



RFS

NSW Rural Fire Service

Annual Report 2022/23



The RFS acknowledges the Traditional Owners of the lands and waters across NSW and Australia. We are privileged to work across all corners of this state, and we thank them for their expert care, over thousands of generations, of this beautiful Country.

We acknowledge the extreme hardships and exclusion experienced by Aboriginal and Torres Strait Islander peoples since the colonisation of Australia by European settlers.

We are committed to learning how to engage and connect with Aboriginal and Torres Strait Islander peoples in a respectful, caring and healing manner, and to work together in service to community and protection of lands.

We support young people and the future generations of Aboriginal and Torres Strait Islander peoples.

We pay our respects to all Elders, past and present, and recognise their connection to the Country of their ancestors.



Photo this page by Nicole Brimelow
Cover photo by Sharon Quandt

Contents

Letter to the Minister	5
1 OVERVIEW	6
RFS Vision and Purpose	7
Commissioner's report	8
RFS overview	10
Management and governance	12
Legislation	12
NSW Government and Ministry	12
Governance committees	12
Other RFS committees	13
Principal officers	14
Directors	16
RFS Organisational Structure 2022/23	17
RFS Areas and Districts	18
2 STRATEGY	19
Our Plan 2019 -2024	20
Progress on our organisational priorities	21
Our focus for the year ahead	24
3 OPERATIONS AND PERFORMANCE	26
Fire season overview	27
Operations overview	27
Ongoing response to NSW Bushfire Inquiry	28
Building for the future	28
Upgrading our capability	29
Developing future leaders	30
Technology improvements	30
Honouring our members	31
Research and development	31
4 MANAGEMENT AND ACCOUNTABILITY	32
Salaried and member volunteers	33
Executive remuneration	33
Membership applications	34
Engagement of consultants	34
Minister-approved travel	34
Legal changes	35
Risk management and insurance	35
Internal Audit and Risk Management Statement	36

Cyber security attestation statement for 2022/23	38
Privacy statement	39
Government information (Public Access) Act 2009 statistics for 2022/23	39
Public Interest Disclosures (PID)	43
Annual Report costs	43
5 SUSTAINABILITY	44
Statement setting out WHS performance	45
Modern Slavery Act	47
Workforce diversity	47
6 FINANCIAL PERFORMANCE	49
Independent Auditor's Report of the New South Wales Rural Fire Service	51
Statement by the Commissioner	53
Statement of comprehensive income	54
Statement of financial position	55
Statement of changes in equity	56
Statement of cash flows	57
Notes to the financial statements	58
7 APPENDICES	95
Incidents 2022/23	96
New and renovation builds	96
Vehicles, boats and aircraft	97
Hazard reduction undertaken by the RFS	100
Bravery and service awards	102
8 GLOSSARY	106
9 INDEX	107

Letter to the Minister

Hon. Jihad Dib, MP
Minister for Customer Service and Digital Government
Minister for Emergency Services
Minister for Youth Justice
Parliament House
Sydney NSW 2000

Dear Minister

I am pleased to submit to you for presentation to the NSW Parliament the Annual Report of the NSW Rural Fire Service (RFS) for the year ending 30 June 2023.

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

Yours sincerely



Rob Rogers AFSM
Commissioner



HILLTOP 1

1 OVERVIEW

Photo by Sharon Quandt

RFS Vision and Purpose

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

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

Values

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

Stakeholders

- Community
- Our members, their families and employers
- State and Federal Ministers and Members of Parliament
- Our emergency services and government partners across jurisdictions
- Peak bodies and organisations representing relevant community, industry, and interest groups

Commissioner's report

After consecutive wetter-than-average fire seasons, the 2022/23 season saw the return of fire weather, signalling the shift back to a drying trend in NSW. The RFS was proud to support several interstate and international agencies over the course of the financial year, as our members were deployed to fight fires and floods in the Northern Territory, Western Australia and Canada.

Significant rainfall over much of 2022 resulted in major flooding across NSW, with the RFS providing considerable assistance to the NSW SES. More than 4,200 RFS out-of-area members were deployed to support local brigades with flood clean-up work in Central West and Far West of NSW.

The unusually wet conditions persisted for much of 2022/23, presenting a significant challenge to fire agencies in carrying out important hazard reduction work. The rainfall over the preceding 18 months also resulted in prolific grass and crop growth and an above normal risk of grass fires west of the Great Dividing Range.

As a result of these factors, a focus of operational preparedness for the RFS was in grassland areas in Central and Western NSW. The prolonged rainfall resulted in a delayed start to the 2022/23 fire season. The first Section 44 fire (when the RFS Commissioner takes charge due to a fire being beyond the resources of local brigades) was declared on 18 January 2023 in the Gwydir and Narrabri Local Government Areas (LGAs), with a total of 10 Section 44 declarations made from January to March when fire activity was at its highest.

During this period, three fires went to Emergency Warning level and 34 went to Watch and Act, with a total of more than 240,000 hectares burnt across NSW for the season. RFS members responded to almost 25,000 incidents over the course of the financial year.

The RFS assisted a number of other jurisdictions during 2022/23, with our members providing support during both fire and flood emergencies.

After the Australian fire season, the RFS Large Air Tanker 'Marie Bashir' was deployed to the USA under an MOU with the California Department of Forestry and Fire Protection. While there, it dropped more than 615,000 litres of retardant.

Sixteen IMT personnel were deployed to support flood operations in the Kimberley region of northern WA, with aviation specialists also sent to Perth to support the National Large Air Tanker.

Following severe flooding in remote Northern Territory communities in March 2023, the RFS provided emergency accommodation shelters and associated services for 150 people in the Yarralin community for more than two months.

From May 2023, RFS members were part of a number of multiagency deployment of firefighting personnel from Australia and New Zealand to Canada to fight the devastating fires there. At the time of writing, this deployment is ongoing with 95 RFS members deployed in the reporting period.

From July to October 2022, more than 900 RFS members supported the NSW Department of Primary Industries with the Varroa Mite outbreak, assisting in the field and in Incident Management Teams.

One of the key activities for the RFS over the financial year was the continued delivery of our priority projects, which focus on making a real difference to our members and allow them to operate safely, connect effectively and better serve the communities of NSW. Detailed reporting on the progress of our priority projects is available from page 21 of this document.

One of the most significant of these projects was the launch of the new Australian Fire Danger Rating System in September 2022. The RFS led this national initiative, developed with community input and the latest science, which will provide more accurate and timely fire warning information for communities.

For the first time, fire danger ratings are consistent across Australia and provide a call to action that corresponds with each of the four fire danger ratings. To support this change, nearly 600 roadside fire danger signs across NSW were replaced and an extensive community engagement and education campaign was undertaken.

Another key priority project is the rollout of Computer Aided Dispatch (CAD) to ensure the right vehicle responds to the right incident at the right time. The last of our 43 RFS Districts will go live on CAD in July 2023, completing the project. CAD enables more efficient and consistent dispatching of resources and improved emergency response capabilities. Since its introduction in February 2021, CAD has processed more than 60,000 incidents and the average time from receiving a call to paging a brigade has been reduced by a minimum of three minutes.

To ensure our brigades have the tools at their disposal to better handle the increasing technological demands placed on them, the RFS has provided free internet access via the Station Connectivity project.

During the financial year, internet connectivity was made available to more than 1,000 RFS brigade stations and in 2023/24 the Service will expand this opportunity to include stations that are outside mobile range.

In August 2022 I had the honour of officially opening the RFS Memorial Garden at our State Training Academy in Dubbo. The garden honours the 95 RFS members and aviation contractors who lost their lives in the line of duty or from fire-related illness.

This has been a significant and important project for the Service, and I thank the NSW Rural Fire Service Association for its financial commitment to this project.

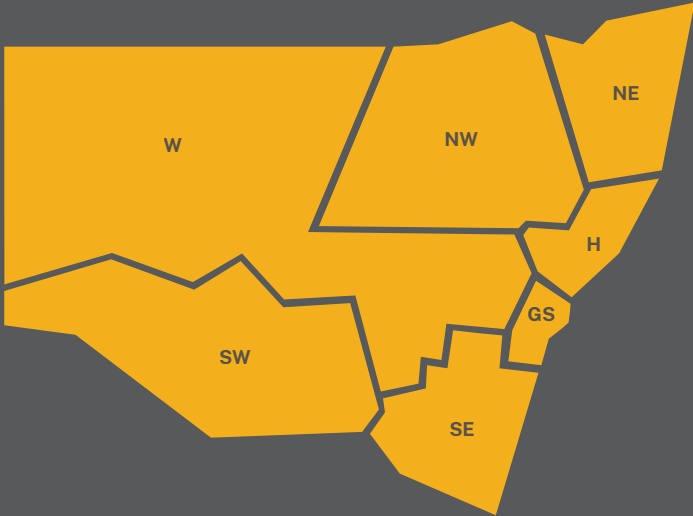
As always, I wish to thank our members – both staff and volunteers – for their efforts over the past year. Your unwavering devotion to the Service and to keeping the people of NSW safe never goes unnoticed.

Finally, I would like to welcome our new Minister, Hon. Jihad Dib MP, Minister for Emergency Services, and thank him for his support of the RFS and our members. I would also like to thank our former Minister, Hon. Steph Cooke MP, for her support during her tenure as Minister.



Rob Rogers AFSM
Commissioner

RFS Overview



VOLUNTEERS
70,829



STAFF
1,240

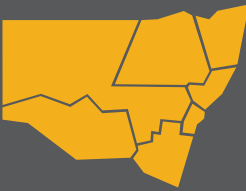


APPROXIMATELY
63%

OF RFS STAFF ARE ALSO RFS VOLUNTEERS



BRIGADES
1,982



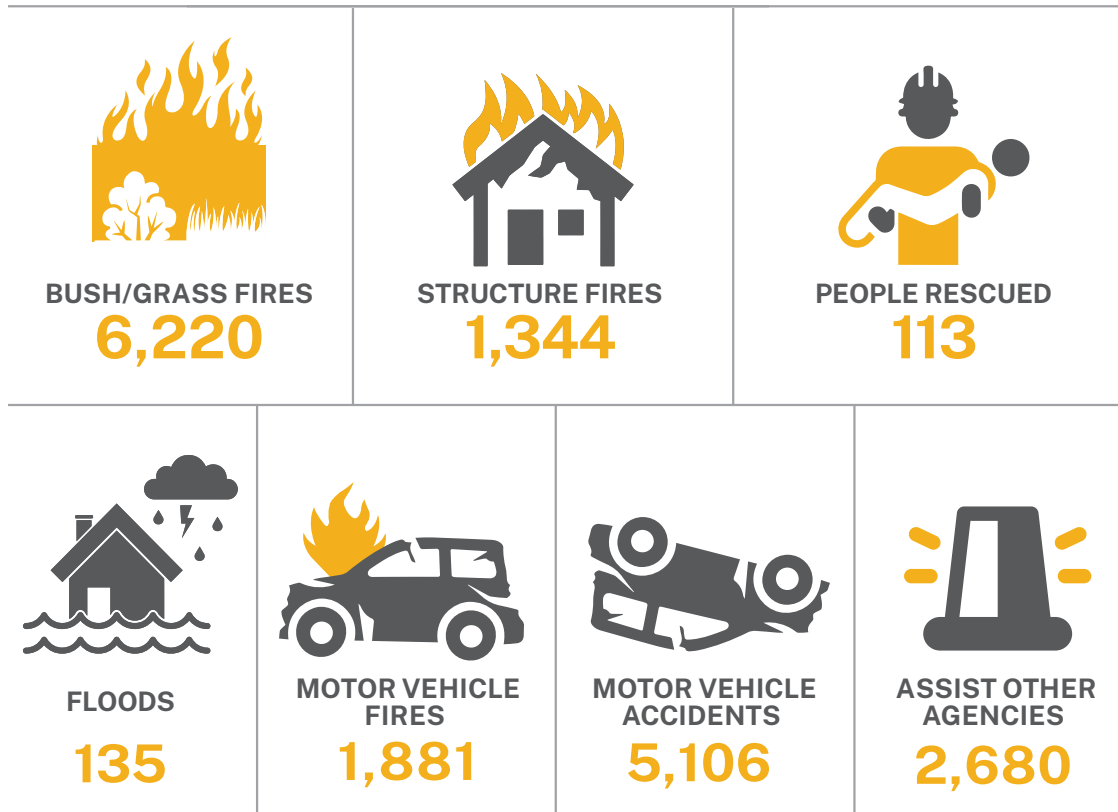
AREA
COMMANDS
7



RFS
DISTRICTS
43

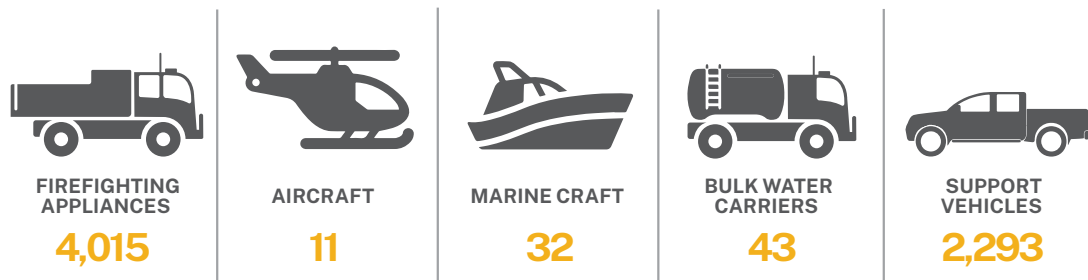
TOTAL INCIDENTS WE ATTENDED

24,973



TOTAL OPERATIONAL VEHICLES, BOATS AND AIRCRAFT

6,394



For detailed statistical information on incidents and vehicles, see the appendices from page 95.

Management and governance

The NSW Rural Fire Service (RFS) is the lead combat agency for bush fires in NSW. For more than 120 years the Service has been a significant part of the history and landscape of NSW and an integral piece of rural communities. The RFS works closely with other agencies to respond to a range of emergencies including structure fires, motor vehicle accidents and storms that occur within the rural fire districts that make up more than 95 per cent of NSW.

The RFS is the largest volunteer fire service in the world, a diverse organisation of more than 70,000 volunteer members and 1,240 staff. Members are trained to the highest standards to ensure they can protect the community when responding to emergency situations. The Service aims to minimise the impact of fire and other emergencies not only through operational capability, but also by developing and implementing programs that focus on community education, fire prevention and risk management.

Legislation

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

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

The *Rural Fires Regulation 2022* also governs such matters as:

- The membership of rural fire brigades, and the constitutions of brigades
- The constitution, membership and procedure of Bush Fire Management Committees
- Fire prevention, including bush fire danger periods
- The issuing of various notices

NSW Government and Ministry

The RFS is part of the Emergency Services portfolio within the Stronger Communities Cluster of the NSW Government. Following the NSW elections on 25 March 2023, Hon Jihad Dib MP, Member for Bankstown, was appointed the Minister for Customer Service and Digital Government, Minister for Emergency Services and Minister for Youth Justice, replacing the former Minister for Emergency Services and Resilience and Minister for Flood Recovery, Hon Steph Cooke MP, Member for Cootamundra.

Governance committees

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

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

Bush Fire Co-ordinating Committee

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

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

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

The BFCC is supported by its Standing Advisory Sub-Committee, comprising key RFS operational personnel and BFCC stakeholder members.

Rural Fire Service Advisory Council

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

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

Fire Services Joint Standing Committee

The *Fire Services Joint Standing Committee Act 1998* provides for the establishment of the Fire Services Joint Standing Committee (FSJSC). The Committee, chaired alternatively by the Commissioners of Fire and Rescue NSW (FRNSW) and RFS, has particular regard for infrastructure planning, training, equipment design and community education programs. The major functions of the Committee are to:

- Develop and submit to the Minister strategic plans for the delivery of comprehensive, balanced and coordinated urban and rural fire services at the interface of fire district boundaries and rural fire district boundaries
- Undertake periodic review of fire district and rural fire district boundaries and, if appropriate, to make recommendations to the Minister concerning those boundaries
- Develop and submit to the Minister implementation strategies to minimise duplication and maximise compatibility between the RFS and FRNSW.

Other RFS committees

Audit and Risk Committee

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

- The effectiveness of the Service's internal audit function
- The Service's legislative compliance
- The financial statements and financial reporting of the Service
- Risk and control frameworks, and
- Business continuity and corruption prevention activities

Local Government Liaison Committee

The principal role of the Local Government Liaison Committee (LGLC) is to discuss and resolve significant issues of a strategic nature that are of mutual interest to local government and the RFS. The LGLC may also discuss, resolve and report on issues referred to it by the Minister.

RFS/Rural Fire Service Association Consultative Committees

The Consultative Committees are forums for the RFS to consult with and gain feedback from representatives of the Rural Fire Service Association, on behalf of the broader membership. The committees are aligned with the four RFS Corporate Pillars.

They are the:

- Vibrant and Sustainable Membership Consultative Committee
- Research, Innovation and Technology Consultative Committee
- Resilient Communities and Valued Partnerships Consultative Committee
- Service Delivery, Readiness and Agility Consultative Committee

The Young Members Group is a sub-group of the Vibrant and Sustainable Membership Consultative Committee.

Principal Officers

RFS Commissioner
Rob Rogers AFSM

Commissioner Rob Rogers joined the RFS in 1979 as a volunteer member of the Belrose Rural Fire Brigade. He was appointed Deputy Fire Control Officer for the Greater Taree District in 1995 and has held various executive roles since 2001, including responsibility for Regional Management, Community Safety and Operations. He was appointed Deputy Commissioner in 2011, holding that position until 1 May 2020, when he was appointed Commissioner.

Since his appointment, the Commissioner has announced Priority Projects to position the organisation for the future, giving members the best equipment and technology for their roles to ensure they can effectively respond to incidents and return home safely.

Commissioner Rogers represents the RFS on national and state bodies including as Chair of the Australian Fire Danger Rating System Board, the National Aerial Firefighting Centre Strategic Committee, Bush Fire Co-ordinating Committee and Rural Fire Service Advisory Council and Co-chair of the Fire Services Joint Standing Committee.

He is a member of the State Emergency Management Committee, the NSW State Rescue Board, Emergency Services Board of Commissioners, the NSW Telecommunications Authority Advisory Board, the Higher Risk Weather Season Preparedness Summit Steering Committee (2023/24) and the Australasian Fire and Emergency Service Authorities Council Commissioners and Chief Officers Strategic Committee.

Commissioner Rogers was awarded the National Medal in 1995 and the Australian Fire Service Medal (AFSM) in 2004. In recognition of his operational leadership during the 2019/20 fire season, he was awarded the NSW Premier's Bushfire Emergency Citation and the National Emergency Medal.



Commissioner Rob Rogers AFSM

Deputy Commissioner,
Field Operations
Peter McKechnie AFSM

Prior to taking up a salaried role with the RFS, Deputy Commissioner Peter McKechnie was a volunteer firefighter with the Narara Brigade on the Central Coast. After securing employment as a staff member, he moved through the ranks and held roles such as Director Area Operations, Manager State Operations and Aviation and District Manager.

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

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

His achievements over the years include the National Medal, the National Emergency Medal, Commissioner's Commendation, RFS Long Service Medal and a Graduate Diploma of Executive Leadership in Policing and Emergency Services. Deputy Commissioner McKechnie was awarded the Australia Fire Services Medal as part of the 2023 Australia Day Honours.

Deputy Commissioner,
Preparedness and Capability
Kyle Stewart APM

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

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

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

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

Executive Director,
People and Strategy
Trina Schmidt

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

Ms Schmidt has extensive senior management experience in the public sector in NSW and Queensland, across a range of industries including transport and logistics, education, and emergency services. Ms Schmidt's experience is in human resource management, employee relations, transformational change, strategic planning and risk management.

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

Executive Director,
Technology, Finance and Legal;
Chief Financial Officer
Stephen O'Malley

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

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

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

Directors

As at 30 June 2023

OFFICE OF THE COMMISSIONER

Director Office of the Commissioner	Ms Renee Armstrong
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FIELD OPERATIONS

Director Area Operations Southern	Assistant Commissioner Kelly Quandt AFSM
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Director Area Operations Northern	Assistant Commissioner Jayson McKellar AFSM
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Director Operations Support	Assistant Commissioner Stuart Midgley AFSM
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Director State Operations	Assistant Commissioner Ben Millington
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PREPAREDNESS AND CAPABILITY

Director Logistics and Equipment	Mr Joshua Torrens (in an acting capacity)
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Director Build and Natural Environment	Assistant Commissioner Mathew Smith
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Director Community Risk	Mr Laurence McCoy (in an acting capacity)
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Director Training and Doctrine	Assistant Commissioner Paul Seager
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PEOPLE AND STRATEGY

Director People and Culture	Ms Narelle Koteff
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Director Strategy and Programs	Mrs Rachel Saliba (in an acting capacity)
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Director Health and Safety	Ms Tenneile Manenti (in an acting capacity)
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Director Communications and Engagement	Mr Anthony Clark
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TECHNOLOGY, FINANCE AND LEGAL

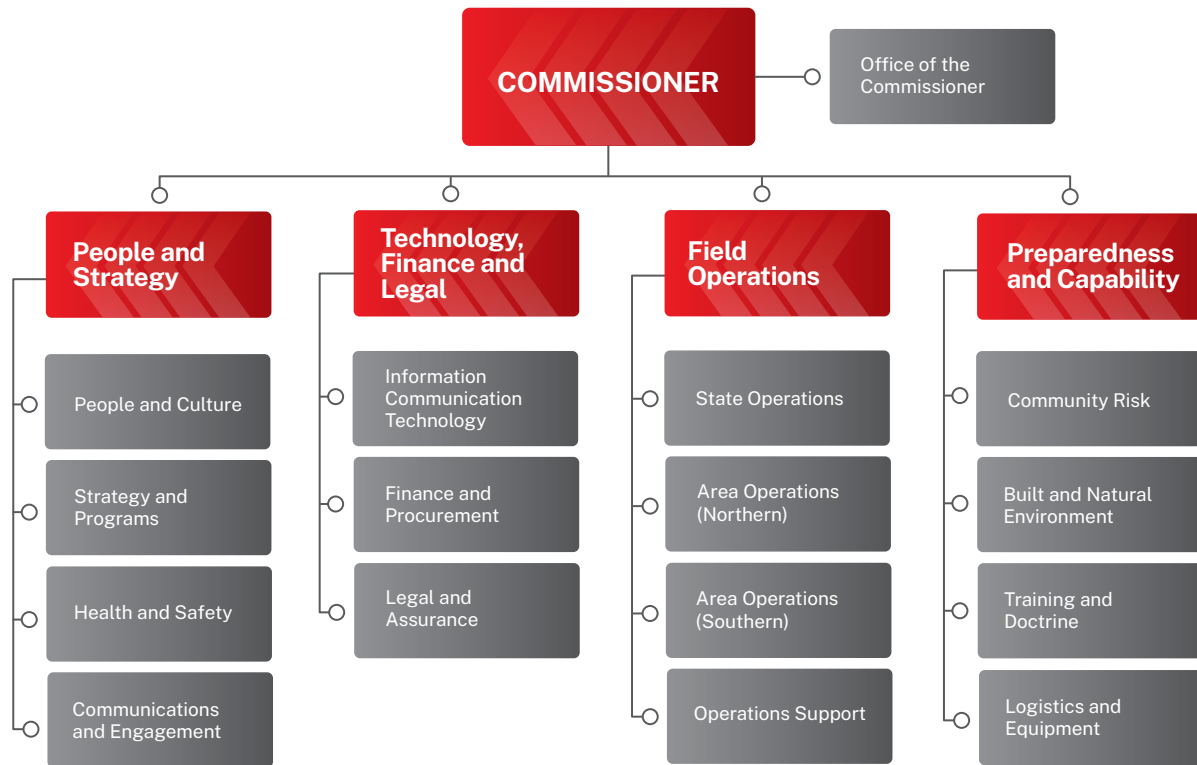
Director Legal and Assurance	Ms Debbie Andreatta
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Director Finance and Procurement	Mr Myles Foley
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Director Information and Communications Technology and Chief Information Officer	Mr John Danson
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RFS organisational structure 2022/23

As at 30 June 2023



RFS Areas and Districts

as at 30 June 2023

There are seven Area Commands across NSW that support the 43 Districts, 1,982 Brigades and the NSW community.

The Areas assist with the coordination and effectiveness of mitigation crews and staff across their command. They also help Districts so they can make more localised decision making and enhance support to volunteers.

During the reporting period, and with support from relevant Districts' Senior Leadership Teams, the Cumberland and Macarthur Districts and Illawarra and Sutherland Districts amalgamated.

Headquarters State Operations
4 Murray Rose Avenue
Sydney Olympic Park
NSW 2127

Western Area Command
112A Airport Drive
Cowra NSW 2594

North Western Area Command
177 Country Road
Westdale NSW 2340

North Eastern Area Command
51 Moonee Street
Coffs Harbour NSW 2450

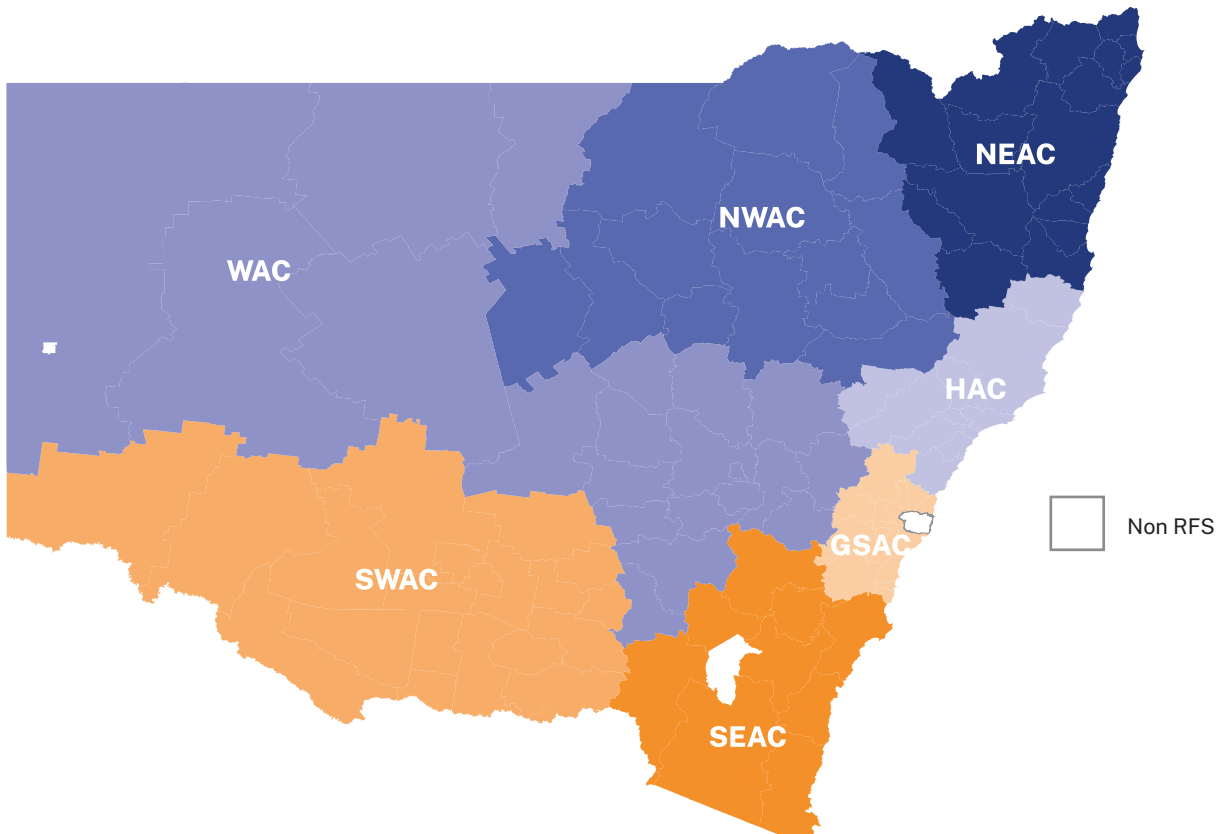
Hunter Area Command
1A George Booth Drive
Cameron Park NSW 2285

Greater Sydney Area Command
42 Lamb Street
Glendenning NSW 2142

South Western Area Command
5/32 Fallon Street
Thurgoona NSW 2640

South Eastern Area Command
7 Kylie Crescent
Batemans Bay NSW 2536

RFS Area and Districts



Area COMMAND	Districts
North Eastern (NEAC)	Northern Rivers Far North Coast Clarence Valley Northern Tablelands Coffs Coast New England
North Western (NWAC)	North West Namoi/Gwydir Liverpool Range Castlereagh Tamworth
Western (WAC)	Far West Orana Mid Lachlan Valley Canobolas Cudgegong South West Slopes Chifley Lithgow
Hunter (HAC)	Lower Hunter Hunter Valley Central Coast Mid Coast Lower North Coast

Area COMMAND	Districts
South Eastern (SEAC)	Monaro Lake George Far South Coast Southern Tablelands Riverina Highlands Shoalhaven
South Western (SWAC)	Lower Western MIA Mid Murray Southern Border Bland Temora Riverina
Greater Sydney (GSAC)	Southern Highlands Cumberland/Macarthur Hawkesbury Illawarra/Sutherland Hornsby/Ku-ring-gai The Hills Northern Beaches Blue Mountains



2 STRATEGY

Photo by Sharon Quandt





Our Plan 2019-2024

In 2019, the RFS worked with our members to define our five-year Strategic Direction aligned to our vision:

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

Four strategic pillars guide our actions and outcomes for our members and the communities we serve:

1. Vibrant and Sustainable Membership
2. Resilient Communities and Valued Partnerships
3. Service Delivery and Agility
4. Research, Innovation and Technology

PILLAR	DESCRIPTION	STRATEGIES
 Vibrant and Sustainable Membership	Safe and inclusive workplace where members can be at their best	<ul style="list-style-type: none"> — Embed a culture of safe and inclusive practices for member health and wellbeing — Strengthen current and future leadership capability at all levels — Grow membership capability through deliberate attraction, engagement and development
 Resilient Communities and Valued Partnerships	Stronger communities better able to prepare, respond and recover	<ul style="list-style-type: none"> — Advance our understanding of at-risk communities and deliver effective public safety and environmental protection programs — Boost community capability and capacity to prepare for and be responsive to bush fire and other emergencies — Partner with other agencies and stakeholder to prepare for, prevent and recover from bush fire and other emergencies
 Service Delivery and Agility	Trusted and credible provision of public safety services	<ul style="list-style-type: none"> — Ensure a community-centred approach to service delivery — Embed a risk-based approach to resource planning and allocation — Shape standards and practices to be responsive to changes in the natural and built environment
 Research, Innovation and Technology	Better outcomes through applied research, innovation and technology	<ul style="list-style-type: none"> — Leverage research and member perspective for better ways of working — Lift our digital capacity through cohesive and future focused Information Communication Technology — Adopt a user-led approach to ensure fit for purpose business systems and processes

Progress on our organisational priorities

To deliver on our Strategic Direction, and in response to the 2020 NSW Bushfire Inquiry and Royal Commission, the RFS introduced a number of strategic priorities:

- Personal Protective Equipment – Head and Respiratory Protection
- Benevolent Fund
- Mental Health
- Workplace Conduct
- RFS ACTIV (Member availability and response system)
- CAD (integrated dispatch system)
- Mobile Data Terminals (MDTs)
- Mapping Software
- Australian Fire Danger Rating System
- Design of Fire Appliances and Next Generation Fleet
- Farm Fire Unit Integration
- Station Connectivity
- One RFS Member Website
- eMembership Portal
- Emergency Logistics Program
- Digital ID

Our priority projects have our members and the community at the forefront, with a focus on keeping our members safe and well, enhancing emergency response and management of incidents and using technology to better optimise logistics and connect people.

Many of these projects have received valuable support from the NSW Rural Fire Service and Brigades Donations Fund, which allocated more than \$70 million to these initiatives. The Service is indebted to the community for their generous donations, which have helped us accelerate these important projects.

Personal Protective Equipment — Head and Respiratory Protection

Concluding in Q1 2022/23, the RFS was able to deliver more than 45,000 new helmets to members across the state and provide an expanded suite of respiratory options for every firefighting appliance in our fleet, an investment of \$14.2 million.

The helmets and increased respiratory options provide enhanced safety for members by improving head protection and giving another layer of protection in bush fire smoke environments.

The selection of these items was member driven, involving extensive functional testing to ensure each was suited to members' needs and preferences. The successful conclusion of these rollouts marks a major milestone in improving the protection available to members, reinforcing our commitment to member safety.

Benevolent Fund

Through money donated to the NSW Rural Fire Service and Brigades Donations Fund, \$10 million was allocated as a foundation grant to the RFS Benevolent Fund. The Benevolent Fund is a charity to help care for our members when they need it most, especially the families of members killed on duty and those injured on the fireground.

As of the end of the 2022/23 financial year, the Benevolent Fund has been registered with Australian Securities and Investments Commission and is officially a corporate entity. The Fund now has a board and policies in place and is on the path to being able to give back and get support to the families of deceased and injured members and ensure we can do our best to support members when they are experiencing hardship.

Mental Health

The RFS has undertaken a significant body of work to boost its mental health services and resources, investing approximately \$17 million over five years. This includes employing allied health professionals (including psychologists) to support clinical and organisational services related to mental health.

The RFS Mental Health Strategy was launched in January 2023, providing an evidence-informed roadmap for action over the next five years. This strategy was developed in consultation with members to achieve our goal of a mentally healthy environment where our members can thrive.

Work will be broken down across three horizons to enable sustained growth towards our goal of a mentally healthy environment. The focus in the first horizon is to strengthen existing mental health services for our members, improve our program of health and injury management and systematically identify psychosocial (mental health) risks facing members in order to establish fit-for-purpose preventative programs.

Workplace Conduct

Our members told us that our current approach to workplace conduct was outdated and no longer fit-for-purpose. As such, we are working to improve the way we manage workplace conduct issues across the Service and implement a framework that will promote a safe and inclusive workplace for all our members.

This framework will provide processes and tools for raising, responding to, and resolving workplace complaints in a transparent, timely and fair manner. Over the 2022/23 financial year, we have run various workshops with our members to learn firsthand what we need to be doing better to reinforce the right standards and behaviours we expect to see at the RFS.

As we are preparing to roll out the framework by the end of 2023, our focus is currently on commencing training for our leaders and key personnel who will be responsible for the framework being run effectively.

RFS ACTIV

(Member availability and response system)

In December 2020 we launched RFS ACTIV, a mobile app that makes it easier for members to signal their availability to attend an emergency, be called upon to attend and accept the call to attend. Leveraging real-time and dynamic information on member availability, the system provides a common and accessible way for all members to better communicate who is best positioned to respond to any emergency.

More than 28,000 members have logged into ACTIV since it went live with over 15,000 updating their availability in the 2022/23 financial year. We will continue focusing on adoption in the coming year, working with members to get the app experience right and integrating the app with our Mobile Data Terminals (MDTs).

CAD (integrated dispatch system)

The final RFS District is scheduled to go live on our Computer Aided Dispatch (CAD) system in July 2023. This means the day-to-day communications of all 43 Districts will soon be processed through the Operational Communication Centre (OCC) using CAD and ACTIV/paging to turn out brigades, ensuring the right vehicle responds to the right incident at the right time. CAD enables more efficient and consistent dispatching of resources and improved emergency response capabilities using in-built dispatching rules.

Since its introduction in February 2021, CAD has processed more than 60,000 incidents. In that period, the time from receiving a call to paging a brigade has been reduced by a minimum of three minutes. Additionally, VRA Rescue NSW was onboarded onto CAD and centralised dispatch arrangements in December 2022, resulting in the OCC dispatching VRA resources to rescue incidents on behalf of the NSW Police Force.

Mobile Data Terminals

Mobile Data Terminals (MDTs) are in-vehicle mounted touchscreens that provide two-way, real-time sharing of operational information between our members in the field and Incident Management Teams (IMTs) or the OCC. The consolidation of incident information will enhance the safety of our members in the field by ensuring they have critical information readily available when it is needed, reducing radio traffic and improving overall communication efficiency during emergencies. Not only does this save time for our frontline members, but the MDTs more broadly allow for simplified data collection and display within our vehicles, better pre-incident preparation and enhanced real-time decision-making.

MDTs will be progressively rolled out across the Service in late 2023, following the completion of the final elements of the software and implementation of the hardware itself into fleet cabins. Statewide adoption of MDTs is due to be completed in the next three years.

Mapping Software

In June 2023 the RFS selected FireMapper as our preferred infield mapping solution. Already used by many brigades, FireMapper is a mobile app that allows members in the field to annotate directly on maps, share map annotations with others, and integrate with real-time incident information. It is a modern and fit-for-purpose solution that complements in-field situational awareness and enhances key operational decision-making processes.

The rollout of the FireMapper app will be done in several phases, with the first phase starting in the second half of 2023 by making the application available to brigades not currently using it. Members will receive basic training and information, so they can start using the app, make themselves familiar with it and explore its potential. Following the initial rollout of FireMapper, the RFS will work to further customise the app to our requirements and fully integrate it with our other operational systems.

Australian Fire Danger Rating System

The RFS led the initiative to develop a new nationwide Australian Fire Danger Rating System. Using the latest science and community input, the new system provides more accurate and timely information to the community, firefighters and land managers. Importantly, the new fire danger rating system has the same four danger ratings across Australia, with an identical national call to action for each of the ratings. The rollout of the system was supported by an extensive community engagement and education campaign.

The rollout of nearly 600 new static signs was completed in the 2022/23 financial year. The rollout of 240 new electronic road signs will commence in mid-2023.

Each of the electronic signs can be updated remotely and will no longer need our members to travel to those sites and manually update the ratings. This development will add to the accuracy of the information we give to the community and will free many RFS members from having to undertake this task.

Design of Fire Appliances and Next Generation Fleet

We are working to identify the needs of the RFS for our next generation of firefighting appliances, including their design, protection levels, and increasing appliance lifespan. A comprehensive research initiative was completed in conjunction with Monash University's Accident Research Centre to look at evidence-based safety improvements for our appliances, specifically in relation to roll-over and falling object protection. We also asked all members for feedback on our Category 1, 7 and 9 tanker designs, their current suitability and key areas for improvement.

The findings of the research from Monash University, together with the member feedback, will serve as the foundation for the development of our next generation of firefighting appliances. The project is a major undertaking, spanning several years and impacting across decades. In 2022/23, the Service issued a next generation fleet survey to members, which had more than 7,000 members respond and over 3,600 completed responses. The target is to have designs and prototypes available for further consultation and review by members towards the end of 2024.

Farm Fire Unit Integration

The RFS Farm Fire Unit (FFU) Operational Guide and Commitment Strategy was co-created with NSW Farmers and was launched in August 2022. This will strengthen the integration of Farm Fire Units with firefighting operations to promote the safe, efficient and cooperative involvement of private equipment to control fires. It will also give FFU operators the necessary information to help them make informed decisions and establish a consistent approach to cooperation and communication between FFU operators and RFS crews on the fireground.

In 2023/24, the RFS will continue working with Transport NSW to streamline the registration of private firefighting appliances. We will also be working to ensure districts have engagement strategies in place for farming communities and landholders.

Station Connectivity

This project aims to better connect brigades to the RFS through internet connectivity, member email addresses and Microsoft software. This has standardised our infrastructure and alleviated the need for brigades to meet costs for these services.

To ensure our brigades have access to high-speed internet, we have made available a Nighthawk M6 mobile router and Telstra internet plan for each brigade station within range of Telstra's mobile coverage.

As at 30 June 2023, internet connectivity is now available to over 1,000 brigade stations in mobile range. In 2023/24, the Service will roll out this service to stations that are outside mobile range through a different solution.

The RFS is also offering every member their own RFS email and access to Microsoft Office 365 products, including Teams and Outlook, to support easier communication between members and with the Service. Microsoft Office 365 is being rolled out in a phased approach which will begin in July 2023.

One RFS Member Website

Launched in 2021, One RFS is a member intranet designed to provide a centralised platform for storing and sharing information with members, helping them to stay connected. One RFS has been fully delivered, providing members with easy access to relevant and up-to-date information, improved communication within the organisation and a single source of truth.

Having already reached a point where it has become a standard business-as-usual application for the RFS, the platform is regularly managed and updated to provide members with the necessary information to perform their responsibilities, stay connected and deliver the best service to the community.

eMembership Portal

Following extensive consultation with a member reference group of volunteers and District representatives in 2021/22, the RFS replaced the paper-based volunteer application process with an online application portal, known as eMembership.

eMembership enables members of the community to apply for volunteer membership with the RFS, and for existing RFS volunteers to submit dual and transfer membership applications in a more efficient way. It provides the ability to apply anytime, anywhere and allows for more timely membership decisions with faster and automated processing.

Emergency Logistics Program

Following the 2019/20 bush fire season, the RFS prioritised improving emergency procurement to enhance support for firefighting capacity and ensure continuity of supply in future fire seasons. The integrated digital platform, the Emergency Logistics Solution (ELS) went live in November 2022 and has replaced the manual paper-based system.

ELS improves logistics coordination, sourcing and procure to pay, heavy plant integration and inventory management. For our frontline, there is now greater visibility of inventory available, standardisation of requests and up-to-date information on request progress. Incident Management and State Logistics teams can now use the system to submit and approve requests, reducing duplication of work. For our support teams, this program has reduced the administrative burden associated with payment processing through integration with other RFS platforms.

Digital ID

The RFS is exploring a new digital identity system, to enable our members to access a secure and efficient means of identifying themselves. This system will serve as an official RFS member ID, with the convenience of using a mobile app as a proof of identity. This will provide a simplified verification process for members with less administrative effort.

In 2023/24 the project will evaluate Service NSW's approach to Digital ID to determine if the cost and technology option offers the best solution to meet RFS needs.

Our focus for the year ahead

We have made significant progress over the past four years, but there is still work to be done to deliver on our strategic direction. The Service's focus for the year ahead is on consolidating to complete our strategic priorities. Alongside those mentioned above, we have also committed to delivering on the following key initiatives:

Resource to Risk

As we continue to enhance our emergency response and management of incident capability, we acknowledge there is more work we can do to align the level of risk posed by particular emergencies with the resources we have available to dispatch to them. While we have previously utilised the Standards of Fire Cover approach, we recognise the need for a more contemporary approach that matches our physical and human resource capabilities, and technologies to meet the risks in each area. We want to ensure we're leading the way and we can provide our brigades with the resources they need.

We understand that the complexity of events is growing and that the needs of each of our brigades can be different depending on where they are, what they're exposed to and who they're serving. Ensuring we maximise what impact we can achieve with what we have and optimising our coverage across NSW communities is paramount.

How will we know we've succeeded?

Implementation of a Resource to Risk initiative which: aligns risk modelling and local demographics and informs allocation of the most appropriate resources to better support members and serve NSW communities.

Aviation Management

We are making significant investments to build our aerial firefighting capabilities and ensure safety remains at the centre of our approach. This includes the implementation of the recommendations from recent reviews, particularly the Australian Transport Safety Bureau (ATSB) report following the tragic loss of the Large Air Tanker crew during the 2019/20 bush fire season.

Already possessing the largest aerial fleet of any fire agency in Australia, the RFS is focused on building the capability of our owned and contracted resources even further.

The focus on our aerial capabilities will significantly enhance our capacity to protect lives and property during emergencies, providing invaluable support from the sky to complement the efforts of our ground-based members.

We will be further developing our training approach, our mission profiles and the means to better respond to various emergencies – including wildfires, flood rescues and rapid aerial and remote area firefighting operations by day and by night.

How will we know we've succeeded?

Safely expanded Aviation Management Capability that includes: updated doctrine including Interagency Standard Operating Procedures and Large Air Tanker Guidelines; an updated RFS Aviation operations structure; an increased aviation auditing program; additional aviation training for members; development of an electronic Flight Risk Assessment and integration with Athena.

Aviation Night Capability

Over the past three years, the RFS has made significant advancements with our aviation night-time capability. The introduction of night-time aerial intelligence with our fleet of Bell 412 helicopters and high definition FLIR cameras has provided capability to detect, live stream and map fires at night. We have continued with the trial and development of night-time aerial firefighting, successfully undertaking night-time direct attack firefighting operations with a CH47 Chinook and Bell 412 helicopter. Our night firebombing program continues to expand with our Bell 412 helicopters being developed to undertake night firebombing operations.

We will continue to invest in and develop our aviation night capability with the implementation of night-time search and rescue. Our aircraft will not only be able to support search and rescue operations during fire events but will also provide a capability to other emergency services, including the NSW SES during flood events and NSW Police to provide surge capacity for general search and rescue operations.

With these aircraft strategically based around NSW, they will be able to respond more quickly and effectively in times of need.

How will we know we've succeeded?

Continued development of our aviation night capability will see us being able to readily deploy our aviation assets to undertake all manner of operations during the day or night in a safe, efficient manner. This will help us in our endeavours and support other agencies throughout NSW and Australia in a broad range of capabilities including fire operations and search and rescue in an all-hazards capability.

Athena 2.0

The RFS has been working on a new bush fire intelligence tool that incorporates AI and Machine Learning capabilities. Athena is designed to help us make more accurate predictions about fire behaviour, improve the speed and accuracy of our operational decision-making and provide us with a greater understanding of how to manage our aviation capabilities safely and effectively.

Athena Phase One was delivered between December 2021 and December 2022 to provide initial functionality to a select group of users. This functionality will be used during the 2023/24 fire season to provide enhanced operational awareness and decision-making support.

Athena Phase Two commenced in April 2023, to build upon the foundations of Phase One by adding four new areas of functionality: enhanced risk modelling, a dynamic coverage tool, aviation safety visualiser and a risk response engine.

These new additions will complement our current practices and predictive capabilities.

How will we know we've succeeded?

Athena will evolve to provide: greater prediction detail of fire behaviour leading to more informed operational response strategies; better understanding of aviation safety conditions leading to more informed dispatch and reducing risk to aircraft operators; more informed pre-emptive staging of resources on extreme fire risk days.

3

OPERATIONS AND PERFORMANCE



Photo by Alanna Rados

Operations and performance

FIRE SEASON OVERVIEW 2022/23

Total bush and grass fires (NSW) incidents	6,220
Area Burnt	240,874 hectares
Total Fire Ban days	16
Section 44 declarations	10
Aircraft taskings (within NSW)	361
RFS-owned aircraft dispatch	342
People rescued by aircraft	113

Operations overview

Throughout July to October 2022, RFS members were busy supporting the NSW Department of Primary Industries with the Varroa Mite outbreak, as part of a biosecurity surveillance program to protect the honeybee industry. More than 900 RFS field-based members assisted in the euthanising of hives in identified eradication zones, as well as filling almost 700 Incident Management Team (IMT) roles across Orange and the Hunter covering roles such as Operations, Logistics, Communications, Safety Officer and Liaison Officers.

Rainfall leading into the 2022/23 fire season resulted in major flooding. The RFS provided significant support to the NSW SES throughout NSW. More than 4,200 RFS out-of-area members deployed to assist local brigades who worked tirelessly in areas such as Moulamein, Deniliquin, Moree, Moama, Forbes and Wentworth. Members also provided support in the Far West where local brigades and out-of-area personnel were assisting the NSW Reconstruction Authority with clean-up and recovery works in Menindee and surrounds.

The compounding and prolonged rain events over the past 18 months resulted in prolific grass and crop growth that led to an above normal risk of grass fires west of the Great Dividing Range. Furthermore, while the burn scar from the 2019/20 fire season is evident along the coast and ranges, high fuel loads remain in some areas of the coast and ranges, where fire activity was minimal in 2019/20.

As a result, a large focus of operational preparedness has been in grassland areas in Central and Western NSW, as well as the urban interface around townships. However, the unusually wet conditions across much of 2022/23 gave rise to significant challenges in carrying out pre-season and post-season hazard reduction activities.

The wet conditions persisted across most of the year, severely restricting opportunities for completing hazard reduction. Despite these challenges, between 1 July 2022 and 30 June 2023, fire agencies and land managers treated over 90,089 hectares of bush, protecting more than 114,000 properties directly on the urban and bush interface.

The widespread rainfall resulted in a delayed start to the 2022/23 fire season. The first Section 44 fire was declared on 18 January 2023 in the Gwydir and Narrabri Local Government Areas (LGAs). For the first time, a Chinook helicopter performed trial night-time firebombing operations to support ground crews.

Due to the late start of the fire season, 14 Districts (44 LGAs) extended their Bush Fire Danger Period to mid-late April 2023. The last Section 44 was revoked on 24 March 2023 in the Upper Lachlan LGA.

In total, there were 10 Section 44 declarations that resulted in three Emergency Warnings and 34 Watch and Act fires, and more than 240,000 hectares burnt.

The RFS provided assistance to other jurisdictions during the season to assist with both fire and flood events. The RFS Large Air Tanker 'Marie Bashir' was sent on 41 occasions to 26 fires, dropping 615,000 litres of retardant. It was deployed to the USA to support the California Department of Forestry and Fire Protection (CAL FIRE) firefighting operations on 2 June 2023. RFS aviation specialists also travelled to Perth to support the National Large Air Tanker.

In northern Western Australia, the RFS deployed 16 IMT personnel to support the Department of Fire and Emergency Services with flood operations in the Kimberley region, and in South Australia, an RFS medium helicopter was deployed to support the SES with flood aerial intelligence as well as search and rescue capabilities.

In May 2023, the RFS provided an International Liaison Officer to Canada, on behalf of Australia and New Zealand. This was followed by an initial deployment to Canada of approximately 450 firefighting personnel from across Australia and New Zealand. This deployment is ongoing – to date, the RFS has deployed 95 personnel in firefighting, incident management, and specialist and leadership roles.

In early March 2023, severe flooding caused extensive impacts to remote communities and surrounding homelands in Northern Territory, including Kalkarindji, Daguragu and Pigeon Hole. Following a request from the Northern Territory Government, the RFS provided emergency accommodation shelters and associated services in Yarralin for 150 people from the Pigeon Hole community. The site commenced operations on 2 May 2023.

Ongoing response to the NSW Bushfire Inquiry

The 2019/20 bush fire season was one of the most catastrophic on record, involving 11,774 fire incidents over eight months from July 2019 to February 2020.

In NSW, 26 people lost their lives, including four RFS volunteers and three RFS-contracted air crew members.

Overall, 2,476 homes were destroyed and 1,034 damaged, with 5,559 outbuildings and 284 facilities also destroyed. More than 2.7 million hectares of National Park land was impacted.

On 30 January 2020, then NSW Premier Gladys Berejiklian announced an inquiry into the 2019/20 bush fire season to make recommendations in relation to bush fire preparedness and response.

The Inquiry was led by Independent Planning Commission Chair and former NSW Chief Scientist and Engineer, Professor Mary O’Kane AC, and former Deputy Commissioner of the NSW Police Force Dave Owens APM. Its report was released on 24 August 2020, with the NSW Government accepting all recommendations.

The Inquiry made 76 recommendations and some of these included further sub-recommendations which require implementation of discrete actions or projects. Consequently, the Premier’s Department is reporting against a total of 148 recommendations and sub-recommendations.

As at the end of June 2023, the implementation progress for all 148 recommendations was:

- 124 recommendations completed (83.8 per cent)
- 24 recommendations in progress (16.2 per cent)

The majority of recommendations were directed to the RFS, which has accordingly made a heavy contribution to the whole-of-government Inquiry response.

Building for the future

During the 2022/2023 financial year, the Service progressed a number of significant building projects.

The New England Fire Control Centre (FCC) was completed adjacent to Armidale Regional Airport in July 2022, and officially opened in October. This development delivered a fit-for-purpose facility to the staff and volunteers of the New England District, providing ample space for day-to-day and emergency operations.

After initial delays associated with prolonged wet weather, considerable progress has occurred on the following projects:

- The Cudgegong FCC and Community Education Centre is forecast to be completed in late October 2023. This facility will be home to the Cudgegong District and RFS Heritage Brigade to display its historical fleet and other memorabilia in the Community Education Centre.
- The Aviation Centre of Excellence located at the State Training Academy in Dubbo is forecast to be completed late September 2023. This facility will house simulators for aviation training, with the ability to cater to an Australasia-wide cohort of aviation personnel and firefighting pilots.

Progress on FCCs identified as priority projects has varied from site to site. Development applications have been submitted for the Clarence Valley, Namoi Gwydir, Monaro and Hawkesbury FCCs, as well as the Wilberforce Brigade station. FCCs for Coffs Harbour, the Far South Coast and Riverina Highlands are in the site selection and concept design phase.

Upgrading our capability

During the reporting year, the Service undertook a comprehensive refurbishment and maintenance program to align older appliances in the RFS fleet to contemporary crew safety standards. Rural suppliers across the state were engaged to implement a range of safety enhancements by installing ring mains, radiant heat curtains, wheel spray kits, livery and emergency lighting. In addition, the Service has begun a new program to develop the next generation of rural firefighting appliances, under the Commissioner's Priority Project, Next Generation Fleet (more information on page 23). This will build on a legacy of cutting-edge appliance design to ensure our firefighters have the best equipment available.

In addition to the refurbishment and maintenance program, the Service continues to enhance operational capability, with 161 newly-built fire appliances and a further 52 second-hand or refurbished appliances allocated to brigades across the state.

Following on from the successful rollout of the respiratory protection program during 2021/22, the Service has continued to work with the University of Wollongong on the exposure monitoring program. This has seen world-leading research conducted into hazards and collection methodology of respiratory hazards present during bush fires and hazard reductions.

This financial year has seen continued progress in the prototyping program conducted by the RFS with several key projects completed:

- a complete review of our marine fleet including design and prototyping of a new range of purpose built firefighting and general purpose boats
- a new 'light pumper' capability, which brings a structural firefighting capacity to our more inaccessible regions across the state
- a next generation troop carrier that provides our members with the ability to complete full in-field crew changes in vehicles with the latest safety features and off-road capability.

Although many RFS districts have already provided a second set of Personal Protective Clothing (PPC) for their members, the RFS is now ensuring that all operational members across the state are given the opportunity of a second set of bush fire PPC.

The rollout of a second set of PPC began in March 2023 and will continue into 2023/24 as members now have access to a central ordering system to facilitate orders. Extensive ramp up of production has occurred with our uniform vendor to ensure we have the stock ready to dispatch to our members across the state.

Aviation

The RFS aviation fleet continued to be enhanced throughout 2022/23. The development of night-time firefighting capability included trials of night aerial observations, aerial firefighting, helicopter search and rescue, aerial incendiary and winching.

As at 30 June 2023, the RFS-owned aviation fleet consisted of eight rotary and three fixed wing assets.

This included two BK 117 and five Bell 412 multi-purpose medium helicopters, as well as one Squirrel helicopter to assist with intelligence gathering. Three of the Bell 412 helicopters are based in regional NSW to enable the rapid deployment of aviation support to rural and regional areas of the state during bush fires and other emergencies.

Additionally, the fleet includes one Boeing 737 Large Air Tanker (LAT) and two Cessna Citation lead planes that have multi-capacity ability including guiding, scanning and personnel transport.

The Service enhanced our airborne intelligence platform to integrate modelling, mapping and still images into our operational platforms.

In preparation for the 2023/24 fire season, the RFS is expanding its aviation fleet to include one heavy helicopter (Chinook) capable of fire-bombing, transportation, and night-time aerial firefighting as well as a third lead plane (King Air).

As well as their firefighting capability, these assets support other regional emergency services with real-time high-definition video streams, and assist with taskings, such as search and rescue missions, flood reconnaissance, emergency re-supply and relocation of livestock.

The RFS also continued the development of Remotely Piloted Aircraft Systems (RPAS) in 2022/23 with the Service commencing work with Surf Life Saving NSW (SLSNSW) on a joint program that will see RFS members using small RPAS at fires and other incidents supported by SLSNSW.

Building on the medium RPAS trial of early 2021, the RFS continued investigating alternate options for use of this size of platform with ongoing consultation with industry and Civil Aviation Safety Authority (CASA) on the various use cases and approvals.

Developing future leaders

The Operational Officer program, or OpO program, was created in 2014. The OpO program is a unique opportunity for RFS employees to gain experience in a wide range of activities in District and Area roles, as well as other specialised sections across the organisation.

In 2021, a review of the OpO program saw the development of a framework that outlines capabilities, attributes and functional skills expected of job-ready Operational Officers from Level 1 to Level 3. The new program incorporates all previous training along with meeting the set framework to provide job-ready staff, increase confidence in program outcomes and improve retention of staff through development and succession management.

The new Operational Officer development programs replaced the previous modular approach, which regularly took candidates away from their duties and did not deliver a continuous learning experience. During the 2022/23 financial year, a number of development programs were undertaken at the RFS Training Academy in Dubbo:

- A pilot Operational Officer Level 3 (OpO3) four-week program ran from November to December 2023 and saw 14 candidates successfully graduate and commence positions across the state, from Dareton to Armidale, Narrabri and Picton.
- A pilot Operational Officer Level 2 (OpO2) six-week program ran from May to June 2023 and saw 30 candidates successfully graduate and commence positions across the state, from Coonamble to Griffith, Glen Innes and Albury.
- A five-week induction program for mitigation crew was held with a dedicated Aboriginal and Torres Strait Islander focus.
- In June 2023, a three-day Crew Leader forum was held, focusing on leadership and personal development for the Crew Leaders.

During 2022/23, the RFS continued to undertake work to ensure future operational capability and capacity across the Service. This included transitioning Mitigation, District Assistant, District Officer and District Coordinator roles to Operational Officer roles, to be incorporated within an integrated Operational Officer Program. This resulted in the re-profiling of 20 roles, two District Assistants to OpO1, 10 District Officers to OpO2 and three District Coordinators to OpO3.

Further initiatives saw an Operational Leaders Development Program (OLDP) developed and implemented in July 2022 and again in 2023. OLDP is an internal RFS specialist program to develop senior staff members who do not come from an operational fire management background to fulfil leadership roles within the Service. The OLDP introduces candidates to the core capabilities and provided an organisational overview and context into incident management within the RFS.

Technology improvements

In the 2022/23 financial year, the RFS achieved significant progress in infrastructure and technology advancements, following the roadmap laid out in the ICT strategy. These accomplishments have been instrumental in strengthening our operational response and efficiency, reinforcing our commitment to our members and the communities we serve.

The ongoing enhancements to the member availability and response system and the expansion of the Computer Aided Dispatch system have shown positive impacts in coordinating efforts and improving response times. The pending introduction of Mobile Data Terminals will enable real-time data exchange from dispatch centres to fire appliances, providing a substantial lift in situational awareness and operational efficiency.

The 'Athena' Bush Fire Intelligence product has been successfully developed and launched this year, equipping our incident controllers with valuable and timely information crucial for making informed decisions during an event. This cutting-edge tool significantly enriches our intelligence capabilities.

The Emergency Logistics Solution has been rolled out effectively, optimising our 'purchase to pay' and logistics processes. This new system streamlines operations for incident management teams during major events, simplifying processes and procedures.

During the financial year, the RFS also implemented an Identity and Access Management solution to guarantee that all staff who assist during fires, irrespective of their agency of origin, have prompt and secure access to the necessary tools for their roles. This innovation strengthens inter-agency collaboration and leverages the value of our existing information technology investments.

The rollout of the next generation Bush Fire Risk Management Plans has commenced for large parts of the state. The new process uses the best available science and fire spread modelling to provide a quantitative assessment of bush fire risk to assets. The plans are developed by local Bush Fire Management Committees (BFMCs) as a strategic document that identifies a local community's assets at risk from bush fire and sets out a five-year program of coordinated multi-agency treatments to mitigate the risk to life and property.

The process includes early community consultation and, once plans are developed, they are placed on public exhibition and hosted on the RFS website. The policy supporting Bush Fire Risk Management has been finalised with the Bush Fire Co-ordinating Committee, and BFMCs can now submit the draft plans for approval after they complete public exhibition and review.

Honouring our members

Officially opened in August 2022, the RFS Memorial Garden honours the 95 RFS members and aviation contractors who have lost their lives since 1932 in the line of duty or from fire-related illness.

While our fallen colleagues are remembered at the National Emergency Services Memorial in Canberra, the NSW Emergency Service Volunteers Memorial in Sydney and numerous local memorials, the RFS has not had its own memorial – until now.

In 2021 Commissioner Rob Rogers initiated a project to design and build a Memorial Garden at the RFS State Training Academy at Dubbo, with the NSW Rural Fire Service Association (RFSA) making a significant financial commitment towards the project.

The Memorial Garden design features two semi-circular walls flanking a bronze statue of a RFS firefighter leaning on a rake hoe and a bronze propeller blade replica from Bomber 134. Bomber 134 was a C-130 Hercules firefighting aircraft that crashed near Cooma on 23 January 2020, claiming the lives of the three American aircrew on board. The names of the 95 RFS members and aviation contractors who lost their lives in the line of duty are inscribed on the memorial wall.

Research and development

Research, Innovation and Technology is one of the four pillars of the RFS Strategic Direction, reflecting our commitment to research that informs new ways of operating and technology that supports better field-based capability and decision-making.

During 2022/23 the RFS continued to engage with Natural Hazards Research Australia (NHRA), contributing to the national natural hazard research agenda and supporting projects relevant to our strategic priorities.

The RFS also contributed to the establishment of the NSW Bushfire and Natural Hazards Research Centre (BNHRC), which was launched in January 2023. The NSW BNHRC is a result of key recommendations from the NSW Bushfire Inquiry and builds on previous collaborative research partnerships such as the NSW Bushfire Risk Management Research Hub. The Centre is being administered by the NSW Department of Planning and Environment.

During the year, successful proposals were submitted by the RFS for funding through the Natural Hazards Research and Technology Acceleration Program and these projects will be delivered according to the Memorandum of Understanding with the NSW Reconstruction Authority. Funded projects include:

- NSW fire history and modelling data automation
- Integrating social and community data into bush fire risk modelling
- Validation methodologies for vulnerability loss curves
- Building performance during bush fires research
- Next generation building impact analysis application
- Joint RFS and Australian Centre for Field Robotics project
- Fire modelling and impact technology project

In addition, the RFS is leading or supporting several projects through the Bushfire Technology Pilots Program, which is designed to enable frontline response agencies in NSW to trial field-ready bush fire technologies in an operational environment.



4

MANAGEMENT AND ACCOUNTABILITY

Management and accountability

Salaried and volunteer members

	2023	2022	2021
Full-time equivalent (FTE) positions*	1,216	1,105	1,059
Headcount at Census*	1,240	1,142	1,079
Volunteer members	70,829	72,855	75,354

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

Executive remuneration

SENIOR EXECUTIVES	2023		2022		2021	
	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE
Band 4	0	0	0	0	0	0
Band 3	0	1	0	1	0	1
Band 2	1	3	1	4 [^]	1	4 [*]
Band 1	7 [#]	10	6 [^]	14 [^]	6	12 [*]
TOTALS	8	14	7	19	7	17
	22		26		24	

This figure indicates one PSSE Band 1 on leave pending retirement.

[^] This figure indicates one PSSE Band 2 and one PSSE Band 1 on leave pending retirement, one PSSE Band 1 on leave and two PSSE Band 1 on secondment to another agency at the time of reporting for the 2021/22 Annual Report.

* This figure indicates one PSSE Band 2 and one PSSE Band 1 on leave pending retirement and one PSSE Band 1 on secondment to another agency at the time of reporting for the 2020/21 Annual Report.

BAND	2023 RANGE (\$)	Average Remuneration (\$)		
		2023	2022	2021
Band 4	509,251 – 588,250	-	-	-
Band 3	361,301 – 509,250	470,522	461,280	450,012
Band 2	287,201 – 361,300	328,974	321,666	313,825
Band 1	201,350 – 287,200	230,629	226,995	222,588

NOTE: 4.15% of RFS employee-related expenditure in 2023 was related to senior executives, compared with 4.23% in 2022 and 3.76% in 2021.

Membership applications

	2023	2022	2021
New member applications	4,286	4,859	4,375
(includes junior member applications)	(402)	(456)	(333)

Engagement of consultants

CONSULTANCIES EQUAL TO OR MORE THAN \$50,000	COST (\$)
	Nil
CONSULTANCIES LESS THAN \$50,000	COST (\$)
Accounting general	Nil
Total consultancies	Nil

Minister-approved travel

DATE	COUNTRY	OFFICER/S	TRIP DETAILS
15-19 May 2023	Portugal	RFS Manager AFDRS, Dr Meaghan Jenkins	Presented at the International Wildland Fire Conference, Portugal
27 April - 9 May 2023	USA	RFS Senior Chaplains, Majors Ian and Kerry Spall	Attend International Critical Incident Stress Foundation World Congress on the Power of Purpose
31 March - 7 April 2023	USA	Assistant Commissioner Ben Millington	Address Pacific Northwest Wildfire Conference and Exhibition, Seattle USA (3-4 April) Visit Coulson Aviation in Vancouver (31 March – 2 April) Visit CALFIRE Sacramento (5-6 April)
26-30 March 2023	USA	Assistant Commissioner Kelly Quandt AFSM	Attend 2023 International Association of Fire Chiefs Wildland Urban Interface Conference and associated meetings, Reno USA

DATE	COUNTRY	OFFICER/S	TRIP DETAILS
22-23 November 2022	New Zealand	A/Director Strategy and Programs Anthony Bradstreet	Compulsory attendance to complete final assessments for Australian-New Zealand School of Government program and Graduation Ceremony <i>(RFS-supported professional development)</i>
9-16 October 2022	USA	AC Ben Millington, ICT Director John Danson and Inspector Bernie O'Rourke	California Forestry & and Fire Protection in California and National Interagency Fire Centre (NIFC) and US Forest Service (USFAS) in Boise, Idaho – USA Investigations to inform improved RFS aviation policies and procedures in response to ATSB Report on LAT accident

Legal changes

The *Crimes Legislation Amendment (Assaults on Frontline Emergency and Health Workers) Act 2022* was introduced in October. This Act amended the *Crimes Act 1900* to create new offences in relation to assaults on law enforcement officers and frontline emergency and health workers, as well as for people who come to the aid of law enforcement officers. The *Crimes Act* has a new Division 8A *Assaults etc against law enforcement officers and frontline emergency and health workers*. Section 60AD of Division 8 now carries maximum penalties of imprisonment, ranging from 12 months to 14 years for various offences against frontline emergency workers.

Risk management and insurance

TOTAL DEPOSIT PREMIUMS (EXCLUDING GST) PAID	2022/23 \$	2021/22 \$	2020/21 \$	2019/20 \$	2018/19 \$
Workers compensation salaried staff	5,351,860	4,655,124	6,927,490	4,671,386	13,767,204
Workers compensation volunteers	0	0	0	63,202,000	96,859,504
Motor vehicle	3,883,339	3,901,631	3,238,536	1,678,900	1,780,180
Public liability	2,261,843	1,570,476	1,286,740	2,606,000	2,769,560
Property	301,588	233,323	132,696	92,880	103,980
Other	48,227	50,124	49,198	36,380	37,890
Totals	11,846,857	10,410,678	11,634,660	72,287,546	115,318,318

NOTES

- Insurance coverage is provided by the NSW Treasury Managed Fund for all areas except for workers compensation coverage for volunteers. RFS volunteers are covered by the Bush Firefighters Compensation Fund (BFFCF) administered by iCare.
- In September 2018, the NSW government introduced amendments to workers compensation legislation to reverse the onus of proof for NSW firefighters who are diagnosed with one of 12 prescribed cancers and meet the applicable minimum qualifying service periods. This resulted in a significant increase in workers compensation for both staff and volunteers in 2018/19 and 2019/20 as reflected in the table above.
- In the case of the BFFCF, the fund was in a surplus position of \$67.2m as at 30 June 2022 and \$29.5m as at 30 June 2023. No premium was required to be paid in either the the 2020/21, 2021/22 or 2022/23 years, hence no expense has been reported.

Internal Audit and Risk Management Statement



NSW RURAL FIRE SERVICE

Internal Audit and Risk Management Attestation Statement for the 2022–2023 Financial Year for the NSW Rural Fire Service

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

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

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Membership

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

- Independent Chair, Mr Garry Dinnie, appointed for a two-year term, commencing 2 October 2021, ending on 1 October 2023
- Independent Member, Ms Marcia Doheny, reappointed for a five-year term commencing 13 November 2021, ending 12 November 2026
- Independent Member, Mr Peter Scarlett, appointed for a three-year term, commencing 17 March 2023, ending on 17 March 2026



Rob Rogers AFSM
Commissioner
NSW Rural Fire Service
Date: 15/8/23
Ref: DOC23/131191



Debbie Andreatta
Chief Audit Executive
NSW Rural Fire Service
Date: 15.8.23
02 8741 5582

Cyber security annual attestation statement for the 2022/23 Financial Year for NSW Rural Fire Service (RFS)

Annual Attestation Statement

Cyber Security Annual Attestation Statement for the 2022-2023 Financial Year for the NSW Rural Fire Service

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

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

The NSW Rural Fire Service is doing the following to continually improve the management of cyber security governance and resilience:

- Undertaking annual NSW Government Cyber Security Policy maturity assessments,
- Investing in Cyber Security improvements via a Cyber Security Uplift program,
- Implementing risk treatments arising from audits and assessments,
- Reporting cyber security issues and improvements to our Audit & Risk Committee

This attestation covers the NSW Rural Fire Service.



Rob Rogers AFSM
Commissioner, NSW RFS

Privacy statement

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

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

There were two reviews of the RFS application of the PPIPA Act during 2022/23.

Government Information (Public Access) Act 2009 (GIPA Act) statistics for 2022/23

Table A: Number of applications by type of applicant and outcome

	ACCESS GRANTED IN FULL	ACCESS GRANTED IN PART	ACCESS REFUSED IN FULL	INFORMATION NOT HELD	INFORMATION ALREADY AVAILABLE	REFUSE TO DEAL WITH APPLICATION	REFUSE TO CONFIRM/DENY WHETHER INFORMATION IS HELD	APPLICATION WITHDRAWN
Media	1	1	1	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	17	8	0	2	0	0	0	2
Not-for-profit organisations or community groups	0	0	0	1	0	0	0	0
Members of the public (application by legal representative)	9	10	1	1	1	0	0	0
Members of the public (other)	14	14	2	3	2	1	0	1

Table B: Number of applications by type of application and outcome

	ACCESS GRANTED IN FULL	ACCESS GRANTED IN PART	ACCESS REFUSED IN FULL	INFORMATION NOT HELD	INFORMATION ALREADY AVAILABLE	REFUSE TO DEAL WITH APPLICATION	REFUSE TO CONFIRM/ DENY WHETHER INFORMATION IS HELD	APPLICATION WITHDRAWN
Personal information applications	0	0	0	0	0	0	0	0
Access applications (other than personal information applications)	39	31	3	6	3	0	0	3
Access applications that are partly personal information applications and partly other	2	2	1	1	0	1	0	0

Table C: Invalid applications

REASON FOR INVALIDITY	NUMBER OF APPLICATIONS
Application does not comply with formal requirements (section 41 of the Act)	1
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	1
Invalid applications that subsequently became valid applications	0

Table D: Conclusive presumption of overriding public interest against disclosure
(Matters listed in Schedule 1 to the Act)

	NUMBER OF TIMES CONSIDERATION USED
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	1
Excluded information	1

NUMBER OF TIMES CONSIDERATION USED	
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

Table E: Other public interest considerations against disclosure
(Matters listed in table to Section 14 of the Act)

NUMBER OF OCCASIONS WHEN APPLICATION NOT SUCCESSFUL	
Responsible and effective government	25
Law enforcement and security	2
Individual rights, judicial processes and natural justice	32
Business interests of agencies and other persons	2
Environment, culture, economy and general matters	1
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

Table F: Timeliness

NUMBER OF OCCASIONS WHEN APPLICATION NOT SUCCESSFUL	
Decided within the statutory timeframe (20 days plus any extensions)	26
Decided after 35 days (by agreement with applicant)	32
Not decided within time (deemed refusal)	1
TOTAL	59

Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)

	DECISION VARIED	DECISION UPHELD	TOTAL
Internal review	0	3	3
Review by Information Commissioner	1	0	1
Internal review following recommendation under Section 93 of the Act	0	0	0
Review by NSW Civil and Administrative Tribunal (NCAT)	0	0	0
TOTAL	1	3	4

Table H: Applications for review under Part 5 of the Act (by type of applicant)

	NUMBER OF APPLICATIONS FOR REVIEW
Applications by access applicants	3
Applications by persons to whom information the subject of the access application relates (see section 54 of the Act)	0

Table I: Applications transferred to other agencies under Division 2 of Part 4 of the Act (by type of transfer)

	NUMBER OF APPLICATIONS TRANSFERRED
Agency-initiated transfers	4
Applicant-initiated transfers	3

Statistics required by Clause 7 of the *Government Information (Public Access) Regulation 2018*

Total number of access applications received by the agency during the reporting year (including withdrawn applications but not including invalid applications)	76
Total number of access applications received by the agency during the reporting year that the agency refused, either wholly or partly because the application was for the disclosure of information referred to in Schedule 1 to the Act.	2

Public Interest Disclosures (PID)

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

	Made by public officials performing their day-to-day functions	Under statutory or other legal obligation	All other PIDs
Number of public officials who made PIDs directly	0	0	1
Number of PIDs received	0	0	2
Of PIDs received, number primarily about:			
Corrupt conduct	0	0	2
Maladministration	0	0	0
Serious and substantial waste	0	0	0
Government information contravention	0	0	0
Local government pecuniary interest contravention	0	0	0

A disclosure is recorded as a Public Interest Disclosure (PID) in accordance with the requirements of the *Public Interest Disclosure Act 2013* and RFS Service Standard 1.1.30 *Public Interest Disclosures*, as follows:

- The disclosure is made by a person who is, or has been, a public official (including RFS salaried staff and volunteer members)
- The disclosure is made to the RFS Commissioner or Disclosure Coordinator/Officer, an investigating authority (e.g. ICAC or NSW Ombudsman), or in limited circumstances to a Member of Parliament or journalist.
- The disclosure must be about one of the four categories of serious wrongdoing:
 - Corrupt conduct,
 - Maladministration,
 - Serious and substantial waste of public money,
 - Breach of Government Information (Public Access) Act 2009 (GIPA Act), or a breach of the GIPA Act; and
- The person making the disclosure must honestly believe on reasonable grounds that the information shows or tends to show wrongdoing.

The RFS received ten reports during the 2022/23 financial year for determination as to whether they ought to be dealt with as PIDs. Where reports are not dealt with as PIDs, the RFS recognises such reports may still raise important issues of concern and manages them in accordance with its complaints handling protocols.

Number of PIDs finalised: 2

ADDITIONAL INFORMATION	RESPONSE
Does RFS have an internal reporting policy?	Yes. RFS Service Standard 1.1.30 <i>Public Interest Disclosures</i> revised and published 19 July 2019.
Has head of agency taken actions to meet staff awareness obligations?	Publication of Service Standard 1.1.30 on the public website and the internal One RFS website.

Annual Report costs

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

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

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



5

SUSTAINABILITY

Sustainability

Statement setting out WHS performance

The 2022/23 year saw substantial efforts to improve WHS performance. The Health and Safety unit, Health and Safety Representatives (HSRs) and Peer Support Officers focused on providing safety, mental health, injury management, health and wellbeing guidance, advice, training and response to our members.

The RFS has continued its support through our involvement in the devastating NSW floods of 2022, Varroa Mite response, bush fire activity and the international deployment of personnel to Canada.

While 2022/23 saw an upward trend of incidents and injuries (16% increase from the previous financial year), these injuries were largely due to increased operational activity across flood recovery, Varroa Mite response and bush fire operations. Encouragingly, the majority of injuries (greater than 70%) required no more than first-aid treatment.

A focus on the ongoing monitoring, investigation and analysis of safety data and incidents continued to inform a systematic approach to WHS management and strategic initiatives. Reported injuries and registered workers compensation claims are detailed in the table on the following page.

In addition to supporting increased operational activity throughout the year, the Health and Safety unit continued to deliver proactive health and safety programs and innovate through new strategic initiatives and actions. Some of the notable achievements included:

- Development of Area Mitigation Crew Guidelines for Physical and Medical Testing to enhance the processes for medical and physical assessments for Area Mitigation members. The guidelines are developed in consultation with medical experts and Area Operations staff. These ensure a fit-for-purpose and best practice approach. Our focus is on detailed standardised processes and timeframes for medical/physical assessments, delegation of roles and responsibilities, and guidance for the management of outcomes of the assessments.
- Development of Health Standards for Volunteer Membership focused on ensuring a member's ability to safely undertake the duties of their volunteer role. These Standards, developed in consultation with independent medical advisors and benchmarked against comparable industry standards, represent a fit-for-purpose and evidence-based approach to ensuring the health and wellbeing of volunteer members.

The RFS Mental Health Strategy (2023-2027) was released in January 2023 with four Strategic Objectives aligned to the goal of creating a mentally healthy environment where our members can thrive. The Strategy builds upon existing and highly valued mental health offerings across the service with several strategic actions commenced (Horizon 1 – 2023):

- Refreshed Health and Injury Management program: Improvements to the administration of health and injury management to enhance member experience when injured or ill and align processes with industry standards and better practice. Next financial year improvements will include ICT system upgrades to support the administration of health and injury management, streamline processes and improve accessibility and outcomes for members.
- Enhancement of RFS Mental Health Services (MHS):
 - Development of an MHS Framework that outlines what mental health services are provided to members and by whom, what support members can expect following an incident and pathways to access the services provided.
 - Enhancement of the Peer Support Program, building on the established and valued Critical Incident Support Service (CISS), with a number of key uplifts including the recruitment of 19 additional Peer Support Officers (PSOs) to enable greater Program reach across the state.
 - Implementation of Psychological First Aid (PFA) training for MHS members, with PFA the preferred approach as per best practice guidelines for mental health support in an emergency service context.
 - Coordinated, tactical mental health plans to support and equip members to meet the challenges associated with major disasters or other large-scale events such as the 2022/23 floods, Coronial investigations and international deployment.

Reported injuries and registered workers compensation claims

INJURY TYPE	REPORTED INJURIES			WORKERS COMPENSATION CLAIMS	
	VOLUNTEER MEMBER	SALARIED MEMBER	NON RFS PERSONNEL	VOLUNTEER MEMBER	SALARIED MEMBER
Allergic reaction	23	10	2	4	13
Breathing difficulties	15	3	1	9	4
Burn – fire related	11	1	0	7	2
Burn – not fire related (e.g. scald)	10	1	0	0	0
Cancer (claims lodged)	30	1	0	25	1
Exposure only (no known illness)	61	10	0	11	1
Faint/dizziness/collapse	19	2	0	1	1
Fatality	0	1	0	0	0
Foreign body	9	10	0	0	5
Fracture	12	1	0	10	4
Head injury/concussion	5	2	0	3	3
Heart related	10	1	2	1	1
Heat/hydration issue	15	2	0	5	1
Major wound (e.g. amputation, internal damage)	3	0	0	0	0
Minor wound (e.g. cuts, grazes, bruising)	135	38	6	10	16
Muscle/tendon strain/dislocation	139	44	2	57	38
Nausea/vomiting/diarrhoea	2	3	0	1	2
Other/multiple injuries	119	34	4	24	2
Psychological	13	14	0	1	12
TOTAL	631	178	17	169	106
GRAND TOTAL		826		275	

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

Modern Slavery Act

A stand against modern slavery and commitment to ethical sourcing The RFS reaffirms its commitment to combat modern slavery in all forms by upholding the tenets of justice, ethics, and sustainability. We recognise the paramount importance of ensuring that our operations are at the vanguard of the fight against modern slavery, as defined by the *Modern Slavery Act 2018 (NSW)*.

The RFS is dedicated to using ethical and sustainable sourcing practises in our agency policies and procedures. Throughout the 2022/23 financial year, no goods or services procured by our agency have been produced using modern slavery. This accomplishment underscores the RFS commitment to fostering ethical practises across our procurement and supply chain functions.

The RFS is proactively engaged with the Anti-Slavery Commission and awaits guidance and policies, that will further refine our anti-modern slavery efforts and practises. We will continue to work with the NSW Government and fellow agencies to foster government supply chains free from modern slavery, prioritising the preservation of every individual's dignity.

Workforce diversity

Diversity and inclusion outcomes achieved in 2022/23 include:

- The RFS' newly established Reconciliation Action Plan (RAP) Working Group oversaw development of the Service's first RAP. The RAP has been submitted to Reconciliation Australia (RA) for endorsement. Following receipt of this endorsement, the RFS is excited to publish the RAP and become one of the first fire emergency services in NSW to do so.
- Consultation on the forthcoming Inclusion Strategy has occurred with the People Matter Advisory Group and more than 150 staff and volunteers. The Strategy will be launched in late 2023.
- The RFS continued its tradition of participation in the Sydney Gay and Lesbian Mardi Gras during the first WorldPride to be held in the Southern Hemisphere. Our Commissioner and Executive team were proud to participate with our members in attendance to mark the occasion.
- The RFS has maintained its partnership with the Girls on Fire program, which aims to promote young women's participation in firefighting and emergency management. In 2022/23, RFS districts continued to proudly connect young female members with the opportunity to attend Girls on Fire camps.

- We continue to be members of Women and Firefighting Australasia and will have several delegates attending their upcoming biannual conference in Brisbane.
- The RFS continues to engage with Champions of Change to remain accountable to progressing towards gender equality. The Fire and Emergency Group five-year progress report, published in early 2023, included a case study from the RFS showcasing how transforming recruitment practices resulted in improved representation of women.
- The Service is also a member of the Diversity and Inclusion collaboration group through AFAC, which facilitates networking with fire and emergency management colleagues across Australia and New Zealand, to explore the issues that affect women in the industry. Key discussion topics over the last year were inclusive uniforms and PPE, and sector-wide strategies to lift female representation
- A 'fireside chat' dedicated to exploring diversity and inclusion has been added to the RFS' Operational Officer (OpO) programs. In a casual setting, OpO cohorts explore the topic with a panel of senior RFS members and learn about the Service's inclusion-related expectations of them in their new roles.

In 2023/24 the RFS will deliver its first Inclusion Strategy and Reconciliation Action Plan, which will allow for deeper and more meaningful engagement with both our diverse membership base and the communities we serve.

Youth participation in the RFS

The RFS continued to engage with and develop its 1,291 junior members during 2022/23, despite continued COVID-19 related interruptions.

The School Cadet Program is one of the Service's longest-running and most successful youth programs and celebrates its 20-year anniversary this year, which is a significant milestone. During 2022/23, 36 Secondary School Cadet Programs were delivered at schools across various districts. This is a substantial increase in the numbers of programs delivered compared to the previous period, while the Program was recovering from the impacts of COVID-19.

The Service is collaborating closely with the RFS State Young Members Group to launch the inaugural Young Member Leadership College in August 2023. This residential College has been developed to build the leadership capability of some of the Service's most outstanding young members, in acknowledgement of their role in maintaining vibrant and sustainable membership.

Trends in the representation of staff within workforce diversity groups

WORKFORCE DIVERSITY GROUP	BENCHMARK/ TARGET	2023	2022	2021
Women	50%	33.9%	34.3%	35%
Aboriginal and Torres Strait Islander peoples	3.3%	4.0%	4.3%	4.3%
People whose first language spoken as a child was not English	23.2%	5.0%	5.3%	4.3%
People with a disability	5.6%	5.9%	5.4%	4.8%
People with a disability requiring work-related adjustment	N/A	1.4%	1.6%	2.0%

NOTES

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

Trends in the distribution of staff within workforce diversity groups

WORKFORCE DIVERSITY GROUP	BENCHMARK/ TARGET	2023	2022	2021
Women	100	104	101	102
Aboriginal and Torres Strait Islander peoples	100	80	80	79
People whose first language spoken as a child was not English	100	111	115	114
People with a disability	100	96	98	105
People with a disability requiring work-related adjustment	100	N/A	N/A	111

NOTES

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



6

FINANCIAL PERFORMANCE

Annual Financial Statements 2022/23

Independent Auditor's Report of the New South Wales Rural Fire Service	51
Statement by the Commissioner	53
Statement of comprehensive income	54
Statement of financial position	55
Statement of changes in equity	56
Statement of cash flows	57
Notes to the financial statements	58
1. <i>Statement of Significant Accounting Policies</i>	58
2. <i>Expenses Excluding Losses</i>	60
3. <i>Revenue</i>	64
4. <i>Gain / (Loss) on Disposal</i>	68
5. <i>Hedge accounting</i>	68
6. <i>Current Assets – Cash and Cash Equivalents</i>	68
7. <i>Current Assets – Receivables</i>	69
8. <i>Contracts Assets and Liabilities</i>	70
9. <i>Current Assets – Inventories</i>	70
10. <i>Property, Plant and Equipment</i>	71
11. <i>Leases</i>	73
12. <i>Intangible Assets</i>	76
13. <i>Fair value measurement of non-financial assets</i>	77
14. <i>Restricted Assets</i>	78
15. <i>Current Liabilities – Payables</i>	78
16. <i>Current / Non-Current Liabilities – Borrowings</i>	78
17. <i>Current / Non-Current Liabilities – Provisions</i>	79
18. <i>Current / Non-Current Liabilities – Other liabilities</i>	81
19. <i>Equity</i>	81
20. <i>Volunteer Services</i>	81
21. <i>Commitments</i>	81
22. <i>Contingent Assets and Contingent Liabilities</i>	82
23. <i>Budget Review</i>	82
24. <i>Reconciliation of Cash Flows from Operating Activities to Net Result 2023</i>	85
25. <i>Financial Instruments</i>	85
26. <i>Superannuation – Defined Benefit Plans</i>	91
27. <i>Related party disclosures</i>	93
28. <i>Events after the Reporting Period</i>	94



INDEPENDENT AUDITOR'S REPORT

New South Wales Rural Fire Service

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of New South Wales Rural Fire Service (the Service), which comprise the Statement by the Commissioner, the Statement of Comprehensive Income for the year ended 30 June 2023, the Statement of Financial Position as at 30 June 2023, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Statement of Significant Accounting Policies, and other explanatory information.

In my opinion, the financial statements:

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

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

Basis for Opinion

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

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

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

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

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

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

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

Commissioner's Responsibilities for the Financial Statements

The Commissioner is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulation and Treasurer's Directions. The Commissioner's responsibility also includes such internal control as the Commissioner determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Commissioner is responsible for assessing the Service's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

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



Susan Prichard
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

22 September 2023
SYDNEY



RFS



NSW RURAL FIRE SERVICE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Statement by the Commissioner

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

(a) have been prepared in accordance with the Australian Accounting Standards and the applicable requirements of the Act, the *Government Sector Finance Regulation 2018* and the Treasurer's directions, and

(b) present fairly NSW Rural Fire Service's financial position, financial performance and cash flows.

Rob Rogers AFSM
Commissioner

22 September 2023

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Statement of comprehensive income for the year ended 30 June 2023

	Notes	Actual 2023 \$'000	Budget 2023 \$'000	Actual 2022 \$'000
Expenses excluding losses				
Employee related expenses	2(a)	145,134	162,571	131,938
Operating expenses	2(b)	143,492	205,286	96,824
Depreciation and amortisation	2(c)	21,640	29,105	20,684
Grants and subsidies	2(d)	265,791	354,913	210,483
Finance costs	2(e)	1,036	1,105	1,111
Other expenses	2(f)	86,066	33,546	40,966
Total Expenses excluding losses		663,159	786,526	502,006
Revenue				
Sale of goods and services	3(b)	1,584	7,323	1,624
Sale of goods and services from contracts with customers	3(b)	19,347	-	10,320
Investment revenue	3(c)	11,186	828	641
Grants and contributions	3(d)	560,349	598,327	529,975
Acceptance by the Crown of employee benefits	3(e)	302	806	486
Other income	3(f)	35,301	16,623	31,095
Total Revenue		628,069	623,907	574,141
Operating Result		(35,090)	(162,619)	72,135
Gain / (loss) on disposal	4	1,048	-	578
Net Result		(34,042)	(162,619)	72,713
Other comprehensive income				
<i>Items that will not be reclassified to net result in subsequent periods</i>				
Fair value gain / (loss) on hedging instruments	5	195	-	82
Total other comprehensive income		195	-	82
TOTAL COMPREHENSIVE INCOME		(33,847)	(162,619)	72,795

The accompanying notes form part of these financial statements.

NSW RURAL FIRE SERVICE

Statement of financial position as at 30 June 2023

	Notes	Actual 2023 \$'000	Budget 2023 \$'000	Actual 2022 \$'000
ASSETS				
Current Assets				
Cash and cash equivalents	6,14	260,881	109,211	326,468
Receivables	7	110,930	67,976	117,484
Inventories	9	58,191	63,545	63,328
Total Current Assets		430,002	240,732	507,280
Non-Current Assets				
Property, plant and equipment	10			
- Leasehold Improvements		12,657	12,780	15,020
- Plant and equipment		105,146	107,865	80,888
- Infrastructure systems		8,743	4,198	5,437
Total property, plant and equipment		126,546	124,843	101,345
Right-of-use assets	11	37,452	40,481	42,608
Intangible assets	12	12,206	9,570	10,824
Total Non-Current Assets		176,204	174,894	154,777
Total Assets		606,206	415,626	662,057
LIABILITIES				
Current Liabilities				
Contract Liabilities	8	14,471	-	26,045
Payables	15	15,623	27,223	21,566
Borrowings	16	5,436	5,238	5,188
Provisions	17	40,551	47,074	40,316
Total Current Liabilities		76,081	79,535	93,115
Non-Current Liabilities				
Borrowings	16	38,801	43,388	43,963
Provisions	17	3,124	2,949	2,932
Total Non-Current Liabilities		41,925	46,337	46,895
Total Liabilities		118,006	125,872	140,010
Net Assets		488,200	289,754	522,047
EQUITY				
Cash flow hedge reserve	5	277	-	82
Accumulated funds		487,923	289,754	521,965
Total Equity		488,200	289,754	522,047

The accompanying notes form part of these financial statements.

NSW RURAL FIRE SERVICE

Statement of changes in equity for the year ended 30 June 2023

	Notes	Cash Flow Hedge Reserve \$'000	Accumulated Funds \$'000	Total \$'000
Balance at 1 July 2022		82	521,965	522,047
Net result for the year		-	(34,042)	(34,042)
Other comprehensive income for the year				
Fair value gain / (loss) on hedging instruments	5	195	-	195
Total comprehensive income for the year		195	(34,042)	(33,847)
Balance at 30 June 2023		277	487,923	488,200
Balance at 1 July 2021		-	449,252	449,252
Net result for the year		-	72,713	72,713
Other comprehensive income				
Fair value gain / (loss) on hedging instruments	5	82	-	82
Total comprehensive income for the year		82	72,713	72,795
Balance at 30 June 2022		82	521,965	522,047

The accompanying notes form part of these financial statements.

Statement of cash flows for the year ended 30 June 2023

	Notes	Actual 2023 \$'000	Budget 2023 \$'000	Actual 2022 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Employee related		(144,341)	(159,113)	(133,853)
Grants and subsidies		(265,791)	(354,913)	(210,483)
Finance costs		(997)	(1,105)	(1,073)
Suppliers for goods and services		(256,049)	(223,228)	(168,578)
Total Payments		(667,178)	(738,359)	(513,987)
Receipts				
Sale of goods and services		20,931	7,323	11,944
Interest received		11,186	828	640
Grants and contributions		532,070	582,064	522,374
GST receipts		51,136	-	41,326
Other		33,201	16,623	27,137
Total Receipts		648,524	606,838	603,421
NET CASH FLOWS FROM OPERATING ACTIVITIES	24	(18,654)	(131,521)	89,434
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of plant and equipment		1,170	2,000	1,251
Purchase of plant and equipment		(43,189)	(46,213)	(22,307)
Other		-	(3,572)	-
NET CASH FLOWS FROM INVESTING ACTIVITIES		(42,019)	(47,785)	(21,056)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of principal portion of lease liabilities		(4,914)	(6,098)	(5,473)
NET CASH FLOWS FROM FINANCING ACTIVITIES		(4,914)	(6,098)	(5,473)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS				
Opening cash and cash equivalents		326,468	294,615	263,563
CLOSING CASH AND CASH EQUIVALENTS	6	260,881	109,211	326,468

The accompanying notes form part of these financial statements.

1. Statement of Significant Accounting Policies

(a) Reporting Entity

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

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

These financial statements for the year ended 30 June 2023 have been authorised for issue by the Commissioner on 22 September 2023.

(b) Basis of Preparation

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

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

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

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

The Service's financial statements have been prepared on a going concern basis, which contemplates the continuity of normal operating activity and the realisation of assets and the settlement of liabilities in the normal course of business. The Service held cash at bank at 30 June 2023 of \$260.881m (2022: \$326.468m). As at 30 June 2023 the Service had a net working capital surplus of \$353.921m (2022 surplus \$414.165m). The Service receives grants from the Department of Communities and Justice in accordance with the funding provisions of the *Rural Fires Act 1997* that are sufficient to fund its ongoing operations. The Service agrees with NSW Treasury appropriate expenditure limits to support ongoing business activity and delegation arrangements are in place for the Service's expenditure to be authorised as required by the *Government Sector Finance Act 2018*.

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

(c) Statement of Compliance

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

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

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

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

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

(e) Foreign Currency Translation

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

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

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

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

(f) Comparative Information

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

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

(i) Effective for the first time in 2022-23

The accounting policies applied in 2022-23 are consistent with those of the previous financial year.

Several other amendments and interpretations apply for the first time in FY2022-23, but do not have an impact on the financial statements of the Service.

(ii) Issued but not yet effective

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

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

- AASB 17 *Insurance Contracts*
- AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*
- AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*
- AASB 2021-6 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standard*
- AASB 2021-7c – *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*
- AASB 2022-1 *Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information*
- AASB 2022-5 *Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback*
- AASB 2022-6 *Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants*
- AASB 2022-7 *Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards*
- AASB 2022-8 *Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments*
- AASB 2022-9 *Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector*
- AASB 2022-10 *Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*

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

2. Expenses Excluding Losses

	2023 \$'000	2022 \$'000
(a) Employee related expenses		
Salaries and wages (including annual leave)	120,704	112,592
Superannuation – defined benefit plans (Refer Note 26)	898	1,105
Superannuation – defined contribution plans	11,219	9,954
Long service leave	(256)	(2,078)
Workers' compensation insurance - staff	5,682	3,600
Workers' compensation insurance - staff (presumptive legislation)	-	1,055
Payroll tax	6,839	5,666
Fringe benefit tax	48	44
	145,134	131,938

The amount of employee related costs that have been capitalised, in particular property, plant and equipment or intangible asset accounts, and therefore excluded from the above is \$NIL (2022: \$NIL).

The negative long service leave expense is due to a \$0.764m gain (2021-22: \$3.444m) in the present value of long service leave liability, as a result of increasing bond rates this year. The long service leave expense would be \$0.508m (2021-22: \$1.366m) without the adjustment to present value.

Recognition and Measurement**Workers' compensation insurance**

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

Insurance coverage for volunteers is provided through the Bush Fire Fighters Compensation Fund (BFFCF) managed by Insurance and Care NSW (iCare).

Presumptive Legislation

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

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

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

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

In the case of the BFFCF, the fund is in a surplus position of \$29.544m (2021-22: \$67.242m). No premium was required to be paid in the current year however claims costs, administration costs and actuarial adjustments have impacted the level of the surplus. iCare engages external actuaries to determine the outstanding claims liabilities as at 30 June each year. Together with other liabilities and the asset position of the BFFCF, the funding position is updated. Changes to the fund surplus are recognised in the profit and loss statement in the current year.

iCare has instructed the actuaries that the financial statements for the BFFCF are intended to comply with Accounting Standard AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* ("AASB 137") and therefore are not required to be prepared in accordance with Accounting Standard AASB 1023 *General Insurance Contracts*.

AASB 137 requires the determination of a best estimate. The best estimate of the expenditure required to settle the present obligation is the amount that an entity would rationally pay to settle the obligation at the end of the reporting period, or to transfer it to a third party at that time. iCare have instructed the actuary to prepare a central estimate which is intended to represent the mean or average of the distribution of outcomes, and to adopt no risk margin in the recommended provision.

AASB 137 requires the amount of a provision to be the present value of the expenditures expected to be required to settle the obligation. The valuation allows for the time value of money through inflating and discounting future cash flows to calculate a present value of future obligations as at the valuation date. The inflation and discount rates used to calculate the present value of cash flows have been determined by iCare.

The actuary's advice with respect to outstanding claims liability has been prepared in accordance with the Institute of Actuaries of Australia's Professional Standard 302 Valuations of General Insurance Claims with the exception of the following:

- the economic assumptions adopted are those provided by iCare;
- premium liability estimates are not relevant due to the financing structure of the Funds – financed through appropriations from Parliament rather than premiums;
- the central estimate of future cash flows is included and no adjustment is made for risk margins; and
- the central estimates do not include any explicit allowance for future potential latent claims from currently unknown sources.

The BFFCF provides benefits that are payable for many years into the future, with some benefits being paid for the lifetime of injured claimants. The future cash flows in the valuation of outstanding claims liabilities are inflated to the expected date of payment, and then discounted back to the valuation date.

Also included is an estimate for claims handling expenses and tax recovery rates.

The surplus can only be used to fund future expenses and claims of the fund and cannot be refunded to contributors or used for any other purpose. Any money in the Fund can only be applied in accordance with the limitations set out in the *Workers Compensation (Bush Fire, Emergency and Rescue Services) Act 1987*. The RFS discloses any surplus/deficit fund balance as a current asset/liability as the intent is that any surplus or deficit position is corrected by adjustments to the premium paid in the following year.

NSW RURAL FIRE SERVICE

Notes to the financial statements for the year ended 30 June 2023

	2023 \$'000	2022 \$'000
(b) Other operating expenses include the following:		
Advertising	2,521	2,714
Audit Fees – Internal	329	301
Auditor's remuneration		
- audit of financial statements	172	159
Buildings - all outgoing	3,408	2,318
Computer software	3,588	2,271
Consultants	-	-
Consumables	1,272	1,246
Contractors	7,088	6,855
Electricity	506	562
Equipment – Computer	21,387	13,408
Equipment – General	5,738	2,619
Lease outgoing and management fees	2,279	1,551
Fees for service	64,140	35,283
Legal Fees	1,174	2,875
Maintenance *	958	680
Other Expenses	8,167	5,009
Printing and stationery	2,090	1,735
Staff training	2,302	2,020
Telephony	5,356	6,172
Travel	3,859	2,337
Vehicle operation	7,158	6,709
	143,492	96,824
<i>*Reconciliation – Total maintenance expense</i>		
Maintenance expense – contracted labour and other (non-employee related), as above	958	680
Employee related maintenance expense included in Note 2(a)	-	-
Total maintenance expenses included in Note 2(a) + 2(b)	958	680

Recognition and Measurement

Maintenance expense

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

Lease expense

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

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

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

NSW RURAL FIRE SERVICE

Notes to the financial statements for the year ended 30 June 2023

	2023 \$'000	2022 \$'000
(c) Depreciation and amortisation expense		
Depreciation		
Infrastructure systems	1,236	1,373
Plant and equipment	9,791	9,014
Leasehold Improvements	2,363	2,351
Right-of-use assets	5,571	5,485
	<u>18,961</u>	<u>18,223</u>
Amortisation		
Intangibles	2,679	2,461
	<u>21,640</u>	<u>20,684</u>

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

	2023 \$'000	2022 \$'000
(d) Grants and subsidies		
Fire mitigation works	18,186	14,792
Payments for Council costs associated with rural fire fighting activities and equipment	162,538	150,529
Other grants, subsidies and donations	1,591	2,597
	<u>182,315</u>	<u>167,918</u>
Overtime/Temporary staff	6,886	5,150
Aircraft hire	55,433	20,988
Fuel	351	556
Plant Machinery and equipment hire	1,828	1,797
Heavy plant	3,694	1,586
Meals and accommodation	4,734	2,578
Other natural disaster related expenses	10,550	9,910
Emergency fund – natural disasters	83,476	42,565
	<u>265,791</u>	<u>210,483</u>

Recognition and Measurement

Rural Fire Fighting Equipment

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

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

NSW RURAL FIRE SERVICE

Notes to the financial statements for the year ended 30 June 2023

	2023	2022
	\$'000	\$'000
(e) Finance Costs		
Interest expense from lease liabilities	997	1,073
Total Interest expense	997	1,073
Unwinding of discount and effect of changes in discount rate on provisions	39	38
	<u>1,036</u>	<u>1,111</u>

Recognition and Measurement

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

	2023	2022
	\$'000	\$'000
(f) Other expenses		
Workers' compensation insurance – volunteers	-	-
Workers' compensation insurance – volunteers (presumptive legislation)	37,698	-
Public liability and other insurance	6,495	5,756
Impairment / (reversal) right-of-use assets	-	(597)
Aerial support	41,873	35,807
	<u>86,066</u>	<u>40,966</u>

Recognition and Measurement

Insurance

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

Presumptive Legislation

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

3. Revenue

Recognition and Measurement

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

NSW RURAL FIRE SERVICE

Notes to the financial statements for the year ended 30 June 2023

(a) Special Deposit Account Revenue

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

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

	2023 \$'000	2022 \$'000
(b) Sale of goods and services from contracts with customers / Sale of goods and services		
Sale of goods	1,584	1,624
Aviation – use of contract by other agencies	19,347	10,320
	20,931	11,944

Recognition and Measurement

Sale of goods

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

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

Rendering of services

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

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

Aviation – use of contract by other agencies

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

	2023 \$'000	2022 \$'000
(c) Investment revenue		
Interest income	11,186	641
	11,186	641

Recognition and Measurement

Interest income

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

NSW RURAL FIRE SERVICE

Notes to the financial statements for the year ended 30 June 2023

	2023 \$'000	2022 \$'000
(d) Grants and contributions		
Grants to acquire/construct a recognisable non-financial asset to be controlled by the Service		
Department of Communities and Justice capital grants	-	-
Grants without sufficiently specific performance obligations		
Natural disaster relief contributions	57,382	18,928
Other Commonwealth and State Government grants	6,145	3,808
Department of Communities and Justice grants:		
Recurrent grant	448,924	484,478
Capital grant	47,898	22,761
	560,349	529,975

Recognition and Measurement

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

Natural disaster relief contributions

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

Rural Fire Fighting Fund contributions

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

From 1 July 2017, the NSW Government manages contributions to the Rural Fire Fighting Fund (the contributory funding scheme in the *Rural Fires Act 1997*) via grants from the Department of Communities and Justice. Relevant councils and insurers continue to contribute towards the costs of the NSW Rural Fire Service through contributions imposed by the amended *Rural Fires Act 1997* (for councils) or the *Emergency Services Levy Act 2017* (for insurers). Contributions are based upon a 'rural fire brigade funding target' which largely replicates the previous Rural Fire Fighting Fund calculation, and the contribution percentages are unchanged at 11.7% for Local Government and 73.7% for insurers. These contributions are now collected by Revenue NSW.

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

The Service receives its funding under grant funding received from Department of Communities and Justice which receives appropriations from the Consolidated Fund. Appropriations for each financial year are set out in the Appropriation Bill that is prepared and tabled for that year. The State Budget and related 2023-24 Appropriation Bill has been delayed until September 2023. However, pursuant to section 4.10 of the GSF Act, the Treasurer has authorised Ministers to spend specified amounts from Consolidated Fund. This authorisation is current from 1 July 2023 until the earlier of 30 September 2023 or release of the 2023-24 Appropriation Act.

NSW RURAL FIRE SERVICE

Notes to the financial statements for the year ended 30 June 2023

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

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

	2023 \$'000	2022 \$'000
Superannuation – defined benefit	302	486
	<u>302</u>	<u>486</u>

- (f) Other income

Sale of equipment	2,232	3,702
Natural disaster recoups (interstate and overseas deployments)	7,252	6,628
Presumptive Legislation BFFCF surplus	-	683
Workers' compensation receipts	319	1,238
Insurance claims proceeds	3,289	1,887
Development applications	646	589
Donations	18,003	14,791
Other	3,560	1,577
	<u>35,301</u>	<u>31,095</u>

Recognition and Measurement

Sale of equipment

In accordance with section 119(4)(b) of the *Rural Fires Act 1997*, distribution of proceeds from the sale by Councils of firefighting equipment is allocated between the Service and the Councils in the same proportion as each party's contribution to the purchase of the equipment. The prevailing practice is for the Service to meet the full cost of this equipment and the sale proceeds of this equipment is fully allocated to the Service as income to the NSW Rural Fire Fighting Fund. The Service's share of such proceeds totalled \$2.232m in 2022-23 (\$3.702m in 2021-22).

Presumptive legislation BFFCF surplus

Refer to disclosure in Note 2(a).

Donations

Donations are recognised either in accordance with AASB 15 *Revenue from Contracts with Customers* or AASB1058 *Income of not-for-profit entities* depending on the specific facts and circumstances of the donation. Volunteer services are excluded from donations (refer Note 20).

Insurance claims proceeds

Insurance claims include those relating to fire fighting vehicles, the majority of which are held by local councils and insured by the Service through the Treasury Managed Fund (TMF) and remediation costs refer Note 22. Insurance claims proceeds are recognised as income when the claim has been submitted and the TMF has indicated acceptance of the claim.

4. Gain / (Loss) on Disposal

	2023 \$'000	2022 \$'000
Gain / (Loss) on disposal of plant and equipment		
Proceeds from disposal	1,170	1,251
Written down value of assets disposed	(122)	(673)
	<u>1,048</u>	<u>578</u>

5. Hedge accounting

During the year ended 30 June 2023, the Service had entered into an arrangement with TCorp to exchange US dollars at a future date in order to purchase or sell aviation equipment, ICT equipment and software.

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

Recognition and Measurement

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

At 30 June 2023 the Service had \$33.967m remaining open foreign currency hedge arrangements.

Cash flow hedge reserve

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

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

6. Current Assets – Cash and Cash Equivalents

	2023 \$'000	2022 \$'000
Cash at bank and on hand	260,881	326,468
	<u>260,881</u>	<u>326,468</u>

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

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

	2023 \$'000	2022 \$'000
Cash and cash equivalents (per statement of financial position)	260,881	326,468
Closing cash and cash equivalents (per statement of cash flows)	<u>260,881</u>	<u>326,468</u>

NSW RURAL FIRE SERVICE

Notes to the financial statements for the year ended 30 June 2023

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

7. Current Assets – Receivables

	2023 \$'000	2022 \$'000
Sale of goods and services	13,798	13,533
Less: Allowance for expected credit losses*	(31)	(2)
Other receivables	82,949	92,110
GST receivable	4,651	4,404
Prepayments	9,563	7,439
	<u>110,930</u>	<u>117,484</u>

*Movement in allowance for expected credit losses

Balance at the 1 July	2	46
Amounts written off during the year	-	-
Amounts recovered during the year	-	(12)
Increase/(decrease) in allowance recognised in net result	29	(32)
Balance at 30 June	<u>31</u>	<u>2</u>

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

Recognition and Measurement

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

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

Subsequent measurement

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

Impairment

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

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

8. Contract Assets and Liabilities

	2023 \$'000	2022 \$'000
Contract liabilities – current	14,471	26,045
	<u>14,471</u>	<u>26,045</u>

Recognition and Measurement

Contract liabilities relate to payments received for specifically agreed performance obligations where the work had not been completed at the end of the year.

	2023 \$'000	2022 \$'000
Revenue recognised that was included in the contract liability balance at the beginning of the year	11,574	14,763
Transaction price allocated to the remaining performance obligations from contracts with customers	<u>14,471</u>	<u>26,045</u>

The Transaction price allocated to the remaining performance obligations relates predominantly to equipment that is being purchased and installed for use by Brigades. 100% is expected to be recognised as revenue in the 2023-24 financial year. The contract liability balance has reduced from the prior year as the obligations have been delivered and no new obligations have arisen during the year.

9. Current Assets – Inventories

	2023 \$'000	2022 \$'000
<i>Held for distribution</i>		
Fire fighting consumables	45,490	50,336
Personal protective and operational clothing	10,901	11,037
Mobile Radio Handsets	1,800	1,955
	<u>58,191</u>	<u>63,328</u>

The cost of inventories recognised as an expense during the year was \$27.834m (2021-22: \$24.495m).

The amount of write-downs of inventory recognised as an expense during the year was \$0.707m (2021-22: \$1.042m). The major reason for write-ups and write-downs is stocktake variances.

No inventories are pledged as security for liabilities.

Recognition and Measurement

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

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

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

10. Property, Plant and Equipment

	Leasehold Improvements \$'000	Plant and Equipment \$'000	Infrastructure Systems \$'000	Total \$'000
At 1 July 2021 – fair value				
Gross carrying amount	23,786	95,973	12,654	132,413
Accumulated depreciation and impairment	(6,414)	(24,464)	(6,122)	(37,000)
Net carrying amount	17,372	71,509	6,532	95,413
Year ended 30 June 2022				
Net carrying amount at start of year	17,372	71,509	6,532	95,413
Purchases	-	19,053	290	19,343
Disposals	(1)	(660)	(12)	(673)
Depreciation expense – asset owned	(2,351)	(9,014)	(1,373)	(12,738)
Net carrying amount at end of year	15,020	80,888	5,437	101,345
At 1 July 2022 – fair value				
Gross carrying amount	23,756	112,232	10,125	146,113
Accumulated depreciation and impairment	(8,736)	(31,344)	(4,688)	(44,768)
Net carrying amount	15,020	80,888	5,437	101,345
Year ended 30 June 2023				
Net carrying amount at start of year	15,020	80,888	5,437	101,345
Purchases	-	34,171	4,542	38,713
Disposals	-	(122)	-	(122)
Depreciation expense – asset owned	(2,363)	(9,791)	(1,236)	(13,390)
Net carrying amount at end of the year	12,657	105,146	8,743	126,546
At 30 June 2023 – fair value				
Gross carrying amount	23,756	144,415	13,968	182,139
Accumulated depreciation and impairment	(11,099)	(39,269)	(5,225)	(55,593)
Net carrying amount	12,657	105,146	8,743	126,546

Leasehold improvements consists predominantly of the fit-out of the Headquarters. Plant and equipment consists predominantly of motor vehicles, aircraft, office equipment and plant. Infrastructure systems consists predominantly of information and communications technology equipment.

Recognition and Measurement**Acquisition of property, plant and equipment**

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

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

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

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

Capitalisation thresholds

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

Restoration costs

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

Depreciation of property, plant and equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Service. There were no changes to useful lives compared with the prior year.

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

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

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

Right-of-Use Assets acquired by lessees

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

Further information on leases is contained at Note 11.

Revaluation of Property, Plant and Equipment

Physical non-current assets are valued in accordance with the Treasury Policy and Guidelines Paper 'Valuation of Physical Non-Current Assets at Fair Value' (TPP 21-09) and the Treasurer's Direction 'Valuation of Physical Non-Current Assets at Fair Value' (TD21-05). This policy adopts fair value in accordance with AASB 13 *Fair Value Measurement*, AASB 116 *Property, Plant and Equipment* and AASB 140 *Investment Property*.

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

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

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

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

Impairment of property, plant and equipment

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

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

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

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

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

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

Extension and termination options are included in a number of property leases. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Service and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Potential future cash outflows of \$54.013m have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee. During the current financial year, there were no revisions to exercising extensions and termination options.

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

NSW RURAL FIRE SERVICE

Notes to the financial statements for the year ended 30 June 2023

Right-of-use assets under leases

The following table presents right-of use assets.

	Land and Buildings \$'000
Balance at 1 July 2022	42,608
Additions	415
De-recognition	-
Depreciation Expense	(5,571)
Impairment or reversal of impairment	-
Balance at 30 June 2023	<u>37,452</u>

	Land and Buildings \$'000
Balance at 1 July 2021	50,205
Additions	4,441
Derecognition	(7,067)
Depreciation Expense	(5,485)
Impairment or reversal of impairment	514
Balance at 30 June 2022	<u>42,608</u>

Lease Liabilities

The following table presents liabilities under leases.

	2023 \$'000	2022 \$'000
Balance at 1 July	49,151	57,665
Additions	390	4,929
De-recognition	-	(7,674)
Interest Expense	997	1,073
Payments	(6,301)	(6,842)
Balance at 30 June 2023	<u>44,237</u>	<u>49,151</u>

The following amounts were recognised in the statement of comprehensive income for the year ending 30 June 2023 in respect of leases where the Service is the lessee:

	2023 \$'000	2022 \$'000
Depreciation expense of right-of-use asset	5,571	5,485
Interest expense on lease liabilities	997	1,073
Total Amount recognised in the statement of comprehensive income	<u>6,568</u>	<u>6,558</u>

The Service had total cash outflows for leases of \$6.301m in 2022-23 (\$6.842m in 2021-22).

Recognition and measurement under AASB 16

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

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

(i) Right-of-use assets

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

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

- Land and buildings - 5 to 12 years

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

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

(ii) Lease liabilities

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

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

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

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

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

The Service's lease liabilities are included in borrowings.

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

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

12. Intangible Assets

	Software \$'000	Total \$'000
At 1 July 2021		
Cost (gross carrying amount)	15,640	15,640
Accumulated amortisation and impairment	(4,988)	(4,988)
Net carrying amount	<u>10,652</u>	<u>10,652</u>
Year ended 30 June 2022		
Net carrying amount at start of year	10,652	10,652
Additions (acquired separately)	-	-
Additions (internally developed)	2,633	2,633
Disposals	-	-
Amortisation (recognised in 'depreciation and amortisation')	(2,461)	(2,461)
Net carrying amount at end of year	<u>10,824</u>	<u>10,824</u>
At 1 July 2022		
Cost (gross carrying amount)	17,803	17,803
Accumulated amortisation and impairment	(6,979)	(6,979)
Net carrying amount	<u>10,824</u>	<u>10,824</u>
Year ended 30 June 2023		
Net carrying amount at start of year	10,824	10,824
Additions (acquired separately)	-	-
Additions (internally developed)	4,061	4,061
Disposals	-	-
Amortisation (recognised in 'depreciation and amortisation')	(2,679)	(2,679)
Net carrying amount at end of the year	<u>12,206</u>	<u>12,206</u>
At 30 June 2023		
Cost (gross carrying amount)	21,864	21,864
Accumulated amortisation and impairment	(9,658)	(9,658)
Net carrying amount	<u>12,206</u>	<u>12,206</u>

Recognition and Measurement

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

All research costs are expensed. Development costs are only capitalised when the criteria set out in AASB 138 - *Intangible Assets* are met.

The useful lives of intangible assets are assessed as finite.

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

In accordance with AASB 138 – *Intangible Assets*, the table below illustrates the useful life of applicable asset categories. There were no changes in useful lives compared to the prior year.

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

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

13. Fair value measurement of non-financial assets

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

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

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

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

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

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

14. Restricted Assets

	2023	2022
	\$'000	\$'000
Cash held as part of the Rural Fire Fighting Fund	260,881	326,468
	<u>260,881</u>	<u>326,468</u>

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

15. Current Liabilities – Payables

	2023	2022
	\$'000	\$'000
Accrued salaries, wages and on-costs	2,745	2,362
Accrued payables	10,388	9,012
Creditors	2,490	10,192
	<u>15,623</u>	<u>21,566</u>

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

Recognition and Measurement

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

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

16. Current / Non-Current Liabilities – Borrowings

	2023	2022
	\$'000	\$'000
Lease liability – current (see Note 11)	5,436	5,188
Lease liability – non-current (see Note 11)	38,801	43,963
	<u>44,237</u>	<u>49,151</u>

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

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

NSW RURAL FIRE SERVICE

Notes to the financial statements for the year ended 30 June 2023

Changes in Liabilities arising from financing activities

	Leases	Total liabilities from financing activities
	\$'000	\$'000
Balance at 1 July 2021 (see Note 11)	57,665	57,665
New leases (see Note 11)	2,275	2,275
Other (interest expense, de-recognition & payments, see Note 11)	(10,789)	(10,789)
Balance at 30 June 2022	<u>49,151</u>	<u>49,151</u>
Balance at 1 July 2022 (see Note 11)	49,151	49,151
New leases (see Note 11)	390	390
Other (interest expense, de-recognition & payments, see Note 11)	(5,304)	(5,304)
Balance at 30 June 2023	<u>44,237</u>	<u>44,237</u>

17. Current / Non-Current Liabilities – Provisions

	2023	2022
	\$'000	\$'000
Employee benefits and related on-costs		
Annual leave	15,532	14,830
Long service leave	26,373	26,629
Provisions for Fringe Benefits Tax	2	38
	<u>41,907</u>	<u>41,497</u>
Current annual leave obligation expected to be settled after 12 months	4,815	4,597
Current long service leave obligation expected to be settled after 12 months	1,359	2,288
	<u>6,174</u>	<u>6,885</u>
Non-current long service leave obligation	<u>1,359</u>	<u>1,206</u>
Aggregate employee benefits and related on-costs		
Provisions - current	40,548	40,291
Provisions - non-current	1,359	1,206
Accrued salaries, wages and on-costs (Note 15)	2,745	2,362
	<u>44,652</u>	<u>43,859</u>
Other provisions		
Restoration costs - current	3	25
Restoration costs - non-current	1,765	1,726
Total provisions	<u>43,675</u>	<u>43,248</u>

Movements in provisions (other than employee benefits)

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

Other provisions	2023	2022
	\$'000	\$'000
Carrying amount at 1 July	1,751	1,712
Additional provisions recognised	39	39
Amounts used	(22)	-
Unused amounts reversed	-	-
Unwinding / change in the discount rate	-	-
Carrying amount at 30 June	<u>1,768</u>	<u>1,751</u>

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

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

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

Actuarial advice obtained by Treasury has confirmed that the use of a nominal approach plus the annual leave on annual leave liability using 8.4% (2021-22: 8.4%) of the nominal value of annual leave can be used to approximate the present value of the annual leave liability. The Service has assessed the actuarial advice based on the Service's circumstances and has determined that the effect of discounting is immaterial to annual leave. All annual leave is classified as a current liability even where the Service does not expect to settle the liability within twelve months as the Service does not have an unconditional right to defer settlement.

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

Long service leave and superannuation

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

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

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

Consequential on-costs

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

Other provisions

Provisions are recognised when:

NSW RURAL FIRE SERVICE

Notes to the financial statements for the year ended 30 June 2023

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

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

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

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

Restoration provisions

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

18. Current / Non-Current Liabilities – Other liabilities

The Service did not receive any transfers to acquire or construct non-financial assets to be controlled by the Service where the obligations were unsatisfied at the end of the year . .

19. Equity

Accumulated Funds

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

Reserves

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

20. Volunteer Services

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

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

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

The Service has entered into arrangements with the Department of Defence for access to certain Air Bases for the purpose of operating RFS aircraft. The RFS is not charged for these arrangements. These arrangements are not Defence Assistance to the Civil Community (DACC) arrangements. The arrangement does not fall within the scope of AASB 16 - *Leases* and is not recorded in the financial statements as a donation as it is not possible to reliably measure a comparable access arrangement.

21. Commitments

- (a) Capital Commitments

NSW RURAL FIRE SERVICE

Notes to the financial statements for the year ended 30 June 2023

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

	2023 \$'000	2022 \$'000
Not later than one year	2,948	1,607
Later than one year and not later than five years	-	-
Later than five years	-	-
Total (including GST)	<u>2,948</u>	<u>1,607</u>

Capital commitments include goods and services tax credits of \$0.268m in 2022-23 (\$0.146m in 2021-22) that are expected to be recovered from the Australian Taxation Office.

22. Contingent Assets and Contingent Liabilities

Contingent liabilities

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

At balance date the Service was a party to litigation that may result in the payment of minor amounts to settle legal claims. As the Service is insured through the Treasury Managed Fund in respect of the majority of legal claims, any residual amounts are considered to be immaterial. It is not practicable to quantify these amounts due to their nature. Contingent liabilities associated with the Local Government Superannuation Scheme are disclosed at Note 26(b)(v).

Contingent assets

The Service has no contingent assets.

23. Budget Review

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

Net result

The actual Net Result was \$128.577m more favourable than budget. The major factors are:

	\$'000
Employee related expenses under budget by \$17.4m – this is partly explained by a \$7.1m of contractor expenditure that is reported under other operating expenses, also higher staff vacancy rates due to labour market conditions.	17,437
Other operating expenses are favourable to budget by \$61.8m - after a net reclassification of actual costs of \$76.7m to Other operating expenses where the Treasury budget is reported, the variance is an overspend of \$14.9m comprising \$21.7m unfavourable insurance cost due to the actuarial	61,794

NSW RURAL FIRE SERVICE

Notes to the financial statements for the year ended 30 June 2023

assessment of the BFFCF surplus position, \$13.7m higher ICT services expenditure offset by \$22.0m underspend in Fees for Services relating to projects, which the Service will carry forward.

Depreciation and amortisation under budget by \$7.5m across all asset categories. Delays in completing assets was the main driver for this underspend.	7,465
Grants and subsidies under budget by \$89.1m - Key contributors to this underspend are: delayed completion of projects in Local Government areas including those externally funded (\$171.0m) and fire mitigation works (\$26.0m), which the Service will carry forward. \$68.5m of Natural Disaster response services expense has no budget as these costs are reimbursed to the Service. However, the Service underspent \$6.0m on natural disaster combat operations. \$39.6m of actual costs reported under Grants and subsidies has the Treasury budget allocated in Other operating expenses.	89,122
Finance costs are broadly in line with budget.	69
Other expenses are over budget by \$52.5m - \$44.2m of insurance costs are classified under Other Operating Expenses in the Treasury budget and \$8.3m overspend in aircraft expenses.	(52,520)
Sale of goods and services are \$13.6m over budget due to \$11.5m budget reclassified from Other Income and \$2.1m higher in expected aviation services related income.	13,608
Investment revenue is \$10.4m over budget - resulting from a combination of higher interest rate and higher than anticipated cash balances.	10,358
Grants and contributions revenue inclusive of Cluster Grants is under budget by \$38.0m - predominantly due to \$46.9m lower Cluster Grants primarily being lower funding for presumptive legislation workers compensation insurance and \$51.0m lower donation income as \$17.7m of actual income is reported in Other income and the remaining \$33.3m shortfall against budget reflects the lag in externally funded projects. This is partially offset by \$57.4m unplanned Disaster Relief Account grants to reimburse the net costs of natural disaster combat operations and \$2.6m higher in Grants funded projects.	(37,978)
Acceptance by the Crown Entity of employee benefits is under budget by \$0.5m – reflecting lower than budgeted defined benefit superannuation costs.	(504)
Other Revenue is \$18.7m over budget - \$17.7m donation income recognised for project activities completed that was budgeted in Grants and contributions, \$7.3m unplanned deployment revenue, \$2.7m miscellaneous income, \$2.1m higher insurance claim proceeds, partially offset by \$11.5m other budget classification difference with Sales Revenue between actual and Treasury Budget.	18,678
Gain on disposal is favourable to budget by \$1.0m - resulting from sales proceeds above expectation.	1,048
Variation from budgeted Net Result	128,577

Assets and liabilities

The actual Net Assets exceeded budget by \$198.446m. The major factors are:

	\$'000
Cash and cash equivalents are higher than budget by \$151.7m - primarily due to a lower than budget expenditure and higher than budget revenue as described above. Expenditure to utilise cash will be made in the following financial years.	151,670
Receivables higher than budget by \$43.0m - predominantly due to \$43.0m higher receivables for Disaster Relief Account reimbursements, \$6.4m higher in other receivables, partially offset by a lower BFFCF surplus (\$6.5m).	42,954
Inventory balance is lower than budget due to higher consumption than replenishment.	(5,354)
Leasehold Improvements is broadly in line with budget.	(123)

NSW RURAL FIRE SERVICE

Notes to the financial statements for the year ended 30 June 2023

Plant and equipment is \$2.7m lower than budget - attributable to a combination of delays in investment in this asset category and lower depreciation as a result of longer than expected asset delivery.	(2,719)
Infrastructure systems are \$4.5m higher than budget - due to a combination of higher ICT equipment replacement and lower depreciation expenses.	4,545
Right-of-use lease assets is \$3.0m lower than budget mainly due to a lower opening balance for the asset, combined with a lower depreciation expenses reflecting the mix and timing of new property leases onboarded during the year.	(3,029)
Intangible assets are \$2.6m higher than budget - due to a combination of higher ICT development projects and lower amortisation expenses.	2,636
Borrowings are \$4.4m improvement than budget primarily due to a lower opening balance for borrowing lease liabilities.	4,389
Payables were \$11.6m lower against budget due to the timing of transactions and payments.	11,600
Contract liabilities are \$14.5m higher than budget as there was no budget allowance for the arrangements involving receipts from external parties for delivery of agreed programs.	(14,471)
Provisions \$6.3m lower predominantly due to lower than budgeted employee related provision and make good provision.	6,348
Variation from budgeted Net Assets	198,446

Cash flows

The actual Closing Cash and Cash Equivalents exceeded budget by \$151.670m. The major factors are:

	\$'000
Difference in Opening cash position due to carried forward expenditure from 2022-23	31,853
Net cash flows from operating activities are favourable to budget by \$112.9m – resulting from delayed expenditure to be carried forward and higher revenues.	112,867
Net cash flows from investing activities are favourable to budget by \$5.8m – resulting from delayed expenditure on plant and equipment due to continued supply chain disruptions and a lower asset disposal income as a result from the delay in asset replacement.	5,766
Net cash flow from financing activities are \$1.2m favourable to budget due to lower payment of principal portion of property lease liabilities	1,184
Variation from budgeted Closing Cash and Cash Equivalents	151,670

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

	2023	2022
	\$'000	\$'000
Net cash from operating activities	(18,654)	89,434
Depreciation and amortisation expense	(21,640)	(20,684)
Decrease/(increase) in provisions	(427)	2,697
Increase/(decrease) in prepayments and other assets	(6,749)	11,257
Increase/(decrease) in asset impairment	-	597
Increase/(decrease) in inventory	(5,138)	(658)
Decrease/(increase) in creditors	17,518	(10,508)
Net gain/(loss) on sale of plant and equipment	1,048	578
Net result	(34,042)	72,713

25. Financial Instruments

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

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

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

(a) Financial instrument categories

Class	Note	Category	Carrying	Carrying
			Amount	Amount
			2023	2022
			\$'000	\$'000
Financial Assets				
Cash and cash equivalents	6	Amortised cost	260,881	326,468
Receivables ¹	7	Loans and receivables (at amortised cost)	96,716	105,641
	5	Fair value through other comprehensive income	277	82
Financial Liabilities				
Payables ²	5	Fair value through other comprehensive income	-	-
	15	Financial liabilities measured at amortised cost	12,878	19,204
Borrowings (Lease Liabilities)	16	Financial liabilities measured at amortised cost	44,237	49,151

Notes

¹ Excludes statutory receivables and prepayments (ie not within the scope of AASB 7)

² Excludes statutory payables and unearned revenue (ie not within the scope of AASB 7)

NSW RURAL FIRE SERVICE

Notes to the financial statements for the year ended 30 June 2023

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

Derivatives

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

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

All forward foreign exchange contracts have been designated as hedging instruments in cash flow hedges in accordance with AASB 9 *Financial Instruments*. The gain or loss from remeasuring the hedging instruments at fair value is recognised in other comprehensive income and deferred in equity in the hedging reserve, to the extent that the hedge is effective. There was no hedge ineffectiveness in the current year.

Changes in the fair value of derivative instruments that are not designated in a hedge relationship are recognised immediately in profit or loss as part of gain / (loss) in fair value of financial instruments although the Service has not had any hedges with this designation.

The Service held \$0.277m (2021-22: \$0.082) in derivative financial assets and \$NIL (2021-22: \$NIL) in derivative financial liabilities.

The following table indicates the periods in which the cash flow associated with cash flow hedges are expected to occur and the carrying amounts of the related hedging instruments.

		Weighted Average Exchange Rate	Contract Value \$'000	No later than 3 months \$'000	Expected Cash flow		Total \$'000
					Later than 3 months and no later than 12 months \$'000	Later than 12 months \$'000	
2023	Denominated in USD	0.7010	33,967	2,298	10,456	21,213	33,967
2022	Denominated in USD	0.7413	15,360	-	6,787	8,573	15,360

(b) De-recognition of financial assets and financial liabilities

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

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

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

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

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

(c) Offsetting financial instruments

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

(d) Financial risks

(i) Credit risk

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

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

The Service investigates debtors for default if they are in excess of 60 days past due. These items are then considered on a case-by-case basis taking into consideration the ageing, the counterparty, previous payment history and the nature of any dispute.

Cash and cash equivalents

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

Accounting policy for impairment of trade receivables and other financial assets

Receivables – trade receivables

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

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

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

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

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

NSW RURAL FIRE SERVICE

Notes to the financial statements for the year ended 30 June 2023

The loss allowance for trade receivables as at 30 June 2023 and 30 June 2022 was determined as follows:

	30 June 2023					Total
	Current	<30 days	30-60 days	61-90 days	>91 days	
Expected credit loss rate (%)	-	-	-	-	29.5	
Estimated total gross carrying amount	8,996	4,683	(10)	24	105	13,798
Expected credit loss	-	-	-	-	(31)	(31)

	30 June 2022					Total
	Current	<30 days	30-60 days	61-90 days	>91 days	
Expected credit loss rate (%)	-	-	-	-	3.9	
Estimated total gross carrying amount	1,345	11,848	286	3	51	13,533
Expected credit loss	-	-	-	-	(2)	(2)

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

The Service was not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2023 and 30 June 2022. Most of the Service's debtors have a AAA credit rating.

(ii) Liquidity risk

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

The Service has a financing facility through NSW Treasury Corporation to facilitate cash flow until statutory contributions are received. During the year there were no borrowings. The Service has NSW Treasury approval to borrow a maximum of \$115.0m.

A cheque cashing facility of \$0.01m with the Government's banker, Westpac Banking Corporation, a come and go facility of \$115.0m held with the NSW Treasury Corporation, to facilitate routine transactions. A credit card facility of \$3.0m is held with the Government's credit card provider Citibank.

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

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11-12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Head of an authority (or a person appointed by the Head of an authority) may automatically pay the supplier simple interest. The rate of interest applied during the period was 11.06% (2021-22: 8.07%).

No interest was paid to suppliers in 2022-23 (\$NIL 2021-22).

NSW RURAL FIRE SERVICE
Notes to the financial statements for the year ended 30 June 2023

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

Maturity analysis and interest rate exposure of financial liabilities

	Weighted Average Effective Int. Rate	Nominal Amount ¹ \$'000	Interest Rate Exposure				Maturity Dates		
			Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non- Interest Bearing \$'000	<1 year \$'000	1-5 years \$'000	> 5 years \$'000	
2023									
Payables ²	Nil	12,878	-	-	12,878	12,878	-	-	-
Lease Liabilities		44,237	-	44,237	-	5,436	38,801	-	-
		57,115	-	44,237	12,878	18,314	38,801	-	-
2022									
Payables ²	Nil	19,204	-	-	19,204	19,204	-	-	-
Lease Liabilities		49,151	-	49,151	-	5,188	43,963	-	-
		68,355	-	49,151	19,204	24,392	43,963	-	-

Notes:

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

NSW RURAL FIRE SERVICE

Notes to the financial statements for the year ended 30 June 2023

(iii) Market risk

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

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Service operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position reporting date. The analysis is performed on the same basis as for 2022. The analysis assumes that all other variables remain constant.

Interest rate risk

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

	Carrying Amount \$'000	-1% Profit \$'000	Equity \$'000	1% Profit \$'000	Equity \$'000
2023					
<i>Financial assets</i>					
Cash and cash equivalents	260,881	(2,609)	(2,609)	2,609	2,609
Receivables	96,716	(967)	(967)	967	967
<i>Financial liabilities</i>					
Payables	12,878	129	129	(129)	(129)
Borrowings (Lease Liabilities)	44,237	442	442	(442)	(442)
2022					
<i>Financial assets</i>					
Cash and cash equivalents	326,468	(3,265)	(3,265)	3,265	3,265
Receivables	105,641	(1,056)	(1,056)	1,056	1,056
<i>Financial liabilities</i>					
Payables	19,204	192	192	(192)	(192)
Borrowings (Lease Liabilities)	49,151	492	492	(492)	(492)

(iv) Foreign currency risk

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

The Service's exposure to foreign exchange risk is set out in the table below, with all other variables being held constant. All underlying exposure and related hedges are taken into account. The impact on equity is via other comprehensive income and is due to changes in the fair value of forward exchange contracts designated as cash flow hedges.

NSW RURAL FIRE SERVICE

Notes to the financial statements for the year ended 30 June 2023

A sensitivity of 10% movement in the exchange rates has been selected for use in the sensitivity analysis at the reporting date, as this is considered reasonable, based on the current Australian dollar level and the historical volatility of the Australian dollar against other currencies.

Based on the value of the Australian dollar at the reporting date as compared with the currencies below, adverse or favourable movements in the foreign exchange rates would result in an increase or decrease in the Australian dollar fair value respectively.

		Contract value	10%		-10%	
			Net result	Equity	Net result	Equity
		\$'000	\$'000	\$'000	\$'000	\$'000
2023	Denominated in US Dollars	33,967	-	3,699	-	(3,149)
2022	Denominated in US Dollars	15,360	-	1,704	-	(1,398)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

(e) Fair value compared to carrying amount

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

26. Superannuation – Defined Benefit Plans

(a) NSW Government Defined Benefit Superannuation Schemes

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

(b) The Local Government Superannuation Scheme

Fund Information

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

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

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

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

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

NSW RURAL FIRE SERVICE

Notes to the financial statements for the year ended 30 June 2023

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

(i) Funding arrangements

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

The future service employer contributions were determined using the new entrant rate method under which a contribution rate sufficient to fund the total benefits over the working life-time of a typical new entrant is calculated. The current standard employer contribution rates, which applied to both 2021-22 and 2020-21, are:

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

* For 180 point members, employers are required to contribute 8.0% of salaries to these members' accumulation accounts for the year ending 30 June 2022 (increasing to 8.5% in line with the increase in the Superannuation Guarantee), which are paid in addition to members' defined benefits.

The past service contribution for each Pooled Employer is a share of the total past service contributions of \$20m per annum for 1 January 2022 to 31 December 2024, apportioned according to each employer's share of the accrued liabilities as at 30 June 2022. These past service contributions are used to maintain the adequacy of the funding position for the accrued liabilities. The adequacy of contributions is assessed at each triennial actuarial investigation and monitored annually between triennials.

(ii) Liability for other entities obligations

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

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

(iii) Allocation of deficit or surplus

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

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

(iv) Expected contributions

The expected standard employer contributions for the next financial year are \$0.243m (2021-22: \$0.302m).

(v) Deficit or surplus of the Scheme

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

	30 June 2023		30 June 2022	
	\$'000	Asset Coverage	\$'000	Asset Coverage
Assets	2,290,900	N/A	2,376,600	NA
Past service liabilities	2,236,100	102.4%	2,380,700	99.8%
Vested benefits	2,253,600	101.7%	2,391,700	99.4%

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

NSW RURAL FIRE SERVICE

Notes to the financial statements for the year ended 30 June 2023

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

	2023	2022
Investment return	6.0% per annum	5.5% per annum
Salary inflation*	3.5% per annum	3.5% per annum
Increase in CPI	6.0% for FY22/23 2.5% per annum thereafter	2.5% per annum

* Plus promotional increases

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

The Service has a contingent liability with respect to the deficit in the Scheme which it needs to continue to pay in future periods, and it is currently estimated at \$0.172m (2021-22: \$0.171m).

(vi) Participation in the Scheme

The Service has an estimated percentage representation of the Scheme at 30 June 2023 of 0.86% (2021-22: 0.85%).

27. Related party disclosures

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

	2023 \$'000	2022 \$'000
Short-term employee benefits:		
Salaries	1,616	1,587
Other monetary allowances	-	-
Non-monetary benefits	44	46
Other long-term employee benefits	-	-
Post-employment benefits	126	118
Termination benefits	-	-
Total compensation	1,786	1,751

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

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

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

Significant expenditure transactions included payments to the NSW Self Insurance Corporation for insurance premiums, including presumptive legislation premiums 2022-23: \$12.177m (2021-22 \$10.411m), NSW Government Telecommunications Authority for radio network fees 2022-23: \$34.831m (2021-22: \$28.024m) and Government Property NSW for leasehold rent and make good payments 2022-23: \$6.340m (2021-22: \$7.450m).

At 30 June 2023 a receivable was due from Department of Communities and Justice amounting to \$48.032m (2021-22: \$23.667m) for expenses recoverable under the Natural Disaster Relief and Recovery Arrangements. Additionally, at 30

NSW RURAL FIRE SERVICE

Notes to the financial statements for the year ended 30 June 2023

June 2023, a receivable was due from iCare amounting to \$29.544m (2021-22: receivable \$67.242m) relating to workers' compensation contributions for volunteers.

28. Events after the Reporting Period

Consent variations were finalised in the Industrial Relations Commission on 20 July 2023 providing for increases of 4.0 per cent to salary and salary-related allowances for one year from the first full pay period on or after 1 July 2023 for the Crown Employees (Public Sector – Salaries 2022) Award (2023/210201). The new rates will be adopted by the Service in calculating employee provisions for long service leave and annual leave where applicable from July 2023. The impact on employee provisions is an increase of \$0.424m.

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

End of audited financial statements

A close-up photograph of a firefighter in a yellow jacket and brown gloves. The firefighter is holding a yellow fire hose with a red nozzle. The jacket has reflective yellow and silver stripes. The background is dark, and the lighting is bright, highlighting the textures of the gear.

7

APPENDICES

Incidents 2022/23

	2019/20	2020/21	2021/22	2022/23
Bush, grass, and forest fires attended by RFS	9,112	4,746	4,561	6,220
Structural fires	1,316	1,321	1,238	1,344
Motor vehicle fires	1,659	1,835	1,616	1,881
Motor vehicle accidents	4,239	4,836	4,220	5,106
Investigation	4,126	3,624	3,640	3,600
Controlled burns/pile burns (RFDs)	2,340	2,642	2,286	3,007
Refuse fires	592	497	416	485
Spillages	661	778	745	769
Assist other agencies	1,480	1,893	2,401	2,680
Flood and storm	128	148	217	135
Rescue	53	57	79	113
Other incidents	3,157	3,150	3,142	2,753
TOTALS	26,523	22,885	22,196	24,973

NOTES

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

New and renovation builds

Number of new and renovation builds in 2022/23

AREA	NEW		RENOVATION	
	FIRE CONTROL CENTRES	BRIGADE STATIONS	FIRE CONTROL CENTRES	BRIGADE STATIONS
Greater Sydney	-	3	1	7
Hunter	-	2	2	10
North Eastern	1	-	2	11
North Western	-	1	2	16
South Eastern	-	-	2	11
South Western	-	1	1	3
Western	-	3	-	7
TOTAL	1	10	10	65

Vehicles, boats and aircraft

Total operational vehicles, boats and aircraft 2022/23

VEHICLES	HUNTER	NORTH EASTERN	NORTH WESTERN	GREATER SYDNEY	SOUTH EASTERN	SOUTH WESTERN	WESTERN	TOTAL
Tankers	447	412	486	407	621	685	888	3,946
Pumpers	24	2	1	24	11	3	4	69
Personnel transport and Command vehicles	115	93	62	281	123	73	136	883
Bulk water carriers	8	1	3	10	5	12	4	43
All general purpose trailers and miscellaneous vehicles	124	87	175	225	136	213	314	1,274
Communications vehicles and dedicated communications trailers	5	1	7	8	4	3	5	33
Catering vehicles and dedicated catering trailers	23	12	8	24	11	15	10	103
Marine craft	9	-	-	17	4	2	-	32
Aircraft	-	-	-	-	-	-	-	11
TOTAL	755	608	742	996	915	1,006	1,361	6,394

Number of new, reallocated and refurbished vehicles delivered to brigades in 2022/23

VEHICLE CATEGORY	STYLE	NEW FIRE APPLIANCE	NEW GROUP OFFICER, COMMAND OR TRANSPORT VEHICLES	REFURBISHED APPLIANCES	REALLOCATED (SECOND HAND APPLIANCE PROGRAM)
Category 1 Tanker	Dual Cab	39	-	40	6
Category 1 Tanker	Grasslands	33	-	-	1
Category 6 Tanker	Grasslands	4	-	-	1
Category 7 Tanker	Grasslands Dual Cab	7	-	-	1
Category 7 Tanker	Grasslands Single Cab	2	-	-	1
Category 9	First Response Unit	26	-	-	1
Category 10	Urban Pumper	2	-	-	1
Category 12 and 16	Transport/Group Officer/Command	-	46	-	-
Category 13	Bulk Water Carrier	-	-	-	-
Category 17	Logistics	-	2	-	-
Category 20	Road Crash Rescue	-	-	-	-
Category 21	Road Crash Rescue Light	-	-	-	-
TOTALS		113	48	40	12

Bush fire community protection: properties protected report

LOCATION	NUMBER OF WORKS PLANNED	NUMBER OF WORKS COMPLETED	PROPORTION OF WORKS COMPLETED VS PLANNED %	NUMBER OF PROPERTIES COVERED BY COMPLETED WORKS	VALUE OF PROPERTIES COVERED BY COMPLETED WORKS \$M
Total programmed hazard reduction works	4,920	3,982	80.9%	114,898	\$50,555.1
Bush fire hazard complaints	1,453	1,040	71.6%	4,343	\$1,910.9
Private land hazard reduction certificates	282	264	93.6%	44	\$19.4
Development control assessments	5,706	5,331	93.4%	68,721	\$45,159.4
Community education programs	985	915	92.9%	20,533	\$9,034.5

Notes:

1. The 'Total programmed hazard reduction works' data set is derived from the records extracted from Guardian on 4 September 2023.
2. The 'Number of works planned' data set is comprised of activities with a planned date occurring during 2022/23.
3. The 'Number of works completed' data set comprises activities with a completion date occurring during 2022/23.
4. The 'Value of properties covered by completed works' uses a standard property value of \$440,000 per property which was sourced from a published paper (McAneney K.J. 2005).
5. The planned works for hazard complaints comprise the complaints received in this reporting period and the carryovers.
6. The planned works for DA's comprise the DAs received in this reporting period and the carryovers.

Hazard reduction

Completed hazard reduction areas summary by tenure and method

LAND TENURE	AREAS COMPLETED BY BURN ACTIVITIES (HECTARES)	AREAS COMPLETED BY MECHANICAL ACTIVITIES (HECTARES)	TOTAL (HECTARES)
Commonwealth	101.25	-	101.25
Department of Planning and Environment (Crown Lands)	722.20	1,179.67	
Forestry Corporation of NSW	5,947.35	68.19	6,015.54
Local Government Authority	518.95	3,734.62	4,253.57
NSW National Parks and Wildlife Service	70,490.93	1,276.69	71,767.62
Private	4,101.27	168.79	4,270.06
Other	775.56	1,725.88	2,501.44
Total hazard reduction areas	82,392.78	7,696.37	90,089.15

Completed hazard reduction properties protected by agency

AGENCY	# PROPERTIES PROTECTED
Department of Planning and Environment (Crown Lands)	22,964
Forestry Corporation of NSW	164
Local Government Authority	53,994
NSW National Parks and Wildlife Service	24,936
Fire and Rescue NSW	1,005
NSW Rural Fire Service	11,738
Other	97
STATE TOTAL	114,898

2022/23 Annual Report Appendices (as at 2 August 2023)

Hazard reduction undertaken by the RFS

While not a land management agency, members of the Service contribute significantly to hazard reduction activities in support of land management agencies and private property owners. During the reporting year, the Rural Fire Service undertook 455 hazard reduction works comprising approximately 5,296 hectares of hazard reduction work protecting a total number of 11,738 assets with a value of \$5.2 billion (based on median insurance house and contents value in Sydney 2004 - McAneney K. J. 2005).

Hazard reduction certificates issued

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

CERTIFICATE ISSUING AGENCY	NUMBER ISSUED	% TOTAL
Department of Planning and Environment (Crown Lands)	74	5.69%
Local Government Authority	249	19.15%
NSW National Parks and Wildlife Service	-	-
NSW Rural Fire Service	975	75.00%
Other	2	0.15%
TOTAL	1,300	100%

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

Hazard complaints received

LAND TENURE	COMPLAINTS RECEIVED	% OF TOTAL
Private Land	927	73.92%
Council Land	227	18.10%
State Government Land	97	7.74%
Commonwealth Land	1	0.08%
To Be Determined	2	0.16%
Total	1,254	100%

Inspections, formal notices and enforcement works

Number of hazard complaints inspections undertaken	Number of formal notices issued under Section 66 of the Act	Enforcement works undertaken under Section 70 of the Act
1,582	25	-

Permits issued under *The Rural Fires Act 1997*

AGENCY	ISSUED	% OF TOTAL
Fire and Rescue NSW	1,852	8.30%
NSW Rural Fire Service	20,474	91.70%
Total	22,326	100%

Bravery and Service Awards (Internal)

AWARD	AMOUNT AWARDED
Commissioner's Award for Valour	1
Commissioner's Commendation for Bravery (Individual)	13
Commissioner's Unit Citation for Bravery	1
Commissioner's Commendation for Service (Individual)	19
Commissioner's Unit Citation for Service	10
Commissioner's Certificate of Commendation (Individual)	12
Commissioner's Certificate of Commendation (Unit)	23
TOTAL	79

Commissioner's Award for Valour
Deputy Group Captain Philip Blackmore
Central Coast, Area Hunter

Firefighter Thomas Newbigging
Mid Lachlan Valley, Area Western

Firefighter Patrick Welsh
Mid Lachlan Valley, Area Western

Commissioner's Commendation for Bravery
(Individual)

Group Captain Andrew Macdonald
Macarthur, Area Greater Sydney

Commissioner's Unit Citation for Bravery
Kundle/Moto Rural Fire Brigade
Mid Coast, Area Hunter

Group Captain Craig Robertson AFSM
Illawarra/Sutherland, Area Greater Sydney

Commissioner's Commendation for Service
(Individual)

Firefighter Blake Shumack
Macarthur, Area Greater Sydney

Deputy Captain Jeff Wood
Macarthur, Area Greater Sydney

Captain Alan Noble
Canobolas, Area Western

Deputy State Protocol Officer Lesley Smith
Cumberland, Area Greater Sydney

Captain Bill Turner
Canobolas, Area Western

Group Captain (Retired) James Smith AFSM
The Hills, Area Greater Sydney

Firefighter John Agustin
Canobolas, Area Western

Dr Stuart Matthews
RFS HQ, Area Greater Sydney

Senior Deputy Captain Dallas Pearce
Canobolas, Area Western

Deputy Group Officer Joseph Campbell
Mid Lachlan Valley, Area Western

Firefighter Michael Miles
Canobolas, Area Western

Deputy Group Captain Andrew Barnard
Mid Lachlan Valley, Area Western

Firefighter Lachlan Noble
Canobolas, Area Western

Inspector Michael Robinson
Mid Lachlan Valley, Area Western

Group Captain Ross Newbigging
Mid Lachlan Valley, Area Western

Captain Barry Morgan
Northern Rivers, Area North Eastern

Firefighter Josh Newbigging
Mid Lachlan Valley, Area Western

Captain Jeffrey Whitney
Northern Rivers, Area North Eastern

Firefighter Cheryl Whitney
Northern Rivers, Area North Eastern

Firefighter Mavis Goodlad
Northern Rivers, Area North Eastern

Captain Neville Battistuzzi
Northern Rivers, Area North Eastern

Group Officer Robert Graham
Northern Rivers, Area North Eastern

Firefighter Rosanna Joshua
Southern Tablelands, Area South Eastern

Captain Alesha Buckley
Mid Murray, Area South Western

Group Captain Dale Bowles
Mid Murray, Area South Western

Firefighter Daniel Andrews
Mid Murray, Area South Western

Group Officer David Lang
Mid Murray, Area South Western

Officer Level 2 Bradley Stewart
Riverina, Area South Western

Commissioner's Unit Citation for Service

AFDRS
National Project Group
HQ, Area Greater Sydney

AFDRS
NSW Project Implementation Team
HQ, Area Greater Sydney

Aviation Rescue Crew
State Operations/Operational Field Support
HQ, Area Greater Sydney

Gwandalan Rural Fire Brigade
Central Coast, Area Hunter

Lake Munmorah Rural Fire Brigade
Central Coast, Area Hunter

Mt Arthur Rural Fire Brigade
Orana, Area Western

Oakville Rural Fire Brigade
Hawkesbury, Area Greater Sydney

Ormond-Mungery, Waratah, Tullamore,
The Troffs and Sandy Creek Rural Fire Brigades
Mid Lachlan Valley, Area Western

Woombah Rural Fire Brigade
Clarence Valley, Area North Eastern

Yeoval and Washpen Rural Fire Brigades
Canobolas, Area Western

Commissioner's Certificate of Commendation (Individual)

Captain Kathleen Everett
Hunter Valley, Area Hunter

Firefighter Jake Bullen-Zorin
Mid Lachlan Valley, Area Western

Deputy Group Officer Andrew Grabham
Chifley/Lithgow, Area Western

Senior Deputy Captain Tanya Willey
Chifley/Lithgow, Area Western

Group Captain Scott Campbell
Clarence Valley, Area North Eastern

Firefighter Campbell Kenyon
Far North Coast, Area North Eastern

Firefighter Neil Wheeler
Far North Coast, Area North Eastern

Group Officer Christine Hartley
Northern Rivers, Area North Eastern

Group Officer Garry Johnston
Northern Rivers, Area North Eastern

Senior Deputy Captain John Holmes
Northern Rivers, Area North Eastern

Captain Todd McCallum
Mid Murray, Area South Western

Mr Andrew Peter Collins
Capability, Area South Western

Commissioner's Certificate of Commendation (Unit)

Berrigan Rural Fire Brigade
Southern Border, Area South Western

Bourke HQ Rural Fire Brigade
Far West, Area Western

Broke Rural Fire Brigade
Hunter Valley, Area Hunter

Bulli Rural Fire Brigade
Illawarra/Sutherland, Area Greater Sydney

Buxton Rural Fire Brigade
Southern Highlands, Area Greater Sydney

Community Risk Team
Area Operations, Area South Eastern

Cudgen Rural Fire Brigade
Far North Coast, Area North Eastern

Cumberland Operational Support
Rural Fire Brigade
Cumberland, Area Greater Sydney

Gledswood Rural Fire Brigade
Macarthur, Area Greater Sydney

Gunning-Fish River Rural Fire Brigade
Southern Tablelands, Area South

Hawkesbury District
Hawkesbury, Area Greater Sydney

Macarthur Covid-19 Assistance Team
Macarthur, Area Greater Sydney

Mid Lachlan Valley Team
Mid Lachlan Valley, Area Western

Mid Murray Support Rural Fire Brigade
Mid Murray, Area South Western

Moulamein Rural Fire Brigade
Mid Murray, Area South Western

Mt McDonald and Wyangala
Rural Fire Brigades
Canobolas, Area Western

Northern Rivers District
Northern Rivers, Area North Eastern

Spring Creek Road Flood Assistance
Cudgegong, Area Western

St John Ambulance SA
NSW Flood Deployment
Mid Murray, Area South Western

State Training Academy Team
Preparedness and Capability/
Training and Doctrine, Area Western

Strike Team East 19/042
Cumberland and Blue Mountains,
Area Greater Sydney

Wardell and Meerschaum Vale
Rural Fire Brigades
Far North Coast, Area North Eastern

Wisemans Ferry Rural Fire Brigade
The Hills, Area Greater Sydney

Long Service Awards (Internal)

Awarded for 10 years of Long Service with Clasps awarded for each subsequent 10-year period of service.

LONG SERVICE MEDAL/CLASP	MEMBERS
10-year Long Service Medal	1,543
20-year Long Service Clasp	406
30-year Long Service Clasp	202
40-year Long Service Clasp	135
50-year Long Service Clasp	70
60-year Long Service Clasp	23
70-year Long Service Clasp	7
TOTAL	2,386

National Medal/Clasp

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

NATIONAL MEDAL/CLASP	MEMBERS
Medals	193
Clasps	221
Total	414

Australian Fire Service Medal (Australian Honours System)

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

AUSTRALIAN FIRE SERVICE MEDAL	MEMBERS
Australia Day	8
King's Birthday	8
Total	16

Members Awarded the Australian Fire Service Medal – Australia Day

Group Captain Bruce Angel
Riverina District

Deputy Group Captain Jennifer Bamman
Far South Coast District

Group Captain Peter Bulliman
South West Slopes District

Group Captain Warren Cree OAM
Northern Beaches District

Deputy Commissioner Peter McKechnie
Central Coast District

Group Captain Maurice McMillen
Chifley/Lithgow District

Captain Kym Stanford
Namoi/Gwydir District

Group Captain Craig Walters
Orana District

Members Awarded the Australian Fire Service Medal – King's Birthday

Group Captain/Captain Michael Amos
Far West District

Catering Captain Stephanye Holden
Clarence Valley District

Senior Deputy Captain Heather Jones
Central Coast District

Deputy Captain Victor Judson
Shoalhaven District

Group Officer Peter Lugsdin
MIA District

Group Officer Andrew Macdonald
Macarthur District

Senior Deputy Captain Linda Riley
Namoi-Gwydir District

Group Captain Grant Wargren
Hornsby/Ku-ring-gai District

Glossary

ACRONYM	MEANING	ACRONYM	MEANING
ABS	Australian Bureau of Statistics	LGA	Local Government Area
AC	Companion of the Order	LGLC	Local Government Liaison Committee
AFAC	Australasian Fire and Emergency Service Authorities Council	MDT	Mobile Data Terminal
AFDRS	Australian Fire Danger Rating System	MIA	Murrumbidgee Irrigation Area
AFSM	Australian Fire Service Medal	MP	Member of Parliament
AI	Artificial intelligence	NCAT	NSW Civil and Administrative Tribunal
APES	Accounting Professional and Ethical Standards	NEAC	North Eastern Area Command
APM	Australian Police Medal	NIFC	National Interagency Fire Centre
ATSB	Australian Transport Safety Bureau	NWAC	North Western Area Command
BFCC	Bush Fire Co-ordinating Committee	NHRA	Natural Hazards Research Australia
BFFCF	Bush Firefighters Compensation Fund	RFS	Rural Fire Service
BFMC	Bush Fire Management Committee	RFS ACTIV	RFS Member availability and response system app
CAD	Computer Aided Dispatch	SEAC	South Eastern Area Command
CAL FIRE	California Department of Forestry and Fire Protection	SLS NSW	Surf Life Saving NSW
CISS	Critical Incident Support Service	SWAC	South Western Area Command
CPA	Certified Practising Accountant	NSW SES	NSW State Emergency Service
CPI	Consumer Price Index	OAM	Medal of the Order of Australia
DA	Development Approval	OCC	Operational Communication Centre
ELS	Emergency Logistics Solution	OLDP	Operational Leaders Development Program
EPA	Environment Protection Authority	OpO	Program Operational Officer Program
FCC	Fire Control Centre	PFA	Psychological First Aid
FFU	Farm Fire Unit	PID	Public Interest Disclosures
FRNSW	Fire and Rescue NSW	PPC	Personal Protective Clothing
FSJSC	Fire Services Joint Standing Committee	PPIPA	<i>Privacy and Personal Information Protection Act 1998</i>
FTE	Full-Time Equivalent	PSSE	Public Service Senior Executive
GDP	Gross Domestic Product	RA	Reconciliation Australia
GIPA	Government Information (Public Access)	RAP	Reconciliation Action Plan
GSAC	Greater Sydney Area Command	RFD	Rural Fire District
GSF	Government Sector Finance	RFSA	NSW Rural Fire Service Association
GST	Goods and Services Tax	RFSAC	Rural Fire Service Advisory Council
HQ	Headquarters	RPAS	Remotely-piloted Aerial System
HRIPA	<i>Health Records and Information Privacy Act 2002</i>	SDA	Special Deposit Account
HSR	Health and Safety Representative	Section 44	Section 44 of the <i>Rural Fires Act 1997</i> (declaration of major fire emergency)
HAC	Hunter Area Command	TCorp	Treasury Corporation
ICAC	Independent Commission Against Corruption	TMF	Treasury Managed Fund
iCare	Insurance and Care NSW	VRA Rescue NSW	Volunteer Rescue Association NSW
ICT	Information and Communications Technology	WAC	Western Area Command
IMT	Incident Management Team	WHS	Workplace Health and Safety
LAT	Large Air Tanker		

Index

Aboriginal and Torres Strait Islander	2, 30, 41, 48	Districts, RFS	17-18
Access – NSW RFS office locations	17	Diversity	47-48
Accounting Policies	58-59	Donations	21, 63, 67
Aims and objectives	7	eMembership	24
Annual Report – costs	43	Emergency Logistics Program	24, 31
Appendices	95-101	Ethical standards	47
Areas, RFS	18	Executive	14-15, 33, 47
Assistant Commissioners	16	Executive remuneration	33
Athena	25, 30	Farm Fire Unit Integration	23
Audit and Risk Committee	13	Financial position statements	55
Auditor's report	51-52	Fire control centres	28, 96
Australasian Fire and Emergency Services Council (AFAC)	47	Fire season overview	27
Australian Fire Danger Rating System	9, 23	Fire Services Joint Standing Committee	13
Australian Fire Service Medal (AFSM)	102-105	Governance committees	12-13
Aviation	11, 25, 29, 97	<i>Government Information (Public Access) Act 2009</i>	5, 39-42
Awards	102-105	Hazard reduction	8, 27, 99-101
Benevolent Fund	21	Hazard reduction statistics	99-101
Brigades, total number	10	Headquarters	17, 73
Budget	82-84	Health and Safety	16-17, 45-46
Bush Fire Co-ordinating Committee	12-13	Incidents	8, 11 27, 96
Cash flow statements	57	Indigenous (<i>see also Aboriginal</i>)	2, 30, 41, 48
Changes in equity statements	56	Information Communications and Technology (ICT) ...	30
Charter (<i>see Mission</i>)		Infrastructure	23, 28, 30, 63, 71-72, 82, 84
Chief Financial Officer	15	Injuries	45-46
Commissioner	14	Inspections, formal notices and enforcement works ..	101
Commissioner's Report	8-9	Insurance	35, 60, 64, 67, 80-83, 93
Committees	12-13	Integrated Dispatch System (CAD)	9, 22
Complaints management	22, 43, 99, 101	Jihad Dib, MP, the Hon	5, 9, 12
Comprehensive income statements	54	LAT (Large Air Tankers)	29, 35
Consultants	34, 62	Legislation	12
Corporate Plan (<i>see Our Plan</i>)	20-25	Management and governance	12, 13
Cyber security	38	Mapping Software	22
Declarations	8, 27	Mardi Gras	47
Deployments	8, 15, 67	McKechnie, Peter	15, 105
Deputy Commissioners	15	Membership Applications	24, 34
Digital ID	24	Member Availability and Response System (RFS ACTIV)	22
Directors	16		

Index

Member Website (One RFS)	23	Travel, Minister-approved	34
Mental Health	21, 45	Values	7
Minister	5, 9, 12	Vehicles	11, 22, 29, 73, 97-98
Mission (see <i>Vision and purpose</i>)	7, 20	Vision and Purpose	7
Mitigation crews	17	Volunteers, statistics	10
Mobile Data Terminals	22, 30	Work Health and Safety	45-46
Modern Slavery Act	45	Workers compensation	35, 46, 60, 64, 67, 83-84
Next Generation Fleet	23, 29	Workforce Diversity	47-48
NSW Bushfire Inquiry	21, 28	Workplace Conduct	22
Objectives (see <i>Aims and objectives</i>)		Young Members Group	13, 47
Offices	17, 73	Youth participation in NSW RFS	47
O'Malley, Stephen	15		
Organisational Structure	17		
Our Plan	20-25		
Permits issued	101		
Personal Protective Clothing (PPC)	29		
Personal Protective Equipment (PPE)	21, 47		
Principal Officers	14-15		
Priority Projects	8-9, 21-25, 28-29		
Privacy Statement	39		
Properties protected	99		
Properties protected by agency	100		
Public Interest Disclosures (PID)	43		
Research and development	31		
Resource to Risk	24		
Risk management and insurance	35		
Rogers, Rob (see <i>Commissioner</i>)	5, 8-9, 14, 31, 53		
Rural Fire Service Advisory Council (RFSAC)	13		
<i>Rural Fires Act 1997</i>	12-13, 58, 65-67, 78, 93, 101		
Schmidt, Trina	15		
Section 44	8, 27		
Stakeholders	7		
Station Connectivity	9, 23		
Stewart, Kyle	15		
Strategic Direction	20-24		
Structure (see <i>Organisational Structure</i>)			
Tankers	97		
Training	9, 30, 45,		
Training Academy	9, 28, 30-31		



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