - the organisation has clearly defined guidelines for capital expenditure. These include measurement against corporate objectives, annual budgets, detailed appraisal and review procedures, and levels of delegated authority.
- **Corporate policies** – major new policies and amendments to existing policies are approved by the Board and communicated to all employees. The MFB’s policy framework includes Management Policies, General Orders and Standing Operating Procedures.
Risk management

A major upgrade of the risk software was approved and will incorporate improvements identified during the year. This software package, originally designed and developed by the MFB Information and Communications Department in 2005-06, has been a major tool in the drive to embed risk management within the business culture. This improvement is attributed to a developing maturity within the organisation regarding risk and the use of the risk register as a valuable management tool and not just a method for listing risks.

As part of the improvement of the MFB control environment through an integrated business approach, a single certification body was contracted to undertake integrated audits on both the AS 4801 Health and Safety management system and the ISO 9000-2000 Quality Management System. It is anticipated that future benefits arising from this initiative will be the alignment of the Board’s Internal/External Audit Program and the MFB assurance activities.

During the year greater emphasis has been placed on aligning MFB assurance activities to facilitate the monitoring, reviewing and reporting on key organisational controls. The risk framework is used to address risks arising due to controls not operating as designed. It is anticipated this approach will be a key element to assist the organisation in developing a more proactive approach to the management of risk, increasing management engagement in assurance and control activities, with earlier intervention strategies being applied in the risk chain.

Attestation of Compliance with the Victorian Government Risk Management Framework

This attestation statement recognises the continual development within the Metropolitan Fire and Emergency Services Board to enhance and expand the control framework and ensure it reflects innovation in business improvement. Developments in the forthcoming financial year include the roll out of a management control self assessment program to enhance control monitoring, and extending the risk based approach of the Board’s Internal Audit Program to the certification audits associated with ISO and Australian Standards.

I, Adrian Nye, Chair of the Board, certify that the Metropolitan Fire and Emergency Services Board has risk management processes in place consistent with the Australian/New Zealand Risk Management Standard and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures. The Metropolitan Fire and Emergency Services Board verifies this assurance and that the risk profile of the Metropolitan Fire and Emergency Services Board has been critically reviewed within the last 12 months.
Insurance

Once again the MFB has maintained an excellent claims profile across its insurance portfolio. This excludes WorkCover, which is managed by the Health and Safety Department. The Insurance function is situated within the Business Assurance Department to ensure alignment of the MFB’s risk profile and its insurable risks. A more rigorous investigation process was introduced during the year to ensure prevention strategies have been identified and introduced. This process aligns with the increasing focus on control activities within the MFB.

Records management

During the year the Records and Document Management Department continued the implementation of the MFB’s Electronic Document Management System at Eastern Hill, Thornbury and Burnley offices. The transition from paper based to electronic records has been successful and is expected to be completed within the next year. Comprehensive recordkeeping training has been provided to many staff members, including new employees and participants in the Senior Station Officers Course.

A Fire Station Archival Program has been developed and many archived records have been transferred to the MFB’s new archival centre in Richmond.

Compliance

The MFB developed and implemented a compliance program during the year and the Chief Executive and Chief Officer provided the Board with the first annual certificate of compliance.

Consultancies

There were no consultancies costing more than $100,000 during 2007-08.

There were 20 consultancies costing less than $100,000 at a total cost of $123,588.16.

Disclosure of major contract compliance

During the year 2007-08, no contracts with a value greater than $10m were entered into by the MFB. All other contracts with a value of $100,000 and above are placed on www.tenders.vic.gov.au in accordance with Victorian Government Purchasing Policy.
**Victorian Industry Participation Policy Act 2003**

The Victorian Industry Participation Policy (‘VIPP’) applies when contracts greater than $3m in the metropolitan area are entered into. During 2007 – 08, one contract was entered into by the MFB that exceeded $3m and the provisions of the VIPP were applied.

The contract was for alterations and additions to Oakleigh Fire Station, incorporating a new zone office. The contract value was $3.089m.

**Compliance with Building Act 1993**

The MFB property portfolio meets the compliance requirements of the Building Act 1993.

**National competition policy**

The relevant part of the policy contained in Part IV (Restrictive Trade Practices) of the Trade Practices Act 1974 has been implemented within the MFB. Activities of the Board affected by the Victorian Government's Competitive Neutrality Policy have been reviewed and found to be compliant.

**Freedom of Information Act 1982**

The Chief Executive Officer, Mr Ken Latta, is the Principal Officer for the purpose of administering the requirements of the Freedom of Information Act 1982. The authorised officer is Ms Jan Smith, Freedom of Information Officer.

**Access**

Requests to the Metropolitan Fire and Emergency Services Board for access to documents under the Freedom of Information Act 1982 must be made in writing and addressed to:

Freedom of Information Officer
Metropolitan Fire and Emergency Services Board
456 Albert Street
EAST MELBOURNE VIC 3002

Each application must clearly identify the documents sought and be accompanied by a $22.00 application fee (as at 1 July 2008).

General enquiries relating to Freedom of Information can be made by calling the Freedom of Information Officer on (03) 9662 2311 between 8.30am and 4.50pm, Monday to Friday.

Enquiries in relation to the information required to be published and made available to members of the public in accordance with Sections 7, 8 and 11 of the Freedom of Information Act should be directed to the Freedom of Information Officer.

The Board uses a computerised file management system for reports of fires and other incidents. The Board also uses other on-line computer systems in managing its financial, human resource and operational activities.
**FOI statistics 2007-08**

During the year the MFB received 380 requests for access to documents under the Freedom of Information Act.

<table>
<thead>
<tr>
<th>Processing requests</th>
<th>380</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access granted in full or in part</td>
<td>369</td>
</tr>
<tr>
<td>Documents did not exist</td>
<td>8 - CFA Fires</td>
</tr>
<tr>
<td>Not finalised as at 30 June 2008</td>
<td>5</td>
</tr>
<tr>
<td>Appeal avenues:</td>
<td></td>
</tr>
<tr>
<td>Internal Review</td>
<td>1</td>
</tr>
<tr>
<td>VCAT</td>
<td>None</td>
</tr>
</tbody>
</table>

**Whistleblowers Protection Act**

The Corporate Secretary, Ms Margret Holmes, is the Protected Disclosure Coordinator for the purpose of administering the requirements of the Whistleblowers Protection Act. Ms Jan Smith is the Protected Disclosure Officer.

**Disclosure under s104 of the Whistleblowers Protection Act 2001**

In accordance with the requirements of part 6 of the Whistleblowers Protection Act the MFB established a policy and guidelines for responding to disclosures lodged. These are available on the MFB website www.mfb.vic.gov.au.

**Disclosure statistics 2007-08**

| Protected disclosure lodged | None |
| Refused by the MFB to the Ombudsman for determination as to whether they were public interest disclosures | None |
| Disclosed matters referred to the MFB by the Ombudsman | None |
| Disclosed matters referred to the Ombudsman for investigation | None |
| Investigations of disclosed matters taken over by the Ombudsman from the MFB | None |
| Requests made under section 74 (requests to Ombudsman by person making disclosure) during the year to the Ombudsman to investigate disclosed matters | None |
| Disclosed matters that the MFB declined to investigate | None |
| Disclosed matters substantiated on investigation | None |
| Recommendations of the Ombudsman under the Act | None |

**Additional information available on request**

In compliance with the requirements of the standing directions of the Minister for Finance, details in respect of the information items below have been retained by the MFB and are available on request (subject to the Freedom of Information requirements, if applicable):

(a) A statement that declarations of pecuniary interests have been duly completed by all relevant officers of the MFB

(b) Details of publications produced by the MFB about the activities of the MFB and where they can be obtained

(c) Details of changes in prices, fees, charges, rates and levies charged by the MFB for its services, including services that are administered

(d) Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit

(e) Details of major promotional, public relations and marketing activities undertaken by the MFB to develop community awareness of the services provided by the MFB.

The information is available on request from:

MFB Headquarters
456 Albert Street
East Melbourne
VIC 3002
(03) 9662 2311
**about this report**

The MFB presents this report to the Minister for Police and Emergency Services to be tabled in Parliament in Spring 2008.

It provides a true and fair account of the financial status of the organisation and includes a concise report on its activities in the past 12 months reporting against projects identified in the MFB Corporate Action Plan for 2006 - 07.

Feedback is welcomed and may be provided in writing to:

```
Editor Annual Report  
Media and Corporate Communications  
MFB  
PO Box 151  
East Melbourne  
VIC 3002
```

An electronic version of this document is also available for viewing at www.mfb.vic.gov.au.
Additional copies can be obtained by calling (03) 9662 2311.
# Station Locations and Zone Boundaries

## Central Zone
### Headquarters:
- Level 1, 456 Albert Street, East Melbourne, VIC 3002

### Eastern Hill (Station number: 1)
- 456 Albert Street, East Melbourne, VIC 3002
- 60 Batman Street, West Melbourne, VIC 3003

### West Melbourne (2)
- 456 Albert Street, East Melbourne, VIC 3002

### Carlton (3)
- 106 Bouverie Street, Carlton, VIC 3053

### Richmond (10)
- 55 Church Street, Richmond, VIC 3121

### Hawthorn (18)
- 45 William Street, Hawthorn, VIC 3122

### Windsor (35)
- 156 Albert Street, Windsor, VIC 3181

### South Melbourne (38)
- 26 Moray Street, South Melbourne, VIC 3205

### Port Melbourne (39)
- 425 Williamstown Road, Port Melbourne, VIC 3207

## Northern Zone
### Headquarters:
- 1st Floor, 152 Plenty Road, Preston VIC 3072

### Brunswick (4)
- 24 Blyth Street, Brunswick, VIC 3056

### Broadmeadows (5)
- 338 Camp Road, Broadmeadows, VIC 3047

### Pascoe Vale (6)
- 345a Gaffney Street, Pascoe Vale, VIC 3044

### Thomastown (7)
- 92 Mahoneys Road, Thomastown, VIC 3074

### Somerton (9)
- 10 Somerton Park Drive, Campbellfield, VIC 3061

### Epping (11)
- 28 Childs Road, Epping, VIC 3076

### Preston (12)
- 471 Bell Street, Preston, VIC 3072

### Northcote (13)
- 3 Mitchell Street, Northcote, VIC 3070

### Bundoora (14)
- 1083 Plenty Road, Bundoora, VIC 3083

### Heidelberg (15)
- 161 Bell Street, Heidelberg, VIC 3084

### Greensborough (16)
- 141 Grimshaw Street, Greensborough, VIC 3088

### North Balwyn (19)
- 312 Doncaster Road, North Balwyn, VIC 3104

### Templestowe (30)
- 178 Foote Street, Templestowe, VIC 3106

## Southern Zone
### Headquarters:
- 100 Atherton Road, Oakleigh VIC 3166

### Box Hill (20)
- 1052 Maroondah Highway, Box Hill, VIC 3128

### Ringwood (22)
- 272 Maroondah Highway, Ringwood, VIC 3134

### Burwood (23)
- 25 Highbury Road, Burwood, VIC 3125

### Malvern (24)
- 80 Waverley Road, East Malvern, VIC 3145

### Oakleigh (25)
- 100 Atherton Road, Oakleigh, VIC 3166

### Croydon (26)
- 14a Croydon Road, Croydon, VIC 3136

### Nunawading (27)
- 364 Maroondah Highway, Nunawading, VIC 3131

### Vermont South (28)
- 721 Highbury Road, Vermont South, VIC 3133

### Clayton (29)
- 529 Clayton Road, Clayton, VIC 3169

### Glen Waverley (31)
- 645 Ferntree Gully Road, Wheelers Hill, VIC 3150

### Ormond (32)
- 311 North Road, South Caulfield, VIC 3162

### Mentone (33)
- 103 Nepean Highway, Mentone, VIC 3194

### Highett (34)
- 150 Wickham Road, Highett, VIC 3190

### Templestowe (30)
- 178 Foote Street, Templestowe, VIC 3106

## Western Zone
### Headquarters:
- Rear 30 McIntyre Road, Sunshine VIC 3020

### Laverton (40)
- 75 Railway Avenue, Laverton, VIC 3028

### St Albans (41)
- 9 Taylors Road, St Albans, VIC 3021

### Newport (42)
- 231 Melbourne Road, Newport, VIC 3015

### Deer Park (43)
- 782 Ballarat Road, Deer Park, VIC 3023

### Sunshine (44)
- 30 McIntyre Road, Sunshine, VIC 3020

### Spotswood (45)
- 8 Highgate Street, Spotswood, VIC 3015

### Altona (46)
- 7 Akuna Street, Altona, VIC 3018

### Footscray (47)
- 69 Droop Street, Footscray, VIC 3011

### Taylors Lakes (48)
- 470 Melton Hwy, Taylors Lakes, VIC 3038

### North Laverton (49)
- Corner Boundary and Fairbairn Roads, North Laverton, VIC 3026

### Moonee Ponds (50)
- 258 Union Road, Moonee Ponds, VIC 3039

### East Keilor (51)
- 145 Milleara Road, East Keilor, VIC 3033

### Tullamarine (52)
- 1 Western Avenue, Tullamarine, VIC 3043
compliance index to disclosure requirements 2007 – 08

The annual report of the MFB is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of MFB’s compliance with statutory disclosure requirements.

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**Legislation**

Freedom of Information Act 1982

Building Act 1993

Whistleblowers Protection Act 2001

Victorian Industry Participation Policy Act 2003

Financial Management Act 1994
Operating Statement

The Net Result of the Metropolitan Fire and Emergency Services Board (MFB) for 2007 – 08 was a $21.624 million surplus as compared to a surplus of $31.343 million for 2006 – 07, a decrease of $9.719 million. The reduced surplus was due to increased expenses and losses on long term investments caused by the fall in equity markets over the year, partially offset by increased income from contributions.

Income generated by the MFB is utilised for operating expenses and capital expenditure funding. Unlike many non-statutory authorities, the MFB does not receive capital expenditure funding covered by Financial Reporting Direction 2 where such funding is directly recorded in equity. This situation results in the MFB’s net result being in surplus to the extent that capital expenditure funding is included in income.

Income

Income for the 2007 – 08 year was $318.333 million as compared to $300.378 million for the previous financial year, an increase of $17.955 million.

The major factors impacting income during the period were increased contribution and charges for services income, shown below:

<table>
<thead>
<tr>
<th>Income 2008</th>
<th>Amount</th>
<th>%</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insurance Companies</td>
<td>190,796,000</td>
<td>75.0%</td>
<td></td>
</tr>
<tr>
<td>Municipalities</td>
<td>31,799,000</td>
<td>12.5%</td>
<td></td>
</tr>
<tr>
<td>Treasurer of Victoria</td>
<td>31,799,000</td>
<td>12.5%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>100%</td>
<td>80%</td>
<td></td>
</tr>
<tr>
<td>Brokers &amp; Owners</td>
<td>9,741,000</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>Commonwealth Government</td>
<td>2,703,000</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>Charges for Services</td>
<td>28,414,000</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>Interest/Dividends</td>
<td>15,792,000</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>7,289,000</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>318,333,000</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>
Contributions

The major income source is the total contribution determined by the Minister for Police and Emergency Services under Section 36 of the Metropolitan Fire Brigades Act 1958, and subsequently approved by the Governor in Council. Total contributions originate per Section 37 of the Metropolitan Fire Brigades Act 1958: one-eighth from the Consolidated Fund; one-eighth from the Municipal Councils whose districts are within or partly within the Metropolitan Fire District; and three-quarters from the insurance companies insuring fire risk against property situated within the Metropolitan Fire District.

The contributions per Section 37 for 2007-08 were $254.394 million, an increase of $8.603 million from the 2006-07 level.

The Net Annual Value of rateable property returned by 26 municipalities in the Metropolitan Fire District as at 1 July 2006 was $24.70 billion, an increase of $1.35 billion, or 5.78 per cent on the prior year.

The contribution by municipalities was 12.87 cents for every $100.00 of net annual value, a decrease of 2.13 per cent on the prior year.

Gross premiums returned by 80 contributing insurance companies for the year ended on 30 June 2007 and on which the provisional contributions for the 2007-08 financial year were assessed, totalled $485 million, an increase of $13 million or 2.75 per cent on the prior year. The provisional contribution rate for 2007-08 was an average of $39.34 for every $100.00 of declared premium.

Contributions by brokers and owners for 2007-08, which relates to property insured against fire by an insurance company not required to contribute towards the total contributions outlined above (typically an overseas insurance company) under Section 44A of the Metropolitan Fire Brigades Act 1958, was $9.74 million as compared to $8.87 million for 2006-07. Income from this source increased by 9.8 per cent on the prior year as a result of large construction projects in Victoria requiring insurance to be placed overseas.

Revenue

The Board generates income through a range of fire safety and emergency response related activities including the provision of road accident rescue services, the sale of fire safety services and equipment, commercial training, inspection fees, consultancy fees, uninsured fire fees, hazardous chemical incident fees and avoidable false alarm fees. Income for this category totalled $28.414 million for 2007-08 as compared to $24.335 million for 2006-07. The increase in revenue resulted from several large chargeable hazardous material incidents, increased fire equipment revenue and other service charges.

Expenses

Expenses for the year ended 30 June 2008 totalled $296.709 million, an increase of $27.674 million from the $269.035 million for the previous year.

This movement was caused by increases in employee salaries and employee benefits provisions resulting from salary increases provided for in staff Enterprise Bargaining Agreements as well as, increases in depreciation, contract services and property maintenance expenses partially offset by reduced superannuation contribution expense.

The Board maintains control over expenditures and has implemented processes to improve efficiency over capital and recurrent spending.
management
discussion and analysis

Balance Sheet
Total Assets as at 30 June 2008 were $564.094 million as compared to $514.690 million as at 30 June 2007. The significant reason for this increase is continued capital investment in property, plant and equipment and a revaluation increment of $22.077 million relating to revaluation of MFB land holdings. Intangible assets decreased along with income received in advance recognized under both current and non-current liabilities. These items relate to long-term licence agreements entered into for the provision of telecommunication services to the MFB and Country Fire Authority.

The MFB’s land and building assets, including projects still in development stages, total $329.179 million and plant and equipment assets total $68.272 million as at 30 June 2008.

Cash assets totalling $54.071 million shown in the Balance Sheet as at 30 June 2008, represent funding for specific capital and expenditure projects in future years.

Total Liabilities as at 30 June 2008 were $87.374 million, an increase of $5.703 million from the $81.671 million as at 30 June 2007. The significant contributing items to this were increases in payables and employee benefit provisions.

Net Assets as at 30 June 2008 were $476.720 million as compared to $433.019 million as at 30 June 2007, an increase of $43.701 million.

Statement of Balance Sheet Ratios
• Working Capital Ratio (Current Assets to Current Liabilities). As at June 2008, the Board had a ratio of 76 per cent (71 per cent 30 June 2007). The calculation of working capital ratio has been impacted by the reporting standard requirement to record all unconditional employee benefit leave entitlements as a current liability. A revised working capital ratio based on employee benefit leave entitlements estimated to fall due within 12 months is 200 per cent (211 per cent 30 June 2007).

• Proprietary Ratio (Total Equity to Total Assets). As at 30 June 2008 this ratio was 85 per cent (84 per cent as at 30 June 2007).

• Debt Ratio (Total Liabilities to Total Assets). As at 30 June 2008 this ratio was 15 per cent (16 per cent as at 30 June 2007).

Liquidity
The Board is of the opinion that it has adequate internal and external resources available to finance its business needs including capital expenditure. All current and non-current liabilities, including employee benefits, are adequately provided for by established assets or through the annual funding system. While not recorded in the MFB’s financial statements, the Emergency Services Super defined benefit superannuation scheme maintains sufficient net assets against accrued benefit liabilities. The Emergency Services Super financial statements are reported by the Department of Treasury and Finance.

Cash Flow Statement
• Net cash provided by operating activities was $56.304 million, an increase of $2.001 million from $54.303 million for the previous financial year due primarily to increased contributions.

• Payments for property, plant and equipment and intangible assets for the year were $41.937 million, a decrease of $3.818 million from $45.755 million in 2006–07.

Outlook
Contributions towards the 2008/09 financial year estimate of expenditure have been determined by the Minister for Police and Emergency Services and approved by the Governor in Council at $263,516,080 ($254,394,000: 2007–08) and represent an increase of 3.6 per cent or $9,122,080.
schedule of municipalities

for the year ended 30 June 2008

Annual Value of Rateable Property returned under Section 38 by the undermentioned municipalities, which are wholly or partly within the Metropolitan Fire District.

<table>
<thead>
<tr>
<th>MUNICIPALITIES</th>
<th>RATEABLE PROPERTY AS AT 1 JULY 2006 $</th>
<th>CONTRIBUTIONS FOR YEAR ENDED 30 JUNE 2008 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Banyule</td>
<td>817,718,224</td>
<td>1,052,839.92</td>
</tr>
<tr>
<td>City of Bayside</td>
<td>1,367,035,864</td>
<td>1,760,105.00</td>
</tr>
<tr>
<td>City of Boroondara</td>
<td>2,208,640,050</td>
<td>2,843,698.92</td>
</tr>
<tr>
<td>City of Brimbank</td>
<td>1,002,352,305</td>
<td>1,290,562.56</td>
</tr>
<tr>
<td>City of Darebin</td>
<td>1,139,546,491</td>
<td>1,467,204.72</td>
</tr>
<tr>
<td>City of Glen Eira</td>
<td>1,404,286,140</td>
<td>1,808,066.00</td>
</tr>
<tr>
<td>City of Greater Dandenong</td>
<td>8,877,150</td>
<td>11,429.64</td>
</tr>
<tr>
<td>City of Hobsons Bay</td>
<td>782,095,885</td>
<td>1,006,974.96</td>
</tr>
<tr>
<td>City of Hume</td>
<td>505,379,990</td>
<td>650,693.88</td>
</tr>
<tr>
<td>City of Kingston</td>
<td>882,880,027</td>
<td>1,136,737.96</td>
</tr>
<tr>
<td>City of Manningham</td>
<td>678,548,887</td>
<td>873,654.68</td>
</tr>
<tr>
<td>City of Maribyrnong</td>
<td>623,135,472</td>
<td>802,308.04</td>
</tr>
<tr>
<td>City of Maroondah</td>
<td>654,280,865</td>
<td>842,408.80</td>
</tr>
<tr>
<td>City of Melbourne</td>
<td>2,361,682,759</td>
<td>3,040,746.60</td>
</tr>
<tr>
<td>City of Monash</td>
<td>1,572,884,620</td>
<td>2,025,142.28</td>
</tr>
<tr>
<td>City of Moonee Valley</td>
<td>1,056,931,200</td>
<td>1,360,834.76</td>
</tr>
<tr>
<td>City of Moreland</td>
<td>1,085,222,920</td>
<td>1,397,261.32</td>
</tr>
<tr>
<td>Shire of Nillumbik</td>
<td>6,162,850</td>
<td>7,934.88</td>
</tr>
<tr>
<td>City of Port Phillip</td>
<td>1,424,460,109</td>
<td>1,834,040.68</td>
</tr>
<tr>
<td>City of Stonnington</td>
<td>1,763,738,141</td>
<td>2,270,872.64</td>
</tr>
<tr>
<td>City of Whitehorse</td>
<td>1,400,029,910</td>
<td>1,802,585.96</td>
</tr>
<tr>
<td>City of Whittlesea</td>
<td>537,425,274</td>
<td>691,953.28</td>
</tr>
<tr>
<td>City of Wyndham</td>
<td>150,883,700</td>
<td>194,267.88</td>
</tr>
<tr>
<td>City of Yarra</td>
<td>1,090,881,215</td>
<td>1,404,546.56</td>
</tr>
<tr>
<td>Shire of Yarra Ranges</td>
<td>40,671,050</td>
<td>52,365.36</td>
</tr>
<tr>
<td>Victorian Urban Development Authority(Docklands)</td>
<td>132,045,246</td>
<td>170,012.72</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>24,697,796,344</strong></td>
<td><strong>31,799,250.00</strong></td>
</tr>
</tbody>
</table>
schedule of insurance companies

Contributing to the Metropolitan Fire and Emergency Services Board (MFB) under Section 40 of the Metropolitan Fire Brigades Act 1958 for the year ended 30 June 2008

- A.I.S. Insurance Brokers Pty Ltd
- ACE Insurance Limited
- Aioi Insurance Co Limited
- Allianz Australia Insurance Limited
- American Home Assurance Company
- Ansvar Insurance Limited
- Aon Risk Services Australia Limited
- Asia Mideast Insurance & Reinsurance Pty Ltd
- ASR Underwriting Agencies Pty Ltd
- AssetInsure Pty Ltd
- Ausnet Underwriting Agency Pty Ltd
- Austcover Insurance Brokers Pty Ltd
- Australian Alliance Insurance Company Limited
- Australian Associated Motor Insurers Limited
- Australian European Insurance Brokers Pty Ltd
- Australian International Insurance Limited
- Auto & General Insurance Company Ltd
- Axis Underwriting Services Pty Limited
- BHP Billiton Marine & General Insurances Pty Ltd
- Calliden Insurance Limited
  (prev - Aust Unity General Insurance Ltd)
- Calliden Ltd
- Catholic Church Insurances Limited
- Catlin Australia Pty Ltd
- CGU Insurance Limited
- CGU-VACC Insurance Ltd
- Chambers Gallop McMahon Pty Ltd
- Chubb Insurance Company of Australia Limited
- Commonwealth Insurance Limited
- Cumis Insurance Society, Inc
- Curasalus Insurance Pty Ltd
- Defence Service Homes Insurance
- Dolphin Underwriting Agency
- Elders Insurance Limited
- Farmers' Mutual Insurance Limited
- FM Insurance Company Limited
- Freeman McMurrick Pty Ltd
- Gerling Australia Insurance Company Pty Limited
  (now HDI Gerling)
- GIO General Limited
- Global Underwriting Services Pty Ltd
- Gow-Gates Insurance Brokers Pty Ltd
- Guardian Underwriting Services Pty Ltd
- Guild Insurance Limited
- H W Wood Australia Pty Ltd
- HSB Engineering Insurance Limited
- Insurance Australia Limited
- Insurance Manufacturers of Australia Pty Limited
- InterPacific Underwriting Agencies Pty Limited
- Jardine Lloyd Thompson Pty Ltd
- JMD Ross Insurance Brokers Pty Ltd
- JUA Underwriting Agency Pty Limited
- Liberty Mutual Insurance Company
- Lumley General Insurance Limited
- Mansions of Australia Limited
- Manufactured Homes Insurance Agency Pty Ltd
- Marsh Pty Ltd
- Millennium Underwriting Agencies Pty Ltd
- Miramar Underwriting Agency Pty Ltd
- Mitsui Sumitomo Insurance Company Ltd
- Mutual Community General Insurance Proprietary Limited
- NIPPON KOA Insurance Company Pty Ltd (The)
- OAMPS Insurance Brokers Ltd
- On Track Insurance Pty Ltd
- QBE Insurance (Australia) Limited
- QBE Insurance (International) Limited
- QBE Mercantile Mutual Ltd
- Sompo Japan Insurance Inc
- SRS Insurance Group Pty Ltd
- Suncorp Metway Insurance Limited
- Territory Insurance Office
- TGI Australia Limited
- The Hollard Insurance Company Pty Ltd
- Tokio Marine & Fire Insurance Company Limited
- Universal Underwriting Agencies Pty Limited
- Vero Insurance Limited
- Wesfarmers Federation Insurance Ltd
- Westpac General Insurance Limited
- Willis Australia Limited
- XL Insurance Company Limited
- Your Insurance Group
- Zurich Australian Insurance Limited
schedule of insurance intermediaries or property owners

Contributing to the Board under Section 44A of the MFB Act 1958 for the year ended 30 June 2008

Insurance intermediaries who arranged insurance(s) on behalf of property owners

- A.C.M. Insurance
- Anthony Runacres & Associates Limited
- Aon Risk Services Australia Ltd
- Armbro Insurance Brokers
- Atlas Insurance Brokers
- Ausnet Underwriting Agency Pty Ltd
- Australian Underwriters Pty Ltd
- Benfield Australia Limited
- Black Wood & Doyle Insurance Brokers Limited
- Chambers Gallop McMahon Pty Ltd
- Continental Insurance (International Agencies) Pty Ltd
- Corion Pty Limited
- Cowden (S.A.) Pty Limited
- Dominion Underwriting Agents Pty Ltd
- Freeman McMurrick Pty Ltd
- Fraser McAndrew Ryan Ltd
- Genesis Insurance Brokers Australia
- Hornibrooke Doolan Limited
- Horsell International Pty Ltd
- IFS Insurance Broking Pty Ltd
- Industrial & Commercial Insurance Brokers Ltd
- Jardine Lloyd Thompson Pty Ltd
- Lundie Insurance Brokers Pty Ltd
- Mainprice King Chartered Brokers Ltd
- Marsh Pty Ltd
- Miller & Associates Insurance Broking
- QAMPS Insurance Brokers Ltd
- Risk Solutions Ltd
- Rural & General Insurance Broking Pty Ltd
- Strathearn Insurance Brokers
- Tartakover General Insurance Brokers
- Vero Insurance New Zealand Ltd
- Wilkinson Insurance Brokers Pty Ltd
- Willis Australia Limited
- World Insurance Network Pty Ltd

Property Owners who directly lodged returns

- A.A.P.T.
- Asset Forestry Limited
- Attachmate Australasia Pty Ltd
- BMW Australia Finance Ltd
- BMW Australia Ltd
- Cargill Australia Limited
- Church of Scientology Incorporated
- Ciba Specialty Chemicals Pty Ltd
- David Cryer Ltd
- Drake Personnel Limited
- First Mortgage Services Pty Ltd
- Paper Coaters Limited
- Ricegrowers Co-operative Limited
- Rio Tinto Limited
- Rosemure Properties
- Shell Company of Australia Ltd (The)
Summary of Municipalities Contributions

<table>
<thead>
<tr>
<th>Financial Year of Contribution</th>
<th>Determined Contribution $</th>
<th>Declared Net Annual Value $</th>
<th>Increase/ (Decrease) In Annual Value Over Prior Year $</th>
<th>Contribution Per $100 Net Annual Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995/1996</td>
<td>15,666,260</td>
<td>9,151,243,933</td>
<td>(592,818,847)</td>
<td>17.1</td>
</tr>
<tr>
<td>1996/1997</td>
<td>15,666,260</td>
<td>9,219,143,514</td>
<td>67,899,581</td>
<td>17.0</td>
</tr>
<tr>
<td>1998/1999</td>
<td>15,666,260</td>
<td>9,394,454,663</td>
<td>172,183,053</td>
<td>16.7</td>
</tr>
<tr>
<td>1999/2000</td>
<td>16,390,200</td>
<td>9,640,414,905</td>
<td>245,906,242</td>
<td>17.0</td>
</tr>
<tr>
<td>2000/2001</td>
<td>17,398,600</td>
<td>9,798,899,053</td>
<td>158,574,148</td>
<td>17.6</td>
</tr>
<tr>
<td>2003/2004</td>
<td>24,415,753</td>
<td>18,348,617,090</td>
<td>4,130,980,597</td>
<td>13.3</td>
</tr>
<tr>
<td>2005/2006</td>
<td>29,383,280</td>
<td>22,991,793,474</td>
<td>4,147,480,480</td>
<td>12.8</td>
</tr>
<tr>
<td>2007/2008</td>
<td>31,799,250</td>
<td>24,697,796,344</td>
<td>1,347,766,198</td>
<td>12.9</td>
</tr>
</tbody>
</table>

Summary of Insurance Companies Contributions

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Determined Contribution $</th>
<th>Declared Premiums $</th>
<th>Increase/ (Decrease) In Declared Premiums Over Prior Year $</th>
<th>Average Final Contribution Per $100 Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995/1996</td>
<td>93,997,560</td>
<td>283,880,093</td>
<td>(7,045,526)</td>
<td>33.112</td>
</tr>
<tr>
<td>1996/1997</td>
<td>93,997,560</td>
<td>281,519,557</td>
<td>(2,360,536)</td>
<td>33.389</td>
</tr>
<tr>
<td>1997/1998</td>
<td>93,997,560</td>
<td>271,908,983</td>
<td>(9,610,574)</td>
<td>34.569</td>
</tr>
<tr>
<td>1998/1999</td>
<td>93,997,560</td>
<td>268,782,586</td>
<td>(3,126,397)</td>
<td>34.972</td>
</tr>
<tr>
<td>1999/2000</td>
<td>98,341,200</td>
<td>287,421,967</td>
<td>18,639,381</td>
<td>34.215</td>
</tr>
<tr>
<td>2000/2001</td>
<td>104,391,600</td>
<td>305,666,724</td>
<td>18,244,757</td>
<td>34.152</td>
</tr>
<tr>
<td>2001/2002</td>
<td>109,727,400</td>
<td>384,591,698</td>
<td>78,924,974</td>
<td>28.531</td>
</tr>
<tr>
<td>2002/2003</td>
<td>119,617,950</td>
<td>458,389,640</td>
<td>73,797,942</td>
<td>26.095</td>
</tr>
<tr>
<td>2004/2005</td>
<td>162,690,318</td>
<td>455,486,512</td>
<td>(16,404,603)</td>
<td>35.718</td>
</tr>
<tr>
<td>2006/2007</td>
<td>184,343,400</td>
<td>484,893,214</td>
<td>12,967,795</td>
<td>37.811</td>
</tr>
<tr>
<td>2007/2008</td>
<td>190,795,500</td>
<td>Not Yet Available</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Note: The Annual Value of Rateable Property and Declared Premiums may vary from prior Annual Reports as the amounts shown may include supplementary adjustments to the declared amounts, allowed by the Metropolitan Fire and Emergency Services Board under S.45 of the Metropolitan Fire Brigades Act 1958.

The Declared Premium amount for the financial year ended 30 June 2008 will not be available until October 2008 as a result only provisional contributions have been collected for that financial year.
Operating Statement for the financial year ended 30 June 2008

<table>
<thead>
<tr>
<th></th>
<th>NOTES</th>
<th>2008 $000</th>
<th>2007 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CONTINUING OPERATIONS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>INCOME</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>2</td>
<td>266,838</td>
<td>257,258</td>
</tr>
<tr>
<td>Revenue</td>
<td>2</td>
<td>28,414</td>
<td>24,335</td>
</tr>
<tr>
<td>Other income</td>
<td>2</td>
<td>23,081</td>
<td>18,785</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td></td>
<td><strong>318,333</strong></td>
<td><strong>300,378</strong></td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee benefits</td>
<td>3</td>
<td>190,901</td>
<td>192,575</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>3,4,5</td>
<td>17,176</td>
<td>15,974</td>
</tr>
<tr>
<td>Supplies and services</td>
<td>3</td>
<td>68,734</td>
<td>57,087</td>
</tr>
<tr>
<td>Other expenses</td>
<td>3</td>
<td>19,898</td>
<td>3,399</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td></td>
<td><strong>296,709</strong></td>
<td><strong>269,035</strong></td>
</tr>
<tr>
<td><strong>Net result for the period</strong></td>
<td>6</td>
<td><strong>21,624</strong></td>
<td><strong>31,343</strong></td>
</tr>
</tbody>
</table>

The above Operating Statement should be read in conjunction with the accompanying notes.
balance sheet  
as at 30 June 2008

<table>
<thead>
<tr>
<th></th>
<th>NOTES</th>
<th>2008 $000</th>
<th>2007 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>7,14</td>
<td>54,071</td>
<td>28,383</td>
</tr>
<tr>
<td>Receivables</td>
<td>7,8</td>
<td>6,939</td>
<td>23,978</td>
</tr>
<tr>
<td>Inventories</td>
<td>9</td>
<td>1,042</td>
<td>1,006</td>
</tr>
<tr>
<td>Prepayments</td>
<td></td>
<td>626</td>
<td>600</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td></td>
<td>62,678</td>
<td>53,967</td>
</tr>
<tr>
<td><strong>NON-CURRENT ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other financial assets</td>
<td>7</td>
<td>91,889</td>
<td>96,775</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>5</td>
<td>12,076</td>
<td>12,298</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>4</td>
<td>397,451</td>
<td>351,650</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td></td>
<td>501,416</td>
<td>460,723</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td></td>
<td>564,094</td>
<td>514,690</td>
</tr>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>7,10</td>
<td>15,852</td>
<td>11,250</td>
</tr>
<tr>
<td>Income received in advance</td>
<td></td>
<td>1,271</td>
<td>1,455</td>
</tr>
<tr>
<td>Employee benefit provisions</td>
<td>11,11A</td>
<td>65,540</td>
<td>63,610</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td></td>
<td>82,663</td>
<td>76,315</td>
</tr>
<tr>
<td><strong>NON-CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income received in advance</td>
<td></td>
<td>2,837</td>
<td>3,542</td>
</tr>
<tr>
<td>Employee benefit provisions</td>
<td>11,11A</td>
<td>1,874</td>
<td>1,814</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td></td>
<td>4,711</td>
<td>5,356</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td></td>
<td>87,374</td>
<td>81,671</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td></td>
<td>476,720</td>
<td>433,019</td>
</tr>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributed capital</td>
<td>6</td>
<td>121,059</td>
<td>121,059</td>
</tr>
<tr>
<td>Asset revaluation reserves</td>
<td>6</td>
<td>187,098</td>
<td>165,021</td>
</tr>
<tr>
<td>Accumulated surplus</td>
<td>6</td>
<td>168,563</td>
<td>146,939</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td></td>
<td>476,720</td>
<td>433,019</td>
</tr>
<tr>
<td>Commitments for expenditure</td>
<td>13</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contingent assets and contingent liabilities</td>
<td>13</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above Balance Sheet should be read in conjunction with the accompanying notes.
<table>
<thead>
<tr>
<th>Notes</th>
<th>2008 $000</th>
<th>2007 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total equity at beginning of financial year</td>
<td>433,019</td>
<td>378,100</td>
</tr>
<tr>
<td>Gain/(loss) on property revaluation</td>
<td>4,6</td>
<td>22,077</td>
</tr>
<tr>
<td>Net income recognised directly in equity</td>
<td></td>
<td>22,077</td>
</tr>
<tr>
<td>Net result for the period</td>
<td>6</td>
<td>21,624</td>
</tr>
<tr>
<td>Total recognised income and expense for the period</td>
<td>43,701</td>
<td>54,919</td>
</tr>
<tr>
<td>Total equity at end of financial year</td>
<td>476,720</td>
<td>433,019</td>
</tr>
</tbody>
</table>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.
The above Cash Flow Statement should be read in conjunction with the accompanying notes.
notes to
the financial
statements
for the financial year ended
30 June 2008

1. summary of accounting policies

Statement of compliance
This financial report is a general purpose financial report which has been prepared on an accrual basis in accordance with the Financial Management Act 1994, applicable Australian Accounting Standards (AAS), which includes the Australian Accounting Standards issued by the Australian Accounting Standards Board (AASB) Interpretations and other mandatory professional requirements. The financial report also complies with relevant Financial Reporting Directions (FRDs) issued by the Department of Treasury and Finance, and relevant Standing Directions (SDs) authorised by the Minister for Finance.

Basis of preparation
The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

In the application of AAS management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of AAS that have significant effects on the financial statements and estimates with a risk of material adjustments in the next year are disclosed throughout the notes in the financial statements.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2008 and the comparative information presented for the year ended 30 June 2007.

Reporting entity
The financial report covers the Metropolitan Fire and Emergency Services Board, which is a statutory authority and operates under the Metropolitan Fire Brigades Act 1958.

Principal address is:
456 Albert Street
East Melbourne VIC 3002
The financial statements include all the controlled activities of the Board.
Assets
All current and non-current assets controlled by the Board are reported in the Balance Sheet.

(a) Cash and cash equivalents
For the purposes of the balance sheet and cash flow statement, cash comprises cash on hand, cash at bank, bank overdrafts, deposits at call and highly liquid investments with short investment periods (with an original maturity of three months or less) that are readily convertible to cash on hand and are subject to an insignificant risk of changes in value.

(b) Receivables
Receivables consist predominantly of debtors in relation to the provision of goods and services and GST input tax credits recoverable. Other receivables include receivables relating to the sale of property which is separately disclosed. Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less any accumulated impairment. The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or where appropriate, a shorter period. An allowance for doubtful receivables is made when there is objective evidence that the debts will not be collected. Bad debts are written off when identified.

(c) Inventories
Supplies, consumables and inventories are measured at the lower of cost and net realisable value.

(d) Leasehold improvements
Leasehold improvements are amortised on a straight-line basis over the shorter of their estimated useful lives or the term of the lease.

(e) Non-current assets classified as held for sale
Non-current assets and disposal group classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell, and are not subject to depreciation. Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and the sale is expected to be completed within one year from the date of classification.
(f) **Intangible assets**

Intangible assets represent identifiable non-monetary assets without physical substance. Intangible assets are recognised at cost and subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Costs subsequent to initial recognition are capitalised when it is expected that additional future economic benefits will flow to the Board.

Intangible assets are amortised on a straight-line basis over their useful lives. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

The amortisation period is reviewed annually along with an assessment to determine whether there are indicators that the intangible asset concerned is impaired. If impairment is indicated the asset concerned is tested as to whether its carrying value exceeds its recoverable amount.

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(g) **Financial assets**

The Board classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, and available for sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

(i) **Financial assets classified as fair value through profit/loss – held for trading**

The Board classified the non-current investments as fair value through profit and loss, resulting in earnings and market movements to fair value being reflected in the operating statement. Investments are recognised and derecognised on transaction date.

(ii) **Financial assets classified as held to maturity**

The Board’s held to maturity investments include bills of exchange and deposits with fixed or determinable payments and fixed maturity dates that the Board has the positive intent and ability to hold to maturity. These investments are recorded at amortised cost using the effective interest method, less impairment losses. Investments are recognised and derecognised on transaction date.

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(iii) **Impairment of financial assets**

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectable, it is written off against the allowance account. Subsequently, recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available for sale equity instruments, if, in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.
notes to
the financial
statements
for the financial year ended
30 June 2008

(h) Property, plant and equipment

Land and buildings are initially recognised at cost and subsequently measured at fair value less accumulated depreciation. Plant, equipment and vehicles are measured at cost less accumulated depreciation and impairment.

(i) Acquisition of assets

All property, plant and equipment acquired are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

The cost of non-current assets constructed by the Board includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads. Expenditure incurred on non-current physical assets subsequent to initial acquisition is capitalised when it is probable that future economic benefits will flow to the Board in future years. Where these costs represent separate components they are accounted for as separate assets and are separately depreciated over their useful lives.

The cost of construction works in progress is carried at cost of materials, external services, direct labour and an appropriate proportion of fixed and variable overheads recognised to date, based on the value of work completed.

(ii) Revaluations

Subsequent to the initial recognition as assets, non-current land and buildings are measured at fair value in accordance with AAS. Revaluations are made with sufficient regularity to ensure that the carrying amount of each asset does not differ materially from its fair value at the reporting date. Revaluations are scheduled to occur every five years, based upon the Government Purpose Classifications and supplemented by independent valuations at interim periods to ensure that the carrying amount of each asset class does not differ materially from its fair value.

Fair value of buildings in use is determined using the asset’s depreciated replacement cost. Revaluation increments are credited directly to the asset revaluation reserve, except that to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the net result, the increment is recognised immediately as income in the net result.

Revaluation decrements are recognised immediately as expenses in the net result, except that to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

Revaluation increments and decrements are offset against one another within each class of non-current assets but are not offset in respect of assets in different classes.
(iii) Depreciation

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is generally calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>40 years</td>
<td>40 years</td>
</tr>
<tr>
<td>Plant and Equipment</td>
<td>3 - 15 years</td>
<td>3 - 15 years</td>
</tr>
</tbody>
</table>

The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. It is deemed that in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made.

Liabilities

(j) Payables

Payables consist predominantly of creditors and other sundry liabilities. Payables are initially recognised at fair value, then subsequently carried at amortised cost using the effective interest method and represent liabilities for goods and services provided to the Board prior to the end of financial year that are unpaid, and arise when the Board is obligated to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and settled within 30 days.

(k) Provisions

Provisions are recognised when the Board has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

(l) Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources and are disclosed at their nominal value.

(m) Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

(n) Employee benefits

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date and are classified as current liabilities and measured at their nominal values. Those liabilities that are not expected to be settled within 12 months are also recognised in the provision for employee benefits as current liabilities, measured at present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.
notes to the financial statements
for the financial year ended 30 June 2008

(ii) Long service leave
Liability for long service leave (LSL) is recognised in the provision for employee benefits.
Current liability – unconditional LSL (representing 7 or more years of continuous service) is disclosed as a current liability even where the Board does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.
The components of the current LSL liability are measured at:
• Present value – component that the Board does not expect to settle within 12 months; and
• Nominal value – component that the Board expects to settle within 12 months.
Non-current liability – conditional LSL (representing less than 7 years of continuous service) is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service.
This non-current LSL liability is measured at present value.

(iii) Employee benefits on-costs
Employee benefits on-costs relate to future payroll tax and workers compensation liabilities in respect of employee benefits and are recognised separately from the provision for employee benefits.

(iv) Termination benefits
Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Board recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

(v) Bonus plans
A liability for bonus plans is recognised in payables when there is no realistic alternative but to settle the liability and at least one of the following conditions is met:
• There are formal terms for determining the amount of the benefit;
• The amounts to be paid are determined before the time of completion of the financial report; or
• Past practice gives clear evidence of the amount of the obligation.
Liabilities for bonus plans are expected to be settled within twelve months and are measured at the amount expected to be paid when they are settled.

(o) Superannuation
The Board does not recognise any defined benefit liability in respect of the Emergency Services & State Super defined benefit superannuation plan because the Board
has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance centrally recognises the defined liability or surplus of most Victorian government employees in such funds in its financial report.

The amount charged to the operating statement in respect of superannuation represents the contributions made by the Board to the Emergency Services & State Super funds in respect to the current services of current staff. Superannuation contributions are made to the funds based on the relevant rules of each fund.

**Revenue**

(ii) **Sales income**
Sales income comprises income earned (net of returns, discounts and allowances) from the provision of goods or services to external entities. Sales income is recognised when the risks and rewards of ownership of the goods have transferred to the buyer or the services provided to the customer.

**Other income**

(iii) **Dividend income**
Dividend income is recognised when the right to receive payment is established.

(iv) **Interest revenue**
Interest revenue includes interest received and accrued on bank accounts, term deposits, interest from investments, and other interest received. Interest income is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(v) **Sale of real property - land and buildings**
The gross proceeds from the sale of real property is classified as income at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and net proceeds on disposal.

**Expenses**

(q) **Employee benefits**
Employee benefits expenses include all costs related to employment including wages and salaries, leave entitlements, redundancy payments and superannuation contributions and these expenses are recognised as incurred.

(r) **Maintenance and repairs**
Major plant and equipment is required to be serviced on a regular basis. This is managed as part of an ongoing major cyclical maintenance program. Maintenance costs are charged as expenses as incurred, except where they relate to the replacement of a major component of an asset, in which case the costs are capitalised and depreciated in accordance with note 1(h). Other routine operating maintenance, repair costs and minor plant renewals are also charged as expenses as incurred.

(s) **Operating leases**
The Board leases property under operating leases expiring from one to seven years. Leases generally provide the Board with the right of renewal. Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.
Equity

(t) Contributed capital
Contributed capital is additions to net assets which have been designated as contributed asset transfers by owners in accordance with the requirements of paragraph 7(c) of Urgent Issues Group Interpretation 1038, Contributions by Owners made to Wholly-Owned Public Sector Entities.

Other

(u) Significant accounting estimates and judgements
The following significant estimates and judgements were applied in the preparation of the financial statements.

Employee benefit provisions
Employee benefit provisions expected to be settled beyond 12 months have been apportioned on the basis of expected settlement periods in the future and adjusted to account for wage increases and discounted to present value. The average wage inflation factor applied is 4% (2007: 3.77%) and 4.75% on long service leave which covers seniority, promotion and other relevant factors (2007: 4.53%). The average discount rate applied was 6.58% (2007: 6.34%). Long service leave has been applied over 13 years when calculating the present value, as this reflects the current circumstances of 8% of leave taken per annum. Sick leave has been accounted for on the basis of analysis that indicates a proportion of current accumulated staff sick leave will be taken by staff in the future. Sick leave is inflated and discounted to present value except for the current portion which is at nominal value.

(v) Goods and Services Tax
Incomes, expenses and assets are recognised net of the amount of goods and services tax (GST), except:
- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; and
- for receivables and payables which are recognised inclusive of GST.
The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(w) Rounding
Amounts in the financial report have been rounded to the nearest thousand dollars, unless otherwise stated.

(x) Functional currency
The functional currency of the Board is the Australian dollar, which is also the presentation currency.
(y) Events after reporting date

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between the Board and other parties, the transactions are only recognised when the agreement is irrevocable at or before balance date. Adjustments are made to amounts recognised in the financial statements for events which occur after the reporting date and before the date the statements are authorised for issue, where those events provide information about conditions which existed at the reporting date. Note disclosure is made about events between the balance date and the date the statements are authorised for issue where the events relate to conditions which arose after the reporting date and which may have a material impact on the results of subsequent years.

(z) New accounting standards and interpretations

New standards and interpretations have been published that are not mandatory for 30 June 2008. The following have been issued but are not mandatory. The Board has not adopted these standards early.

<table>
<thead>
<tr>
<th>Standard/Interpretation</th>
<th>Summary</th>
<th>Applicable for annual reporting periods beginning or ending on</th>
<th>Impact on the financial statements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revised AASB 1004</td>
<td>AASB decided to relocate requirements on contributions from AAS 27, 29 and 31, substantively unamended, into AASB 1004 as part of its short-term review of AAS 27, AAS 29, and AAS 31.</td>
<td>Beginning 1 July 2008</td>
<td>Impact expected to be insignificant.</td>
</tr>
<tr>
<td>Revised Interpretation 1038 Contributions by Owners made to Wholly-Owned Public Sector Entities</td>
<td>Editorial amendments to Interpretation 1038 due to changes to AASB 1004.</td>
<td>Beginning 1 July 2008</td>
<td>Impact expected to be insignificant.</td>
</tr>
<tr>
<td>AASB 2007 – 3 Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 and AASB 1038)]</td>
<td>An accompanying amending standard, also introduced consequential amendments into other Standards.</td>
<td>Beginning 1 Jan 2009</td>
<td>Impact expected to be insignificant.</td>
</tr>
<tr>
<td>AASB 2007 – 6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 &amp; AASB 138 and Interpretations 1 &amp; 12]</td>
<td>Option to expense borrowing cost related to a qualifying asset had been removed. Entities are now required to capitalise borrowing costs relevant to qualifying assets.</td>
<td>Beginning 1 Jan 2009</td>
<td>All Australian government jurisdictions are currently still actively pursuing an exemption for government from capitalising borrowing costs.</td>
</tr>
<tr>
<td>AASB 2008 – 8 Amendments to Australian Accounting Standards arising from AASB 101</td>
<td>Editorial amendments to Australian Accounting Standards to align with IFRS terminology.</td>
<td>Beginning 1 Jan 2009</td>
<td>No impact.</td>
</tr>
</tbody>
</table>
notes to the financial statements
for the financial year ended
30 June 2008

2. income

<table>
<thead>
<tr>
<th>Contributions</th>
<th>2008 $000</th>
<th>2007 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance companies</td>
<td>190,796</td>
<td>184,343</td>
</tr>
<tr>
<td>Municipalities</td>
<td>31,799</td>
<td>30,724</td>
</tr>
<tr>
<td>Treasurer of Victoria</td>
<td>31,799</td>
<td>30,724</td>
</tr>
<tr>
<td>Brokers and owners</td>
<td>9,741</td>
<td>8,871</td>
</tr>
<tr>
<td>Commonwealth Government</td>
<td>2,703</td>
<td>2,596</td>
</tr>
<tr>
<td></td>
<td><strong>266,838</strong></td>
<td><strong>257,258</strong></td>
</tr>
</tbody>
</table>

Income received by the Board covers operating expenses and capital expenditure funding, this causes the Board’s net result to be a surplus to the extent that capital funding is included in the income received. Unlike many non-statutory authorities the Board does not receive annual capital funding from the State Government.

<table>
<thead>
<tr>
<th>Revenue</th>
<th>2008 $000</th>
<th>2007 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>False alarm charges</td>
<td>6,077</td>
<td>6,266</td>
</tr>
<tr>
<td>Charges for services</td>
<td>22,337</td>
<td>18,069</td>
</tr>
<tr>
<td></td>
<td><strong>28,414</strong></td>
<td><strong>24,335</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other income</th>
<th>2008 $000</th>
<th>2007 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividends - held for trading investments</td>
<td>9,517</td>
<td>7,994</td>
</tr>
<tr>
<td>Interest - bank deposits</td>
<td>918</td>
<td>748</td>
</tr>
<tr>
<td>Interest - held to maturity investments</td>
<td>4,421</td>
<td>3,406</td>
</tr>
<tr>
<td>Interest - held for trading investments</td>
<td>936</td>
<td>454</td>
</tr>
<tr>
<td>Gross proceeds from the sale of non-current assets</td>
<td>854</td>
<td>1,222</td>
</tr>
<tr>
<td>Insurance claim</td>
<td>-</td>
<td>1,150</td>
</tr>
<tr>
<td>Workers’ compensation recovered</td>
<td>1,275</td>
<td>1,116</td>
</tr>
<tr>
<td>Recovery of bushfire deployment</td>
<td>-</td>
<td>805</td>
</tr>
<tr>
<td>Property rental</td>
<td>495</td>
<td>483</td>
</tr>
<tr>
<td>Contribution penalties</td>
<td>1,788</td>
<td>260</td>
</tr>
<tr>
<td>Other</td>
<td>2,877</td>
<td>1,147</td>
</tr>
<tr>
<td></td>
<td><strong>23,081</strong></td>
<td><strong>18,785</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Income</th>
<th>2008 $000</th>
<th>2007 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>318,333</strong></td>
<td><strong>300,378</strong></td>
</tr>
</tbody>
</table>
3. expenses

<table>
<thead>
<tr>
<th>Category</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employee benefits</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and movement in employee benefit provisions</td>
<td>161,424</td>
<td>154,653</td>
</tr>
<tr>
<td>Superannuation - defined benefit fund</td>
<td>14,284</td>
<td>23,291</td>
</tr>
<tr>
<td>Superannuation - defined contribution fund</td>
<td>1,100</td>
<td>1,102</td>
</tr>
<tr>
<td>Payroll tax</td>
<td>8,892</td>
<td>8,807</td>
</tr>
<tr>
<td>Workers’ compensation</td>
<td>4,136</td>
<td>3,796</td>
</tr>
<tr>
<td>Fringe benefits tax</td>
<td>1,065</td>
<td>926</td>
</tr>
<tr>
<td><strong>Total Employee benefits</strong></td>
<td><strong>190,901</strong></td>
<td><strong>192,575</strong></td>
</tr>
<tr>
<td><strong>Depreciation and amortisation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>6,996</td>
<td>6,198</td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>8,805</td>
<td>8,438</td>
</tr>
<tr>
<td>Amortisation of intangible assets</td>
<td>1,375</td>
<td>1,338</td>
</tr>
<tr>
<td><strong>Total Depreciation and amortisation</strong></td>
<td><strong>17,176</strong></td>
<td><strong>15,974</strong></td>
</tr>
<tr>
<td><strong>Supplies and services</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract services – other</td>
<td>15,181</td>
<td>12,925</td>
</tr>
<tr>
<td>Contract services – government</td>
<td>11,399</td>
<td>10,496</td>
</tr>
<tr>
<td>Property utilities, rates, maintenance</td>
<td>14,074</td>
<td>9,056</td>
</tr>
<tr>
<td>Supplies and consumables</td>
<td>4,646</td>
<td>4,097</td>
</tr>
<tr>
<td>Motor vehicle maintenance, fuel</td>
<td>3,934</td>
<td>3,730</td>
</tr>
<tr>
<td>Plant and equipment maintenance</td>
<td>5,046</td>
<td>3,425</td>
</tr>
<tr>
<td>Information technology</td>
<td>2,512</td>
<td>2,376</td>
</tr>
<tr>
<td>Uniforms</td>
<td>2,971</td>
<td>2,256</td>
</tr>
<tr>
<td>Travel</td>
<td>2,212</td>
<td>2,147</td>
</tr>
<tr>
<td>Training and development</td>
<td>2,108</td>
<td>1,917</td>
</tr>
<tr>
<td>Communications</td>
<td>1,669</td>
<td>1,616</td>
</tr>
<tr>
<td>Legal</td>
<td>1,233</td>
<td>1,451</td>
</tr>
<tr>
<td>Insurance</td>
<td>799</td>
<td>908</td>
</tr>
<tr>
<td>Advertising and promotion</td>
<td>414</td>
<td>346</td>
</tr>
<tr>
<td>Internal audit, compliance audits</td>
<td>344</td>
<td>258</td>
</tr>
<tr>
<td>Consultants</td>
<td>124</td>
<td>60</td>
</tr>
<tr>
<td>Audit of financial report (Victorian Auditor General’s office)</td>
<td>68</td>
<td>23</td>
</tr>
<tr>
<td><strong>Total Supplies and services</strong></td>
<td><strong>68,734</strong></td>
<td><strong>57,087</strong></td>
</tr>
<tr>
<td><strong>Other Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Movements in fair value on held for trading investments</td>
<td>12,507</td>
<td>(1,927)</td>
</tr>
<tr>
<td>Realised gains/(losses) on held for trading investments</td>
<td>2,831</td>
<td>115</td>
</tr>
<tr>
<td>Written down value non-current asset disposals</td>
<td>1,239</td>
<td>1,992</td>
</tr>
<tr>
<td>Property lease</td>
<td>1,549</td>
<td>1,658</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>911</td>
<td>746</td>
</tr>
<tr>
<td>Other</td>
<td>841</td>
<td>815</td>
</tr>
<tr>
<td><strong>Total Other Expenses</strong></td>
<td><strong>19,898</strong></td>
<td><strong>3,399</strong></td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>296,709</strong></td>
<td><strong>269,035</strong></td>
</tr>
</tbody>
</table>
notes to the financial statements for the financial year ended 30 June 2008

4. property, plant and equipment

<table>
<thead>
<tr>
<th>Public Safety and Environment Purpose Group</th>
<th>2008 $000</th>
<th>2007 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freehold land</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At independent valuation 2008</td>
<td>145,002</td>
<td>-</td>
</tr>
<tr>
<td>At independent valuation 2007</td>
<td>-</td>
<td>110,883</td>
</tr>
<tr>
<td><strong>Total Land</strong></td>
<td><strong>145,002</strong></td>
<td><strong>110,883</strong></td>
</tr>
<tr>
<td>Buildings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At independent valuation 2007</td>
<td>132,950</td>
<td>132,950</td>
</tr>
<tr>
<td>At cost</td>
<td>56,365</td>
<td>-</td>
</tr>
<tr>
<td>Less: accumulated depreciation</td>
<td>(6,996)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total land &amp; buildings</strong></td>
<td><strong>327,321</strong></td>
<td><strong>243,833</strong></td>
</tr>
<tr>
<td>Plant and equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant and equipment at cost</td>
<td>104,999</td>
<td>94,058</td>
</tr>
<tr>
<td>Less: accumulated depreciation</td>
<td>(50,054)</td>
<td>(45,214)</td>
</tr>
<tr>
<td><strong>Total plant and equipment</strong></td>
<td><strong>54,945</strong></td>
<td><strong>48,844</strong></td>
</tr>
<tr>
<td>Construction work in progress</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>1,858</td>
<td>43,135</td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>13,327</td>
<td>15,838</td>
</tr>
<tr>
<td><strong>Total construction in progress</strong></td>
<td><strong>15,185</strong></td>
<td><strong>58,973</strong></td>
</tr>
<tr>
<td><strong>Total property, plant and equipment</strong></td>
<td><strong>397,451</strong></td>
<td><strong>351,650</strong></td>
</tr>
</tbody>
</table>

Property, plant and equipment are classified primarily by the purpose for which the assets are used, according to one of six Purpose Groups based upon Government Purpose Classifications (GPC). The Board’s assets are classified under the Public Safety and Environment Purpose Group. All assets within a Purpose Group are further sub-categorised according to the asset’s nature (buildings, plant and equipment) with each sub-category being classified as a separate class of asset for financial reporting purposes.

The independent valuation of the Board’s land and building assets to determine fair values has been undertaken by:

M Cleary, Certified Practising Valuer, Australian Property Institute, Member No. 2694 of Urbis Pty. Ltd.

The effective date of the valuation is 30 June 2008.

Land fair values were determined by reference to recent observable market prices in the locality and buildings valued using the Depreciated Replacement Cost method. Buildings designated as non core properties are valued at fair value on the basis of recent market transactions.

Land values increased materially since the last valuation (30 June 2007) and according to accounting standards the new values were adopted as at 30 June 2008. Building depreciated replacement cost values remain substantially unchanged since the last valuation (30 June 2007) and subsequently the independent building valuations were not adopted.
Reconciliations

Reconciliations of the carrying amounts of property, plant and equipment and work in progress at the beginning and end of the financial year are set out below:

<table>
<thead>
<tr>
<th></th>
<th>Freehold land $000</th>
<th>Buildings $000</th>
<th>Plant &amp; equipment $000</th>
<th>Construction work in progress $000</th>
<th>Total $000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2008</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carrying amount at start of year</td>
<td>110,883</td>
<td>132,950</td>
<td>48,844</td>
<td>58,973</td>
<td>351,650</td>
</tr>
<tr>
<td>Additions</td>
<td>12,041</td>
<td>-</td>
<td>-</td>
<td>28,743</td>
<td>40,784</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>(1,259)</td>
<td>-</td>
<td>(1,259)</td>
</tr>
<tr>
<td>Net revaluations increment/(decrement)</td>
<td>22,077</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>22,077</td>
</tr>
<tr>
<td>Transfers</td>
<td>-</td>
<td>56,365</td>
<td>16,166</td>
<td>(72,531)</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>-</td>
<td>(6,996)</td>
<td>(8,805)</td>
<td>-</td>
<td>(15,801)</td>
</tr>
<tr>
<td><strong>Carrying amount at end of year</strong></td>
<td>145,001</td>
<td>182,319</td>
<td>54,946</td>
<td>15,185</td>
<td>397,451</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Freehold land $000</th>
<th>Buildings $000</th>
<th>Plant &amp; equipment $000</th>
<th>Construction work in progress $000</th>
<th>Total $000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2007</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carrying amount at start of year</td>
<td>100,062</td>
<td>114,364</td>
<td>52,193</td>
<td>35,374</td>
<td>301,993</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>42,709</td>
<td>42,709</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>(1,992)</td>
<td>-</td>
<td>(1,992)</td>
</tr>
<tr>
<td>Net revaluations increment/(decrement)</td>
<td>10,821</td>
<td>12,755</td>
<td>-</td>
<td>-</td>
<td>23,576</td>
</tr>
<tr>
<td>Transfers</td>
<td>-</td>
<td>12,029</td>
<td>7,081</td>
<td>(19,110)</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>-</td>
<td>(6,198)</td>
<td>(8,438)</td>
<td>-</td>
<td>(14,636)</td>
</tr>
<tr>
<td><strong>Carrying amount at end of year</strong></td>
<td>110,883</td>
<td>132,950</td>
<td>48,844</td>
<td>58,973</td>
<td>351,650</td>
</tr>
</tbody>
</table>
5. intangible assets

<table>
<thead>
<tr>
<th></th>
<th>2008 $000</th>
<th>2007 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Licence agreements at cost</td>
<td>10,981</td>
<td>10,860</td>
</tr>
<tr>
<td>Less: accumulated amortisation</td>
<td>(1,860)</td>
<td>(1,164)</td>
</tr>
<tr>
<td><strong>Total licence agreements</strong></td>
<td><strong>9,121</strong></td>
<td><strong>9,696</strong></td>
</tr>
<tr>
<td>Software at cost</td>
<td>10,478</td>
<td>9,542</td>
</tr>
<tr>
<td>Less: accumulated amortisation</td>
<td>(7,523)</td>
<td>(6,940)</td>
</tr>
<tr>
<td><strong>Total software</strong></td>
<td><strong>2,955</strong></td>
<td><strong>2,602</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>12,076</strong></td>
<td><strong>12,298</strong></td>
</tr>
</tbody>
</table>

Intangible assets referred to above relate to software and agreements providing the Board with access to optic fibre communication networks.

Intangible assets are amortised on a straight line basis over the asset life.

The average lives and remaining lives on intangible assets are:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Optic fibre access agreements:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Life</td>
<td>15 years</td>
<td>12 years</td>
</tr>
<tr>
<td>Remaining Life</td>
<td>13 years</td>
<td>13 years</td>
</tr>
<tr>
<td>Software:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Life</td>
<td>5 - 7 years</td>
<td>1 - 7 years</td>
</tr>
<tr>
<td>Remaining Life</td>
<td>1 - 7 years</td>
<td>1 - 7 years</td>
</tr>
</tbody>
</table>

Reconciliations

Reconciliations of the carrying amounts of licence agreements and software at the beginning and end of the financial year are set out below:

<table>
<thead>
<tr>
<th></th>
<th>2008 $000</th>
<th>2007 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Licence Agreements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carrying amount at start of year</td>
<td>9,696</td>
<td>8,139</td>
</tr>
<tr>
<td>Additions</td>
<td>121</td>
<td>2,119</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Amortisation expense</td>
<td>(696)</td>
<td>(562)</td>
</tr>
<tr>
<td><strong>Carrying amount at end of year</strong></td>
<td><strong>9,121</strong></td>
<td><strong>8,139</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2008 $000</th>
<th>2007 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carrying amount at start of year</td>
<td>2,602</td>
<td>2,451</td>
</tr>
<tr>
<td>Additions</td>
<td>1,032</td>
<td>927</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Amortisation expense</td>
<td>(679)</td>
<td>(776)</td>
</tr>
<tr>
<td><strong>Carrying amount at end of year</strong></td>
<td><strong>2,955</strong></td>
<td><strong>2,602</strong></td>
</tr>
</tbody>
</table>
6. movements in equity

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$000</td>
<td>$000</td>
</tr>
</tbody>
</table>

(a) Reserves
Asset revaluation reserves
Land
Balance at beginning of financial year | 70,673 | 59,852 |
Revaluation increments/(decrements)   | 22,077 | 10,821 |
Transfers to accumulated surplus     | -     | -     |
Total                                | 92,750 | 70,673 |
Buildings                            |       |       |
Balance at beginning of financial year | 94,348 | 81,593 |
Revaluation increments/(decrements)   | -     | 12,755 |
Transfers to accumulated surplus     | -     | -     |
Total                                | 94,348 | 94,348 |
Balance at end of financial year     | 187,098 | 165,021 |

(b) Accumulated surplus
Balance at beginning of financial year | 146,939 | 115,596 |
Transfers from asset revaluation reserve | -     | -     |
Net result                            | 21,624 | 31,343 |
Balance at end of financial year     | 168,563 | 146,939 |

(c) Contributions by owners
Balance at beginning of financial year | 121,059 | 121,059 |
Capital transactions with the State as its capacity as owner | -     | -     |
Balance at end of financial year     | 121,059 | 121,059 |
Total Equity at end of the financial year | 476,720 | 433,019 |
7. financial instruments

The Board has appropriate policies and processes to manage financial risks associated with financial instruments and the policies are in accordance with the Borrowing and Investment Powers Act 1987 and the Department of Treasury and Finance guidelines in relation to financial asset investment and management. Financial investment strategies are regularly reviewed by the Board in conjunction with Victorian Funds Management Corporation (VFMC) to minimise financial risks and ensure appropriate diversification of investment products across various entities and to ensure earnings and capital growth are maximised, balanced with consideration of associated risks.

Security investments in the held for trading asset present a risk of capital loss; in consideration of this the VFMC and the investment manager moderates this risk through careful selection of securities within specified limits approved by the Board. The maximum capital loss is the fair value of the financial instruments. The held for trading investments are primarily in equity and security instruments issued by ASX200 (Australian Stock Exchange) listed companies, as well as investments in equity instruments issued by international listed companies. The investments are in unlisted unit trusts managed through the VFMC. A portion of this investment class is term deposits with Treasury Corporation of Victoria.

Held to maturity investments and cash balances are invested with highly rated financial institutions with credit ratings of A+ or greater.

The Metropolitan Fire Brigades Act 1958 ensures the full contribution revenue approved by the Governor in Council annually is received as any defaulted insurance contributions are subsequently redistributed across the insurance industry contributors.

Receivables have established credit terms and collection processes are applied, additionally receivables are regularly reviewed for collectability and appropriate adjustments are made to an allowance account, or the receivable is written off if collectability is unlikely.

The Board manages cash flows to ensure its ability to meet payables obligations as they fall due and complies with the Victorian Government’s Fair Payment Policy.
<table>
<thead>
<tr>
<th>Categories of financial instruments</th>
<th>2008 $000</th>
<th>2007 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>8,713</td>
<td>13,419</td>
</tr>
<tr>
<td>Held to maturity investments</td>
<td>45,358</td>
<td>14,964</td>
</tr>
<tr>
<td>Receivables</td>
<td>6,939</td>
<td>23,978</td>
</tr>
<tr>
<td>Fair value through profit and loss – held for trading by investment category:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short term money market (Treasury Corporation Victoria)</td>
<td>7,805</td>
<td>13,275</td>
</tr>
<tr>
<td>Australian fixed interest – unlisted trust</td>
<td>17,882</td>
<td>17,313</td>
</tr>
<tr>
<td>Australian equities – unlisted trust</td>
<td>14,497</td>
<td>25,569</td>
</tr>
<tr>
<td>International equities – unlisted trust</td>
<td>23,235</td>
<td>16,419</td>
</tr>
<tr>
<td>Hedged international equities – unlisted trust</td>
<td>4,042</td>
<td>4,298</td>
</tr>
<tr>
<td>Indexed bonds – unlisted trust</td>
<td>13,065</td>
<td>8,579</td>
</tr>
<tr>
<td>Infrastructure – unlisted trust</td>
<td>3,384</td>
<td>4,471</td>
</tr>
<tr>
<td>Property – unlisted trust</td>
<td>7,979</td>
<td>91,889</td>
</tr>
<tr>
<td>Disclosed in the financial statement as:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents – current</td>
<td>54,071</td>
<td>28,383</td>
</tr>
<tr>
<td>Receivables – current</td>
<td>6,939</td>
<td>23,978</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>91,889</td>
<td>96,775</td>
</tr>
<tr>
<td>Financial liabilities:</td>
<td>15,852</td>
<td>11,250</td>
</tr>
<tr>
<td>Payables – amortised cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disclosed in the financial statement as:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables – current</td>
<td>15,852</td>
<td>11,250</td>
</tr>
</tbody>
</table>
notes to
the financial
statements
for the financial year ended
30 June 2008

7.1 Interest rate risk
Interest rate risk relates to fluctuations in fair values or future cash flows of financial instruments due to changes in market interest rates.

7.1 (i) Held for trading investments
The majority of the held for trading investments are non-interest bearing, consequently the Board is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. A proportion of this investment class includes cash and term deposits with Treasury Corporation of Victoria (TCV) which are exposed to interest rate risk and the exposure is included in the sensitivity analysis (note 7.1(ii)) below.

The Board in conjunction with the VFMC considers interest rate risk when reviewing the investment strategy.

7.1 (ii) Cash and cash equivalents and held to maturity financial assets
The Board is exposed to interest rate risk from its cash flow investments through bills of exchange, bank and money market term deposits. Short term money market deposits are invested for varying terms to meet cash flow requirements and are not hedged.

The Board’s exposure to interest rates on these financial assets is detailed in the interest rate sensitivity analysis below.

Interest rate sensitivity
The following interest rate sensitivity analysis has been based on the exposure to interest rates for the above asset classes at reporting date and the change occurring at that time. A 50 basis point change represents management’s assessment of a reasonably possible change based upon assessment of official interest rate changes over the past five years and considering published forecasts.

At reporting date if interest rates increased by 50 basis points and all other variables were constant, the impact would be increased interest income of $306,000 (2007: $207,000) and an increase by the same amount to equity. Conversely if interest rates decreased by 50 basis points interest income would reduce by ($306,000) (2007: ($207,000)) and equity would reduce by the same amount.

The Board’s overall interest rate risk management strategy remains substantially unchanged from 2007.
The Board’s exposure to interest rate risks and the effective interest rates for financial assets and liabilities at balance date are:

<table>
<thead>
<tr>
<th>Financial instruments</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Floating interest rate</td>
<td>Fixed interest rates</td>
</tr>
<tr>
<td></td>
<td>$000</td>
<td>1 year or less $000</td>
</tr>
<tr>
<td><strong>2008</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Financial assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>8,713</td>
<td>45,358</td>
</tr>
<tr>
<td>Receivables – current</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other financial assets</td>
<td>7,805</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>16,518</td>
<td>45,358</td>
</tr>
<tr>
<td><strong>Financial liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>15,852</td>
<td>15,852</td>
</tr>
<tr>
<td><strong>2007</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Financial assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>13,419</td>
<td>14,964</td>
</tr>
<tr>
<td>Receivables – current</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other financial assets</td>
<td>13,275</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>26,694</td>
<td>14,964</td>
</tr>
<tr>
<td><strong>Financial liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>11,250</td>
<td>11,250</td>
</tr>
</tbody>
</table>

* These investments are capital growth investments and are non interest bearing
notes to the financial statements
for the financial year ended 30 June 2008

7.2 Foreign exchange risk
Foreign exchange risk arises when future transactions and recognised assets and liabilities are denominated in a currency that is not the Board’s functional currency (Australian dollar).
The Board acquires goods and services from international sources and this creates exposure to foreign exchange risk which is managed by establishing forward foreign exchange hedge contracts according to Board policy. The Board has no directly controlled foreign currency obligations as at the end of the financial period (2007: Nil).
Foreign exchange risk also impacts the Board’s held for trading investments in relation to its investments in international equities in unlisted trusts. Hedged international equity trusts maintain foreign exchange hedge positions, subsequently foreign exchange risk is minimal; whereas the unhedged international equity trust is exposed to foreign exchange risk. Foreign exchange risk exposure relating to held for trading investments is managed by the fund managers and exposure risk on international equities trust investments is accounted indirectly in the price risk sensitivity analysis (note 7.5).
The Board’s overall foreign exchange risk management strategy remains substantially unchanged from 2007.

7.3 Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Board. The Board’s maximum credit exposure at reporting date is the carrying amount of the financial assets reported in the balance sheet.

7.3(i) Held for trading investments
Investment controls are in place to minimise credit risk. This includes that all security transactions are settled using approved brokers, therefore the risk of default is minimal as delivery of the securities sold is not settled until the broker has received payment. Similarly, payment for purchased securities occurs after the securities have been received by the broker.

7.3(ii) Held to maturity investments and cash balances
Board investment guidelines manage credit risk pertaining to held to maturity investments by ensuring investments are restricted to bank accepted and similar highly rated securities and term deposits and the investment funding pool is allocated across various highly rated financial institutions as rated by a recognised ratings agency.
7.3(iii) Receivables and other financial assets

The Board minimises credit risk in relation to receivables by applying commercial payment terms and recovery processes with all customers, regular review of doubtful debts and the timely recognition and write-off of bad debts.

The Board has no significant concentration of credit risk in receivables or the other financial assets class and there are no guarantees or securities held against receivables balances.

The Board’s overall credit risk management strategy remains substantially unchanged from 2007. Further information is shown in note 8 Receivables.

7.4 Liquidity risk

The Board has an appropriate liquidity risk management framework for its short, medium and long-term funding and liquidity management requirements. The Board manages liquidity risk by maintaining adequate reserves, banking facilities and performing cash flow forecasts.

Further information is shown in note 10 Payables.

7.5 Price risk

The Board’s held for trading investment has exposure to price risk relating to investments in unlisted trusts which fluctuate with changes in market prices. The maximum loss of capital risk resulting from financial instruments is the fair value of the financial instruments.

The Board’s market price risk is managed through diversification of the investment portfolio across differing security and equity instruments under advice from VFMC. The overall market exposures as at 30 June are listed in the table below.

The Board’s overall price risk management strategy remains substantially unchanged from 2007.

Price risk sensitivity

At 30 June 2008, the Board’s market risk is affected by three main components: changes in actual market prices, interest rate and foreign currency movements. The following price risk sensitivity analysis has been based upon the investment classes exposed to price risk at the reporting date and the change occurring at that time. A 10% change represents management’s assessment of a reasonably possible change based upon assessment of commonly quoted ASX indices changes over the past five years, and after consideration of analysis performed by the Department of Treasury and Finance and forecasts by financial institutions.
### 2008
**Fair value through profit and loss - held for trading investment in unlisted trusts**
(by investment category):

<table>
<thead>
<tr>
<th>Investment Category</th>
<th>Effective Exposure 2008 $000</th>
<th>+ 10% Increase in unit price</th>
<th>- 10% Decrease in unit price</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Income impact $000</td>
<td>Equity impact $000</td>
<td>Income impact $000</td>
</tr>
<tr>
<td>Australian fixed interest</td>
<td>17,882</td>
<td>1,788</td>
<td>1,788</td>
</tr>
<tr>
<td>Australian equities</td>
<td>14,497</td>
<td>1,450</td>
<td>1,450</td>
</tr>
<tr>
<td>International equities</td>
<td>23,235</td>
<td>2,324</td>
<td>2,324</td>
</tr>
<tr>
<td>Hedged international equities</td>
<td>4,042</td>
<td>404</td>
<td>404</td>
</tr>
<tr>
<td>Indexed bonds</td>
<td>13,065</td>
<td>1,307</td>
<td>1,307</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>3,384</td>
<td>338</td>
<td>338</td>
</tr>
<tr>
<td>Property</td>
<td>7,979</td>
<td>798</td>
<td>798</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>84,084</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* The effective exposure amounts above reflect the carrying amounts.

### 2007
**Fair value through profit and loss - held for trading investment in unlisted trusts**
(by investment category):

<table>
<thead>
<tr>
<th>Investment Category</th>
<th>Effective Exposure 2007 $000</th>
<th>+ 10% Increase in unit price</th>
<th>- 10% Decrease in unit price</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Income impact $000</td>
<td>Equity impact $000</td>
<td>Income impact $000</td>
</tr>
<tr>
<td>Australian fixed interest</td>
<td>17,313</td>
<td>1,731</td>
<td>1,731</td>
</tr>
<tr>
<td>Australian equities</td>
<td>25,569</td>
<td>2,557</td>
<td>2,557</td>
</tr>
<tr>
<td>International equities</td>
<td>16,419</td>
<td>1,641</td>
<td>1,641</td>
</tr>
<tr>
<td>Hedged international equities</td>
<td>4,298</td>
<td>430</td>
<td>430</td>
</tr>
<tr>
<td>Indexed bonds</td>
<td>8,579</td>
<td>858</td>
<td>858</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>4,471</td>
<td>447</td>
<td>447</td>
</tr>
<tr>
<td>Property</td>
<td>6,851</td>
<td>685</td>
<td>685</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>83,500</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* The effective exposure amounts above reflect the carrying amounts.
7.6 Capital risk

The Board manages its capital to ensure the organisation’s ability to continue as a going concern with an optimal balance of debt and equity. Additionally, the Board’s budgets are based upon capital and recurrent spending closely equating to forecasted annual income to ensure optimal future balances of equity to debt. The Board is not subject to externally imposed capital requirements. The Board’s overall strategy remains unchanged from 2007.

7.7 Financial Instruments – fair value measurement

The Board considers that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values. The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices.
- the fair value of other financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.
- the fair value of unlisted trusts is based upon the redemption price as advised by the fund manager.
8. receivables

Receivables - current

<table>
<thead>
<tr>
<th></th>
<th>2008 $000</th>
<th>2007 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade receivables</td>
<td>4,287</td>
<td>3,768</td>
</tr>
<tr>
<td>Other receivables</td>
<td>2,791</td>
<td>*20,377</td>
</tr>
<tr>
<td>Less: allowance for doubtful debts</td>
<td>(139)</td>
<td>(167)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,939</strong></td>
<td><strong>23,978</strong></td>
</tr>
</tbody>
</table>

* Other receivables (2007) include a land sale receivable ($18,050,000) where the settlement term was extended to allow the Board continued use of the property for training activities.

The Board allows 14 day credit terms on contribution receivables and 30 day credit terms on other receivables and actively pursues accounts that fall past due. Interest is charged on overdue contribution receivables in accordance with the Metropolitan Fire Brigades Act 1958 and interest is not charged on overdue other receivables.

The Board has allowed for doubtful receivables based on a detailed review of outstanding accounts and their estimated recoverable amounts.

<table>
<thead>
<tr>
<th></th>
<th>2008 $000</th>
<th>2007 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Receivables ageing analysis:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current &amp; not impaired $000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-2 months $000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2-3 months $000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greater than 3 months $000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong> $000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>5,764</td>
<td>851</td>
</tr>
<tr>
<td>2007</td>
<td>23,128</td>
<td>592</td>
</tr>
</tbody>
</table>

Included in the trade receivables balance as at 30 June 2008 are past due debtors with a carrying amount of $1,314,000 of which the Board has provided an allowance of $139,000 and the remaining balance is considered collectable and unimpaired.

<table>
<thead>
<tr>
<th></th>
<th>2008 $000</th>
<th>2007 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Movement in allowance for doubtful debts:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at beginning of financial year</td>
<td>167</td>
<td>202</td>
</tr>
<tr>
<td>Amounts written off during the year</td>
<td>(66)</td>
<td>(52)</td>
</tr>
<tr>
<td>Amounts recovered during the year</td>
<td>5</td>
<td>(4)</td>
</tr>
<tr>
<td>Increase/(decrease) in allowance recognised in the operating statement</td>
<td>33</td>
<td>21</td>
</tr>
<tr>
<td><strong>Balance at the end of financial year</strong></td>
<td><strong>139</strong></td>
<td><strong>167</strong></td>
</tr>
</tbody>
</table>

Debtors in liquidation or in receivership are fully provided as doubtful debts as future receipts are deemed unlikely.

In determining the recoverability of a trade receivable the Board considers any change in the credit quality of the receivable from the date credit was initially granted up to the reporting date.

During the financial year, receivables deemed uncollectable and written-off totalled $66,000 (2007: $52,000).

Note 7 Financial instruments outlines the nature and extent of risk arising from receivables.
9. inventories

<table>
<thead>
<tr>
<th>Description</th>
<th>2008 $000</th>
<th>2007 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stores, spare parts and security spares</td>
<td>1,306</td>
<td>1,237</td>
</tr>
<tr>
<td>Less: allowance for obsolescence</td>
<td>(264)</td>
<td>(231)</td>
</tr>
<tr>
<td>Total</td>
<td><strong>1,042</strong></td>
<td><strong>1,006</strong></td>
</tr>
</tbody>
</table>

10. payables

<table>
<thead>
<tr>
<th>Description</th>
<th>2008 $000</th>
<th>2007 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade payables – current</td>
<td>8,156</td>
<td>5,697</td>
</tr>
<tr>
<td>Other payables &amp; accrued expenses – current</td>
<td>7,696</td>
<td>5,553</td>
</tr>
<tr>
<td>Total</td>
<td><strong>15,852</strong></td>
<td><strong>11,250</strong></td>
</tr>
</tbody>
</table>

The Board applies the Victorian Government Fair Payment Policy on supplier payments. Accordingly, suppliers are paid within 30 days from invoice date unless other agreed contractual or legal terms apply. The Board has procedures in place to ensure that payables are paid within credit timeframes.

Under the Fair Payment Policy the Board may be liable for penalty interest payments on overdue accounts. No interest penalties were incurred during the period under review (2007: Nil).

<table>
<thead>
<tr>
<th>Year</th>
<th>Less than 1 month</th>
<th>1 - 3 months</th>
<th>Greater than 3 months</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>15,852</td>
<td>-</td>
<td>-</td>
<td><strong>15,852</strong></td>
</tr>
<tr>
<td>2007</td>
<td>11,250</td>
<td>-</td>
<td>-</td>
<td><strong>11,250</strong></td>
</tr>
</tbody>
</table>

Note 7 Financial Instruments outlines the nature and extent of risk arising from payables.
11. provisions

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employee benefits (Note 11(a))</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unconditional and expected to be settled within 12 months (b)</td>
<td>13,233</td>
<td>12,336</td>
</tr>
<tr>
<td>Unconditional and expected to be settled after 12 months (c)</td>
<td>47,716</td>
<td>47,004</td>
</tr>
<tr>
<td><strong>Provisions related to employee benefit on-costs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unconditional and expected to be settled within 12 months (b)</td>
<td>1,021</td>
<td>905</td>
</tr>
<tr>
<td>Unconditional and expected to be settled after 12 months (c)</td>
<td>3,570</td>
<td>3,365</td>
</tr>
<tr>
<td><strong>Total current provisions</strong></td>
<td>65,540</td>
<td>63,610</td>
</tr>
<tr>
<td><strong>Non-current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee benefits (Note 25(a))</td>
<td>1,745</td>
<td>1,694</td>
</tr>
<tr>
<td>Provisions related to employee benefit on-costs</td>
<td>129</td>
<td>120</td>
</tr>
<tr>
<td><strong>Total non-current provisions</strong></td>
<td>1,874</td>
<td>1,814</td>
</tr>
<tr>
<td><strong>Total provisions</strong></td>
<td>67,414</td>
<td>65,424</td>
</tr>
</tbody>
</table>

**(a) Employee benefits and related on-costs**

Current employee benefits
- Annual leave entitlements | 15,815 | 14,465 |
- Unconditional long service leave entitlements | 44,618 | 43,022 |
- Unconditional sick leave | 517 | 1,853 |

Non-current employee benefits
- Conditional long service leave entitlements | 1,718 | 1,626 |
- Sick leave > 1 year entitlement | 27 | 67 |

**Total employee benefits** | 62,695 | 61,033 |
**Current on-costs** | 4,590 | 4,270 |
**Non-current on-costs** | 129 | 121 |
**Total on-costs** | 4,719 | 4,391 |
**Total employee benefits and related on-costs** | 67,414 | 65,424 |

**(b) Movement in provisions - Employee benefits on-costs**

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Opening balance</strong></td>
<td>4,391</td>
<td>4,209</td>
</tr>
<tr>
<td>Additional provisions recognised</td>
<td>2,978</td>
<td>2,528</td>
</tr>
<tr>
<td>Reductions arising from payments/other sacrifices of future economic benefits</td>
<td>(2,762)</td>
<td>(2,456)</td>
</tr>
<tr>
<td>Unwind of discount and effect of changes in the discount rate</td>
<td>113</td>
<td>110</td>
</tr>
<tr>
<td><strong>Closing balance</strong></td>
<td>4,720</td>
<td>4,391</td>
</tr>
</tbody>
</table>

Note:
(a) Provisions for employee benefits consist of amounts for annual leave, long service leave and a proportion of sick leave accrued by employees, not including on-costs.
(b) The amounts disclosed are nominal amounts.
(c) The amounts disclosed are discounted to present values.
12. superannuation

Board employees are entitled to receive superannuation benefits and the Board contributes to both defined benefit and accumulation contribution plans managed by the Emergency Services & State Super superannuation fund (ESSS). The defined benefit plan provides benefits based on years of service and final average salary. During the year, the Board made superannuation payments of $15,307,000 (2007: $24,322,000) to ESSS. The previous financial year (2006 – 07) included additional payments above the required average employer contribution rate to allow for the past service liability impact of enterprise bargain wage rates for current employees being higher than the actuarial assumption and to assist in maintaining the defined benefits scheme's assets over liabilities within the actuarially agreed long-term range. In the current year there were no additional payments to superannuation.

Employer contribution rates were:

Accumulation Scheme
9% of salary for non-operational staff employed after 31 December 1993.

Defined Benefits Scheme
The average employer contribution rate for the financial year was 12% (2007: 12.5%) of salary for all operational staff as well as for non-operational staff employed prior to 1 January 1994.

13. commitments, contingent assets and contingent liabilities

The estimated amount of commitments, contingent assets and contingent liabilities not provided for in the accounts are:

<table>
<thead>
<tr>
<th>Commitments</th>
<th>2008 $000</th>
<th>2007 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Capital expenditure commitments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commitments for the acquisition of property, plant and equipment contracted at reporting date but not recognised as liabilities, payable:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Within one year</td>
<td>9,411</td>
<td>10,368</td>
</tr>
<tr>
<td>Later than one year but not later than five years</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>9,411</td>
<td>10,368</td>
</tr>
<tr>
<td><strong>Operating lease commitments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commitments for minimum lease payments in relation to non-cancellable operating leases at the reporting date but not recognised as liabilities, payable:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Within one year</td>
<td>1,160</td>
<td>1,705</td>
</tr>
<tr>
<td>Later than one year but not later than five years</td>
<td>1,253</td>
<td>2,408</td>
</tr>
<tr>
<td>Later than five years</td>
<td>192</td>
<td>522</td>
</tr>
<tr>
<td>Total</td>
<td>2,605</td>
<td>4,635</td>
</tr>
<tr>
<td><strong>Recurrent service commitments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commitments for the acquisition of recurrent goods and services not recognised as liabilities, payable:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Within one year</td>
<td>4,071</td>
<td>3,689</td>
</tr>
<tr>
<td>Later than one year but not later than five years</td>
<td>9,197</td>
<td>11,737</td>
</tr>
<tr>
<td>Later than five years</td>
<td>-</td>
<td>297</td>
</tr>
<tr>
<td>Total</td>
<td>13,268</td>
<td>15,723</td>
</tr>
</tbody>
</table>

A significant proportion of the above recurrent service commitments relate to the Board's obligations under the Statewide Integrated Public Safety and Communications Strategy (SIPSaCS) which covers call taking and dispatch services. There is an ongoing Service Agreement with the Emergency Services Telecommunications Authority (ESTA) for the provision of call taking and dispatch services for the Metropolitan Fire District. The ESTA service fees for the year to 30 June 2008 were $8,381,000.

All the expenditure amounts shown in the above commitments note are nominal amounts.

<table>
<thead>
<tr>
<th>Contingent Assets</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial resolution issues and third party claims</td>
<td>50</td>
<td>51</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>51</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contingent Liabilities</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance claims and legal fees</td>
<td>10</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>10</td>
<td>-</td>
</tr>
</tbody>
</table>
14. notes to the cash flow statement

Reconciliation of cash

For the purposes of the cash flow statement, cash comprises cash on hand, cash at bank, bank overdrafts, deposits at call and highly liquid investments with short periods to maturity that are readily convertible to cash on hand and are subject to an insignificant risk of changes in value. Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the Balance Sheet as follows:

<table>
<thead>
<tr>
<th></th>
<th>2008 $000</th>
<th>2007 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; cash equivalents</td>
<td>8,713</td>
<td>13,419</td>
</tr>
<tr>
<td>Held to maturity investments - term deposits and bank accepted securities</td>
<td>45,358</td>
<td>14,964</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>54,071</strong></td>
<td><strong>28,383</strong></td>
</tr>
</tbody>
</table>

Reconciliation of net result for the reporting period to net cash inflow from operating activities

<table>
<thead>
<tr>
<th>Net result for the reporting period</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>21,624</strong></td>
<td><strong>31,343</strong></td>
<td></td>
</tr>
</tbody>
</table>

Non-cash movements

Loss on disposal of non-current assets | 405     | 771    |
Unrealised (gain) or loss on held for trading investments | 12,507   | (1,927) |
Depreciation & amortisation of non-current assets | 17,176   | 15,974  |
Allowance for doubtful debts | (28)     | (35)   |
Allowance for inventory obsolescence | 33       | 34     |

Movements in assets and liabilities:

Decrease/(increase) in current receivables | (1,022) | 4,828 |
(Increase) in current inventories | (69)    | (37)   |
(Increase) in prepayments | (26)    | (46)   |
Increase in current payables | 4,602   | 370    |
Increase in employee benefits: current provisions | 1,930    | 1,856  |
Increase in employee benefits: non-current provisions | 60       | 308    |
Increase/(decrease) in income received in advance | (888)   | 864    |

**Net cash inflow from operating activities** | **56,304** | **54,303** |
15. bank overdraft

The Board has an overdraft facility of $100,000 which is repayable upon demand and may be cancelled at any time upon review by the bank. As at balance date this facility had not been utilised (2007: nil).

16. responsible persons

In accordance with the Directions of the Minister for Finance under the Financial Management Act 1994, the names of persons who were Responsible Persons at any time during the financial year are:

<table>
<thead>
<tr>
<th>Responsible Minister</th>
<th>The Honorable B Cameron MP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board Members</td>
<td></td>
</tr>
<tr>
<td>J A Elliott – President</td>
<td>1/07/07 – 30/09/07</td>
</tr>
<tr>
<td>A Nye – President</td>
<td>2/10/07 – 30/06/08</td>
</tr>
<tr>
<td>C C Andrades</td>
<td>1/07/07 – 30/06/08</td>
</tr>
<tr>
<td>S Aziz</td>
<td>1/07/07 – 30/06/08</td>
</tr>
<tr>
<td>J A Bonnington</td>
<td>1/07/07 – 30/06/08</td>
</tr>
<tr>
<td>G T Lake</td>
<td>1/07/07 – 30/06/08</td>
</tr>
<tr>
<td>M J Raymond</td>
<td>1/07/07 – 30/06/08</td>
</tr>
<tr>
<td>I O Spicer AM</td>
<td>1/07/07 – 30/06/08</td>
</tr>
<tr>
<td>Board Members</td>
<td></td>
</tr>
<tr>
<td>K J Latta – Chief Executive &amp; Chief Officer</td>
<td>1/07/07 – 30/06/08</td>
</tr>
<tr>
<td>S K Wright – Acting Chief Executive &amp; Chief Officer</td>
<td>22/02/08 – 21/03/08</td>
</tr>
</tbody>
</table>

17. remuneration of responsible persons

The number of Responsible Persons is shown below in their relevant income bands:

<table>
<thead>
<tr>
<th>REMUNERATION BAND</th>
<th>2008 No.</th>
<th>2007 No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 0 – $ 9,999</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>$ 10,000 – $ 19,999</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>$ 20,000 – $ 29,999</td>
<td>6</td>
<td>-</td>
</tr>
<tr>
<td>$ 30,000 – $ 39,999</td>
<td>6</td>
<td>-</td>
</tr>
<tr>
<td>$ 50,000 – $ 59,999</td>
<td>6</td>
<td>-</td>
</tr>
<tr>
<td>$230,000 – $239,999</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>$250,000 – $259,999</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Total remuneration of Responsible Persons other than the Responsible Minister:</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>$000</td>
<td>$000</td>
<td></td>
</tr>
<tr>
<td>366</td>
<td>391</td>
<td></td>
</tr>
</tbody>
</table>

The remuneration bands for 2007 account for two accountable officers with part year service respectively; and the 2008 band reflects two President positions with part year service.

The remuneration of the Responsible Minister is reported separately in the financial report of the Department of Premier and Cabinet.
notes to the financial statements

for the financial year ended 30 June 2008

18. remuneration of executive officers

The number of executive officers, other than Ministers and Accountable Officers, and their total remuneration during the reporting period is recorded in the first two columns in the table below in their relevant income bands. The base remuneration of executive officers is recorded in the third and fourth columns. Base remuneration is exclusive of bonus payments, long-service leave payments, redundancy payments and retirement benefits.

Several factors have affected total remuneration payable to executives over the financial year, primarily bonus payments based upon individual employment contracts and payments taken in lieu of leave.

<table>
<thead>
<tr>
<th>EXECUTIVE OFFICERS REMUNERATION BAND</th>
<th>TOTAL REMUNERATION</th>
<th>BASE REMUNERATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 70,000 – $ 79,999</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>$ 80,000 – $ 89,999</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>$100,000 – $109,999</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>$110,000 – $119,999</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>$120,000 – $129,999</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>$130,000 – $139,999</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>$140,000 – $149,999</td>
<td>16</td>
<td>10</td>
</tr>
<tr>
<td>$150,000 – $159,999</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>$160,000 – $169,999</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>$170,000 – $179,999</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>$180,000 – $189,999</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>$190,000 – $199,999</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>$210,000 – $219,999</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>$220,000 – $229,999</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>$260,000 – $269,999</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total number of executive officers</strong></td>
<td>35</td>
<td>35</td>
</tr>
<tr>
<td><strong>Total Remuneration</strong></td>
<td>$5,236</td>
<td>$5,255</td>
</tr>
</tbody>
</table>

Notes:

The above remuneration amounts include leave payments of:

(i) $14,000 in the $110,000 – $119,999 band, $4,000 in the $130,000 – $139,999 band, $81,000 in the $140,000 – $149,999 band, $14,000 in the $160,000 – $169,999 band, $16,000 in the $180,000 – $189,999 band, $20,000 in the $190,000 – $199,999 band, and $94,000 in the $260,000 – $269,999 band in 2008.

(ii) $9,000 in the $160,000 – $169,999 band, $27,000 in the $190,000 – $199,999 band, $51,000 in the $210,000 – $219,999 band and $53,000 in the $220,000 – $229,999 band in 2007.
19. related parties

During the reporting period there were no related party transactions between Responsible Persons, or Responsible Person-related entities and the Board.

20. remuneration of auditors

<table>
<thead>
<tr>
<th>Victoria Audit-General's Office</th>
<th>2008 No.</th>
<th>2007 No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit or review of the financial report</td>
<td>68</td>
<td>23</td>
</tr>
<tr>
<td>Other non-audit services</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>68</td>
<td>23</td>
</tr>
</tbody>
</table>

21. subsequent events

There are no material subsequent events since reporting date.
We certify that the attached financial report has been prepared in accordance with Standing Direction 4.2 of the Financial Management Act 1994, applicable Financial Reporting Directions, Australian Accounting Standards and other mandatory professional reporting requirements.

We further state that in our opinion, the information set out in the Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes forming part of the financial report presents fairly the financial transactions during the year ended 30 June 2008 and financial position of the Metropolitan Fire and Emergency Services Board as at 30 June 2008.

We are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial report for issue on 11 August 2008.

A Nye
President
Melbourne
11th August 2008

K J Latta
Chief Executive and Chief Officer
Melbourne
11th August 2008

H Wiedemann
Acting Director, Finance and Risk
Melbourne
11th August 2008
pecuniary interests of public office holders

The Board holds pecuniary declarations completed by relevant senior officers
INDEPENDENT AUDITOR’S REPORT

To the Board Members, Metropolitan Fire and Emergency Services Board

The Financial Report

The accompanying financial report for the year ended 30 June 2008 of the Metropolitan Fire and Emergency Services Board which comprises the operating statement, balance sheet, statement of changes in equity, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the responsible persons and chief finance and accounting officer’s declaration has been audited.

The Board Members’ Responsibility for the Financial Report

The Board Members of the Metropolitan Fire and Emergency Services Board are responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the Financial Management Act 1994. This responsibility includes:

- establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

Auditor’s Responsibility

As required by the Audit Act 1994 my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. These Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to internal control relevant to the entity’s preparation and fair presentation of the financial report 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 entity’s internal control. An audit also includes evaluating the appropriateness of the accounting policies used, and the reasonableness of accounting estimates made by the Board Members, as well as evaluating the overall presentation of the financial report.

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

Independent Auditor’s Report (continued)

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor’s report relates to the financial statements published in both the annual report and on the website of the Metropolitan Fire and Emergency Services Board for the year ended 30 June 2008. The Members of the Metropolitan Fire and Emergency Services Board are responsible for the integrity of the website. I have not been engaged to report on the integrity of the website. The auditor’s report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the Metropolitan Fire and Emergency Services Board website.

Independence

The Auditor-General’s independence is established by the Constitution Act 1975. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Auditor’s Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Metropolitan Fire and Emergency Services Board as at 30 June 2008 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the Financial Management Act 1994.

MELBOURNE
11 August 2008

D D R Pearson
Auditor-General