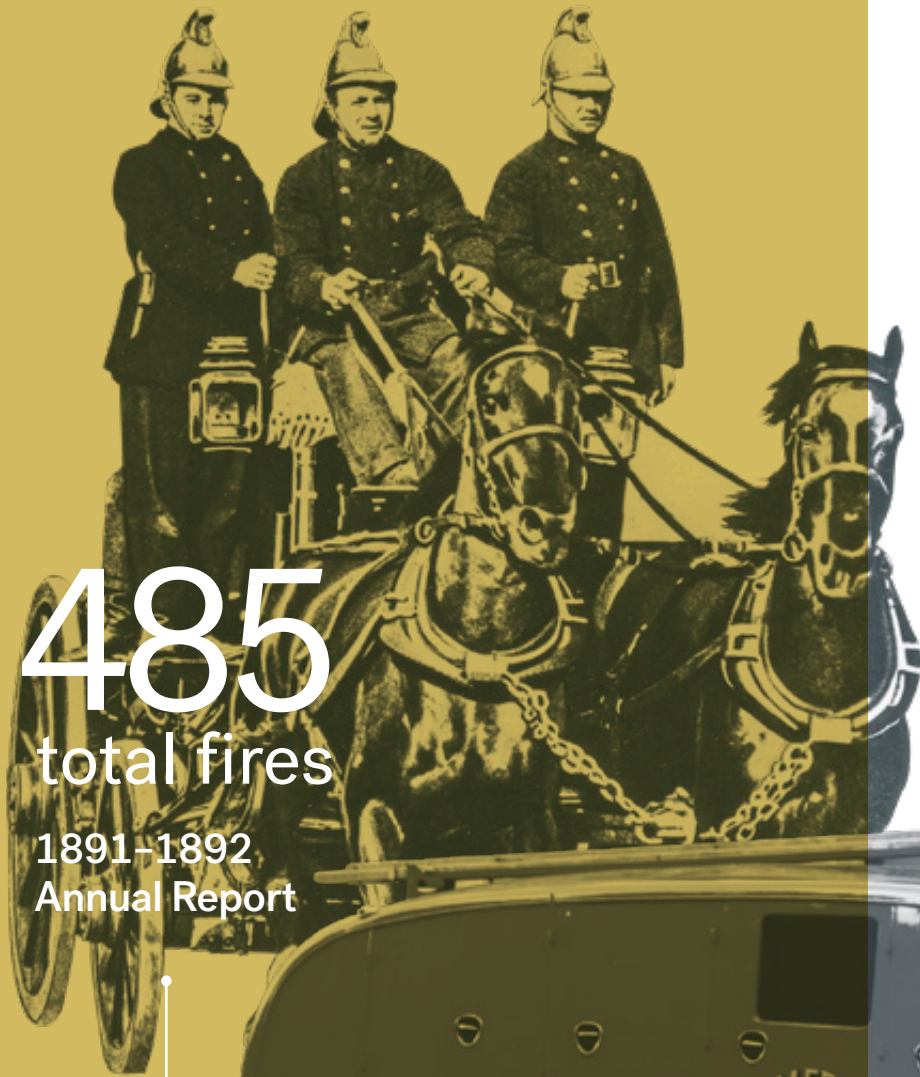


Annual Report 2019–2020



Looking back, moving forward —
Celebrating MFB





485

total fires

1891-1892
Annual Report



5,807

fires & explosions

2019-2020
Annual Report



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Vision and strategic themes

The Metropolitan Fire and Emergency Services Board (MFB) is a contemporary fire and rescue service, which has proudly served the Victorian community for 129 years.

We aspire to provide an exemplary fire and rescue service for Melbourne and Victorians.

Our shared vision with Emergency Management Victoria is building safer and more resilient communities.

Our strategic themes for 2019–2020 are:

- Always safe
- Improving community safety and resilience
- Valuing our people
- Delivering exceptional service
- Working with others

MFB's values are:

Safety: We strive for a workplace culture of safety, identifying and remedying the causes of workplace injuries.

Response: We are responsive to the needs of our people and our community.

Professionalism: We work in a highly professional manner.

Initiative: We demonstrate initiative, innovation and agility as we continuously improve our service.

MFB also upholds the Victorian Government Public Sector values:



Responsiveness



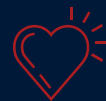
Integrity



Impartiality



Accountability



Respect



Leadership



Human rights

Letter to the Minister

The Hon. Lisa Neville MP
Minister for Police and Emergency Services
Level 17, 8 Nicholson Street
East Melbourne VIC 3002

Dear Minister,

I have much pleasure in submitting the 2019–20 Annual Report of the Metropolitan Fire and Emergency Services Board in accordance with the *Financial Management Act 1994 (Vic)*, for the year ending 30 June 2020.



Ken G. Block
Fire Rescue Commissioner
Fire Rescue Victoria
30 November 2020

Fire Rescue Victoria Commissioner's foreword



As a community we're adapting to the changing climate, and other factors including population growth, urbanisation, building codes and regulations. What won't change is our commitment to the communities we serve, and our efforts to keep Victorians safe.

On behalf of the former Metropolitan Fire and Emergency Services Board (MFB), and as the inaugural Fire Rescue Commissioner, I am pleased to present the 2019-20 Annual Report.

MFB and the Country Fire Authority (CFA) have proudly served the Victorian community for more than a century, and I feel privileged to have the opportunity to lead such a dynamic, skilled and dedicated team of people under Fire Rescue Victoria (FRV).

The establishment of FRV on 1 July 2020 was a defining moment in the state's history and will ensure that the needs of a growing and changing twenty-first century Victoria are met.

As a community we're adapting to the changing climate, and other factors including population growth, urbanisation, building codes and regulations. What won't change is our commitment to the communities we serve, and our efforts to keep Victorians safe. FRV will serve and protect communities across Melbourne and Victoria's major regional centres from 85 fire and rescue stations across the state—some of which will be co-located with CFA volunteer brigades—and various offices and facilities.



I am honoured to be at the forefront of this new chapter for Victoria's fire and rescue services, and my priority will be to ensure that FRV is well equipped to support the safety and wellbeing of the Victorian community and our people.

In the emergency services sector, we work together as one team, and FRV will proudly continue to work alongside the CFA, which will be a fully community-based volunteer fire and rescue service. Volunteers are an essential resource within Victoria's fire and rescue service capability, and the supportive relationship between FRV and CFA will be integral to the success of both organisations.

For more than a century all agencies and all personnel – firefighters, staff and volunteers – have proven why Victoria's fire and rescue services are held in such high regard. Together, we will be able to draw on decades of knowledge and expertise, and continue to deliver and enhance our strong, cohesive and agile fire and rescue service, utilising the capability of our people to handle everything from urban search and rescue to marine fires and bushfires.

Victorian fire and rescue service employees have a long and proud history of working together with all emergency service organisations, whether volunteer or professional, and this will continue under Fire Rescue Victoria. It will be our priority to continue to work seamlessly with our emergency service sector colleagues to provide the best response for all Victorians, wherever they live in the state.

Since joining the FRV transition team in February 2020, I have spent the past months working closely with people in the sector, meeting as many individuals as possible and helping prepare the new organisation. I have seen the significant work and planning that has gone into the establishment of Fire Rescue Victoria and see a very bright future ahead.

The reforms provide us with a unique opportunity to enhance our community service, strive for continuous improvement, and provide the best fire and rescue response for all Victorians.

I am honoured to be at the forefront of this new chapter for Victoria's fire and rescue services, and my priority will be to ensure that FRV is well equipped to support the safety and wellbeing of the Victorian community and our people.

In presenting this report, I would like to acknowledge those who have worked tirelessly in the recent transition to Fire Rescue Victoria and those who continue to serve the Victorian community every day.

My appointment as Fire Rescue Commissioner comes at a time of great opportunity and I am committed to working with our people, our emergency services sector colleagues and all stakeholders to ensure that Fire Rescue Victoria is the best that it can be.

Regards,

Ken G. Block
Fire Rescue Commissioner

President's foreword



It is with a mixture of reflection and excitement that I write this very last foreword for an MFB Annual Report. Looking back, I have a huge sense of pride at the work we have done; even just in the past 12 months we have worked tirelessly towards transitioning to Fire Rescue Victoria (FRV), supporting the community, Country Fire Authority (CFA) and our partner agencies through the exceptionally challenging bushfires that Victoria experienced this summer, and now planning, preparing, and responding to the COVID-19 pandemic.

This year MFB attended more than 38,000 incidents, including more than 5,800 fires, 3,100 incidents involving hazardous materials and 4,000 emergency medical response calls. We worked collaboratively with our emergency services colleagues throughout the 2020 Victorian bushfires, and set up Incident Management teams (IMTs) to manage MFB's response to COVID-19 and ensure resources, processes and procedures kept our people and communities safe. These activities confirm how varied our role has become, and highlights that we do so much more than just fight fires in our provision of exceptional services to the community.

In December, the Victorian Government announced the appointment of Mr Ken Block as Victoria's first Fire Rescue Commissioner. This appointment was a critical and defining moment in the establishment of Fire Rescue Victoria, bringing with it certainty to our people and the sector as we worked towards transition.

The summer fire season proved confronting, and was made even more difficult by the tragic loss of life and injury it inflicted. In January, the Victorian Government declared a State of Disaster in response to the ferocity of the fires. MFB worked seamlessly with our sector colleagues to protect the community as we faced this unprecedented fire event. As the world watched, it was heartbreaking to observe the intensity of the fires and the difficulties people had to endure, but as we came together and faced the adversity, my fears and concerns were replaced by great pride in seeing the selfless actions of the community, firefighters, and emergency services personnel working as one to overcome challenges together. As stories of courage and hope began to emerge from the fire grounds, it demonstrated the depth of community spirit and resolve, and confirmed that Australians are very fortunate to have such well-trained, dedicated firefighters and first responders who unreservedly place their community front and centre in everything they do.

Just as we caught our breath from the bushfires, in January the first cases of COVID-19 were recorded in Australia, and our world changed forever. In response, MFB swiftly established Incident Management teams and ceased our usual community engagement activities as a preventative measure. This decision was not taken lightly but it was imperative for us to implement precautions to protect the safety and wellbeing of our people and the community while maintaining our delivery of fire and rescue services. In March, a State of Emergency was declared by the Victorian Government and a series of measures were implemented in order to contain the spread of the virus. As a result we saw the closure of some businesses, universities, schools, playgrounds, and beaches along with social distancing and 'stay at home' orders. We are working closely with our emergency services partners to ensure that we are ready and able to support our community in any way we can, while also protecting our people at all times.

In March, we joined the world in marking International Women's Day to acknowledge the social, economic, cultural and political challenges and achievements of women. This year's global theme was 'Generation Equality', with a call for people across the generations to join forces and create a world where every girl and woman has equal opportunities to fulfil their potential. At MFB we have been doing just that by promoting firefighting as a career for people of all genders, developing education kits for schools and contributing to community initiatives. To mark the day, MFB launched two films featuring MFB people who spoke about what it's like to be a woman working in the fire and rescue services. I am proud to work alongside so many talented and exceptional women at MFB who demonstrate courage, leadership and dedicated community service every day, and I look forward to seeing numbers grow in our ranks in future years.

Fiona Chamberlain left the board in July 2019 and I would like to thank her for her invaluable service and contribution to MFB over her tenure. We welcomed her replacement Pam White in January, who brought to the organisation over 30 years' experience with the Victorian Public Service, and knowledge of the sector as the State Recovery Coordinator at the time of the 2009 bushfires. I am indebted to Pam and my other fellow Board Members Kylie Hall, Frances Diver, Gennaro Fittipaldi, Peita Duncan and Greg Sword for their commitment, insight and stewardship of our wonderful organisation.

It has been an honour to serve on MFB's Board and I have been immensely proud to lead MFB over the last few years. It is abundantly clear to me that it is the people of MFB that make it such a special and unique organisation – one that has served our community with pride and passion for over 129 years. There is no doubt that in transitioning to FRV, the people of MFB will take with them their passion, skill and selfless dedication.

I would like to close by acknowledging everyone at MFB and thanking them for their commitment to our organisation and our community as we honour the past and look forward to our future.



Jasmine Doak
President



My fears and concerns were replaced by great pride in seeing the selfless actions of the community, firefighters, and emergency services personnel working as one to overcome challenges together.

Acting Chief Executive Officer/ Chief Officer's report



It's been another busy year at MFB, and I am grateful to all of our employees for their dedication and commitment to the community we serve over the last 12 months. Throughout the year we have seen an increase in the interoperability, cooperation and planning by emergency services, government, businesses and communities, and we have grown together to build safer and more resilient communities.

MFB is one of Melbourne's longest-serving organisations and we are proud of our rich history and the people who make up the organisation. Established almost 130 years ago, we have seen the State of Victoria evolve over this period, and while our work has changed, our purpose remains the same - to provide an exemplary fire and rescue service serving our community.

Over the last year MFB has responded to a range of challenges, including managing risk of fire associated with recycling and waste management facilities, combustible cladding and hazardous building materials. We have also continued to engage with our stakeholders to enhance our operational and advocacy roles while serving the people of Victoria through a long, challenging fire season that tragically saw lives lost and homes destroyed. In Victoria, fire and rescue services reform has dominated the agenda throughout the year as we have worked towards the transition to Fire Rescue Victoria (FRV).

The reforms present us with a great opportunity to enhance the service we deliver to our community for the future. We have marked key milestones, including the passage of the *Firefighters' Presumptive Rights Compensation and Fire Services Legislation Amendment (Reform) Act 2019*, which received Royal Assent in July 2019.

Also in July, the Fire Services Reform Interdepartmental Committee held its first meeting. The Committee continued to meet regularly over the year to lead the reform process with input from MFB, the Country Fire Authority, government, unions, associations and other key stakeholders. The Committee's role is to help ensure that the relevant expertise, capability and capacity was utilised to plan and deliver the reforms and FRV. As part of this work, in early December 2019 the Victorian Government announced the appointment of Mr Ken Block as Victoria's first Commissioner for Fire Rescue Victoria. We are looking forward to the year ahead with a new leader at the helm.

Another significant support for emergency workers was announced this year. The Provisional Payments Pilot for mental health injuries highlights the importance of seeking early treatment for mental health injuries and all MFB employees are eligible to participate. To ensure that cost is not a barrier to accessing early treatment, the program allows eligible current and former employees to access payments for medical treatment and services while a compensation claim for a primary mental injury is being assessed. The health and wellbeing of our people is our number one priority and I am proud of the strides we have made as an organisation to improve mental health.

Throughout the year, MFB delivered new and upgraded sites and stations, including the new Fire Equipment Services Workshop, the Glen Iris Fire Station and the new temporary marine facility at Pier 35.

There were six Victorian Recruit Firefighters courses held this year, resulting in nearly 200 additional career firefighters for the State of Victoria, who joined the fire and rescue services at a critical time, strengthening the state's capacity during unprecedented events. It was a catastrophic summer fire season in Victoria and across Australia, that tragically saw lives lost and homes destroyed. In Victoria, more than 3,500 fires burned more than 1.5 million hectares. Throughout Queensland and New South Wales, MFB personnel joined other emergency management leadership representatives to provide Incident Management specialist personnel and strike teams to support the state's suppression activities in severe wildfire areas. These fires attracted attention from all over the world, and our people played a key role in managing the incidents, and the relief and recovery efforts.

This year, building cladding has remained firmly on the agenda after the final report from the Victorian Cladding Taskforce was published in July 2019. MFB continues to play a significant advocacy role with regard to this important firefighter and community safety matter. We have worked closely with the Victorian Building Authority and other emergency management agencies to bring about reforms which will make a tangible difference to the safety of Victorians who live or work in high-rise buildings.

Issues with recycling and waste facilities have also remained prominent, and MFB has continued to highlight the need for an integrated, community-focused solution, with the safety of our people and the community we serve central to our considerations. MFB will continue to invest our resources and work collaboratively with our partners including the Environment Protection Authority, councils, WorkSafe and the site owners towards a satisfactory outcome.

October saw MFB and the United Firefighters' Union work together to put firefighter health and safety on the global agenda at the Stockholm Convention Persistent Organic Pollutants Review Committee in Rome where a draft decision to ban the use of PFHxS – Tridol (POP) chemicals in firefighting foam globally was passed. In February, PFAS (per- and poly-fluoroalkyl substances) exposure in MFB stations was again highlighted following the results of tests at a number of MFB fire stations, undertaken by an independent environmental consultant at our request. We have spent years advocating and working for PFAS minimisation and the phasing out of PFAS in the firefighting sector, and we continue to assess any risks associated with PFAS at our premises. Following the initial results, MFB applied precautionary principles and conducted further testing to determine PFAS levels at all MFB fire stations, as well as preliminary perimeter testing at selected sites, and this significant piece of work will remain ongoing.

As the impact of COVID-19 began to be felt earlier this year, we worked with our stakeholders to ensure continuity of service while protecting the safety and wellbeing of our people and the community. While continuing to deliver our business as usual activities, we paused some community activities and employee events to help control the spread of the virus in line with government advice on physical distancing and limits on gatherings, and we continue to implement updated processes and procedures in stations and worksites.

As an organisation we are proud to have delivered on our key vision to provide an exemplary fire and rescue service for Melbourne and Victorians, with a key focus on continuous improvement and community service.

We look forward to the future as we become Fire Rescue Victoria. This is an exciting time for us all as we enter a new era of fire and rescue services in our great state.



David Bruce
Acting Chief Executive Officer / Chief Officer

Looking back, moving forward

For more than a century, MFB has served the people of Melbourne. While our city has changed and the role of our firefighters has changed, our purpose to improve the safety of our community remains the same.

MFB is one of Melbourne's oldest organisations, first established in 1891 following the passing of the *Fire Brigades Act 1890*. This legislation brought together insurance companies and volunteer brigades to form a unified organisation.

Today, we are closing a chapter that started 129 years ago.

Looking back and celebrating our past is now part of the journey, as we move forward and transition to Fire Rescue Victoria (FRV).



1891–92 Annual Report



358

Firefighters



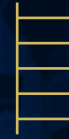
48

Stations



8

Engines



3

Ladder Trucks



33

Horses



58

Hand hose reels



71,000

Feet of hose



Attended **816** calls

Responded to **485** fires

2019–20 Annual Report



1,997

Firefighters
& Operations
employees



350

Support
employees



47

Stations



227

Vehicles



93

Pumper
Appliances



7

Ladder
platforms



12

Specialist
units



8

Fireboats



28

Technical
Operations Pods



Attended
38,762 calls

Responded to **5,807**
fires and explosions

By the decade

1890

1890

MFB is established under the *Fire Brigades Act 1890*

1891

First MFB Board meeting is held on 6 March

1893

Eastern Hill headquarters opens and remains functional today

1891

Operations commence on 1 May

1894

MFB established its new fire alarm circuit

1901

MFB uses first motorised vehicle

1897

The Great Fire of Melbourne in November sparks a turning point for the brigade

1902

Special Services Department (now known as Fire Equipment Services) commences with a staff of three firefighters conducting inspections

1908

MFB imports the Merryweather combination fire escape and hose carriage

1914

MFB's Electrical Department unveils new street fire alarm in 1914 and installs 50 fire alarms in the streets

1918

Last MFB horse is sold

1919

MFB became one of the first fire brigades in the world to become fully motorised due to the advancements made by technicians in MFB's workshops

1937

Recruitment and training is formalised with classroom sessions and instructors

1924

MFB technicians are granted a radio licence and start experimenting with using radio to improve communications in the brigade

1950

The Industrial Appeals Court introduces a 40-hour, five-day week, marking the beginning of the platoon system for firefighters

1952

Appliances carrying water and pumps are introduced to the brigade

1960

Rise in HAZMAT incidents leads to improved safety precautions

1945

MFB continues to provide emergency services during World War II, relying on the Tailoring and Printing Department for personal protective clothing, workshops for spare parts and vehicle maintenance to remain operational in spite of shortages

2020

1971

Control Centre at Eastern Hill commences operations in April

1979

Road accident rescue becomes part of the job with the *jaws of life* introduced to operations

1970

MFB firefighters are first on scene to the West Gate Bridge collapse

1966

Salvation Army Hostel fire

1983

MFB welcomes first women into operations as Fire Service Communications Controllers

—
Fire Investigation Analysis Unit is formed

—
Computer-aided communications centre commissioned, which processes 25,884 calls received by the brigade in that year

1988

The first female firefighters are inducted into the brigade, trailblazing a path for women to join MFB in the future

1991

155 firefighters respond to a major chemical explosion in Coode Island

1996

The Kew Cottages fire breaks out in April, killing nine people. MFB advocates for changes to fire safety measures in state facilities.

1997

Metropolitan Fire Brigades Act 1958 is amended to include port waters as part of MFB's response area

—
MFB becomes lead agency for Urban Search and Rescue (USAR) in Victoria. Six specialists deployed to Thredbo Landslide in NSW

2001

Emergency Medical Response (EMR) is formally adopted by MFB

2007

MFB starts taking precautionary action against PFAS

2009

Victoria records one of the worst bushfire seasons on record. 173 people lose their lives, 414 are injured, and an estimated 450,000 hectares of land is burned

2011

MFB becomes the first fire and rescue service in Australia to develop Remote Pilot Aircraft Systems (RPAS) capability

2014

Lacrosse Building Cladding Fire

—
The Victorian Emergency Management Training Centre opens

2015

MFB establishes the Fire Safety Advocacy Department to advocate for reform of building standards

2018

Tottenham Factory Fire

—
First female Commanders appointed

—
MFB launches Mental Health Literacy Training

2019

Fire takes hold of a 5,000 square metre warehouse in Campbellfield

2020

Bushfire season

—
Fire Rescue Victoria is established

2019

Neo 200 Building Cladding Fire

—
Firefighters' Presumptive Rights Compensation and Fire Services Legislation Amendment (Reform) Act 2019 is passed by the Victorian Parliament

Purpose and functions

MFB is a statutory body established in Victoria pursuant to the *Metropolitan Fire Brigades Act 1958* (MFB Act).

The core purpose of MFB is to deliver fire and rescue services to the metropolitan district and wider Victorian community through MFB's operational preparedness, state capability, community resilience and operational response functions. MFB ensures its capacity and capabilities are exemplary and reflect the needs of the Victorian community.

MFB's functions are to:

Provide for fire suppression and fire prevention services in the Metropolitan Fire District

Provide for emergency prevention and response services in the Metropolitan Fire District

Carry out other functions conferred on the Board by or under the MFB Act or other legislation

Assist in the response to any major fire or any large or complex emergency occurring within Victoria

MFB is required to perform its functions and exercise its powers under the MFB Act with the following objectives:

To contribute to a whole-of-sector approach to emergency management

To promote a culture within the emergency management sector of community focus, interoperability and public value

About us

What we do

MFB has a proud history of serving the communities of Melbourne and Victoria. Our 2,538 employees help safeguard almost 5 million Melbourne residents, workers and visitors along with assets and infrastructure worth billions of dollars.

Our service covers an area of more than 1,000 square kilometres, and our significant resources can be called on to support emergency management anywhere in Victoria. In addition, our specialist Operations employees are deployed to major incidents both interstate and overseas.

As a modern fire and rescue service, MFB does much more than fight fires. We provide emergency management for a range of complex incidents; drive systemic change to the built environment through reforms to building design, regulations and legislation; and invest in research and develop prevention programs that improve community safety and build resilience.



Our work – MFB’s directorates

Community Resilience

We strive to eliminate or reduce the incidence and severity of emergencies by working with the community, industry and other key stakeholders to ensure those occupying Melbourne’s built and dangerous goods environments are protected, to keep both the community and firefighters safe. MFB conducts research and advocates and works with stakeholders, including communities, our partner agencies, government and the private sector, to ensure the knowledge, behaviours and regulatory and legislative frameworks exist to protect life and minimise injury and damage to property.

Operational Preparedness

Operational Preparedness ensures that MFB is ready to respond in a timely, coordinated and appropriate manner to minimise the effects of fire and emergency events across the metropolitan district and in support of greater Victoria. We do this by providing excellent equipment and training, developing emergency management plans in collaboration with the community and our stakeholders, and by rostering staff to shifts and functional departments as well as recruiting people who reflect our communities.

Operational Response

MFB draws on a diverse and highly skilled workforce to respond to approximately 38,000 calls each year, including fires, hazardous incidents, automatic fire alarms, road crashes, medical emergencies, technical and urban search and rescue and marine incidents. MFB strives to continually improve and evolve our Operational Response Model to meet the changing needs of the community.

State Capability

The State Capability directorate oversees MFB’s technical operations, operational capability, fleet and property services to ensure our workforce and the wider sector are equipped to respond to incidents and major emergencies. MFB works with emergency management partner agencies and government to develop policies, procedures, plans and agreements designed to mitigate risks and minimise the impact of fire and other emergencies on our communities.

People and Culture

MFB is committed to being an employer of choice. Our employees are fundamental to achieving operational excellence and in delivering a contemporary fire and rescue service. Our efforts are guided by legislative and compliance requirements, as well as three core priorities to manage risk and optimise human performance: People; Health and Wellbeing; and Culture.

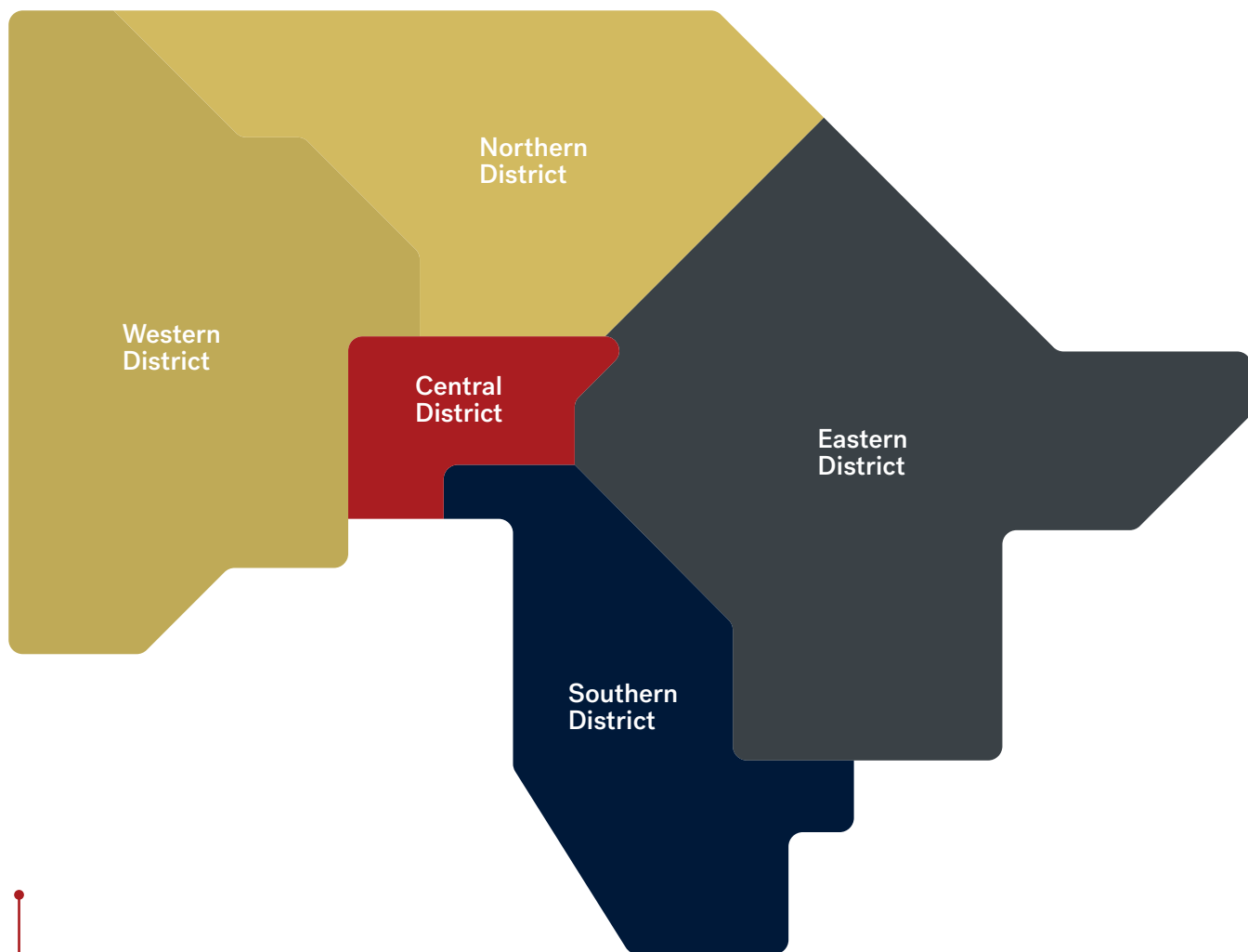
Corporate Services

The Corporate Services directorate provides planning and support in the areas of finance, insurance, information technology and records management and enables the organisation to deliver on organisational objectives. In addition, the directorate also provides oversight of MFB’s commercial arm, Fire Equipment Services (FES).

Strategic Services

The Strategic Services directorate plays a key role in the development of the MFB Plan, balancing the interests of MFB’s stakeholders, including our communities, our workforce, government and other emergency services. It provides legal, procurement and business assurance services to support MFB to meet its strategic objectives and compliance obligations.

MFB region and district structure



Our service covers an area of more than 1,000 square kilometres.

Where we work

MFB delivers most of its services in the metropolitan district and operates 47 stations across MFB's five districts. Our structural arrangements are aligned to Victorian Government regional boundaries under the state emergency management arrangements. This is also the platform for integrated emergency management planning at local, municipal, regional and state levels.

MFB also plays a role in Victoria's State Control Centre and regional control centres, an arrangement which allows regional controllers from all agencies to work together on emergencies in their areas of responsibility. MFB works with state and local government agencies, including Energy Safe Victoria, WorkSafe Victoria, Environment Protection Authority Victoria, and 27 local councils to strengthen their emergency planning and preparation.

Our Minister

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

The Board

Jasmine Doak **Board President**

Appointed to the Board June 2017
Appointed President February 2018

Jasmine is an experienced lawyer, industrial relations and human resources professional and is a graduate of the Australian Institute of Company Directors. Jasmine's career includes senior legal and management roles at leading organisations including Minter Ellison, Mazda Australia and Linfox. Currently Jasmine is the Vice President Human Resources at Orica Limited. Jasmine is also a committed board member of the Victorian Managed Insurance Authority. Jasmine is often engaged as a professional speaker and facilitator in a range of areas including women in leadership, mental health in the workplace and strategic industrial relations.

Kylie Hall **Board Member**

Appointed to the Board 15 November 2016

Kylie is a Special Counsel at Holding Redlich Lawyers and practices in commercial litigation. She has been admitted to practice for over 15 years and has worked in numerous high-profile disputes. Kylie has experience in a range of jurisdictions and has represented clients in a variety of corporate regulatory matters involving the Australian Securities and Investments Commission, the Australian Competition and Consumer Commission and the Independent Broad-based Anti-corruption Commission. Kylie's experience extends to advising on general commercial and contractual disputes, insolvency and corporations law matters. Kylie is the Chair of MFB's People Safety and Wellbeing Committee. Kylie is a former member of the Healthy Communities Australia Advisory Committee and the Shirley Robertson's Children's Centre Committee of Management, where she acted as Vice-President and Secretary.

Gennaro Fittipaldi **Board Member**

Appointed to the Board December 2017

Gennaro has extensive experience in advising on personal injury litigation, having defended all aspects of WorkCover and personal injury claims both in Melbourne and regional Victoria. After working as an in-house lawyer at WorkSafe Victoria, Gennaro joined Minter Ellison Lawyers in 2008 and was promoted to Senior Associate in 2010. In 2015 he established his own firm, Fittipaldi Injury Lawyers.

Peita Duncan **Board Member**

Appointed to the Board 10 January 2018

Peita Duncan is an experienced professional with skills in sales, commercial, marketing and management. She has worked for a number of law firms in business development and management roles, and is currently the Director of Clients and Corporate Services for The Civic Group and the Chair of Greyhound Racing Victoria. She was formerly a non-executive Director of the Emergency Services Telecommunications Authority.

Greg Sword **Board Member**

Appointed to the Board 14 March 2018

Greg is a highly experienced industrial relations professional and graduate of the Australian Institute of Company Directors. Greg's professional experience includes roles as National Secretary of National Union of Workers, CEO LUCRF Industry Superannuation Fund, Chairman of St Vincent's Melbourne Public Hospital and Director of St Vincent's Health Australia. Greg has also served as National President of the Australian Labor Party and Senior Vice President of Australian Council of Trade Unions.

Greg is currently a Board Member of VicForests, Trustee of the National Jockeys Trust, and Trustee of the Caulfield Racecourse Reserve Trust. He is also the Founding Director of the Victorian Endowment for Science Knowledge and Innovation (and continues in his role as Project Director for the LUCRF Community Partnership Trust). Greg was awarded an Order of Australia for contribution to the Trade Union Movement and to society in general. He also received a Lifetime Recognition Award for contribution to the Victorian Manufacturing Industry, awarded by the Victorian Government and the Manufacturing Industry Consultative Council.

Frances Diver **Board Member**

Appointed to the Board October 2018

Frances is an experienced public sector executive. Originally trained as a nurse, Frances has worked in a variety of roles in the health industry for more than 30 years and was previously Deputy Secretary in the Victorian Department of Health and Human Services. Frances is currently the Chief Executive Officer of Barwon Health. Frances was also the Chief Executive Officer of the Country Fire Authority from June 2016 to February 2018. Frances has a Master of Business Administration and is a graduate of the Australian Institute of Company Directors.

Pam White PSM, GAICD **Board Member**

Appointed to the Board January 2020

Pam has over 30 years' experience in the Victorian public service. Pam was the State Recovery Coordinator at the time of the 2009 bushfires and led the recovery operations of the Department of Human Services, and in 2012 was the Chief Executive Officer of the Victorian Bushfire Reconstruction and Recovery Authority. Pam also worked on the Review of the 2010-11 Flood Warnings and Response.

Pam holds positions on a number of public sector committees and bodies and was the inaugural chair of the Commonwealth Emergency Medal Award Committee. She was awarded the Centenary Medal, the Emergency Services Medal and the Public Service Medal for her services to emergency management and her work on vulnerable families. In early 2016, she was appointed Chair of the Victorian Registration and Qualifications Authority.

Executive Leadership team

David Bruce AFSM **Acting Chief Executive Officer and Chief Officer**

David joined MFB as a recruit firefighter in July 1985, and was promoted to Deputy Chief Officer in 2014. In October 2019, he was appointed Chief Officer. David has been involved in setting and implementing MFB's strategic direction, as well as providing leadership in Victoria's most senior emergency management roles for major incidents across Victoria.

David is a member of the Australian Institute of Company Directors, and was awarded an Australian Fire Service Medal (AFSM) as part of the 2019 Queen's Birthday Honours for his contribution and commitment to the field of urban firefighting and the welfare and wellbeing of fellow firefighters.

Mark Swiney **Acting Deputy Chief Officer | Operational Response**

Mark joined MFB as a recruit firefighter in 1986, and has worked in fire safety, operational and capability improvement, corporate strategy and performance, emergency management and operational response.

In 2015, Mark was promoted to Assistant Chief Fire Officer, managing the Capability Improvement directorate and then MFB's Eastern District. He is also the sponsor of significant projects to enhance the safety of firefighters, including the Respiratory Protection Replacement Project, PPC Total Garment Management Project, Mobile Data for Vehicles Project, Fire Services Portal and the Rostering and Shift Change Projects. Mark is accredited as a Level 3 Incident Controller, Regional Controller, State Duty Officer, State Agency Commander and Deputy State Controller as well as other Incident Management team roles.

Mark holds a Master of Emergency Management, Graduate Diplomas in Risk Management and Leadership and a Bachelor in Engineering (Fire). Mark is also a member of the Institute of Fire Engineers and Engineers Australia.

Martin Braid AFSM **Acting Deputy Chief Officer | State Capability**

Martin joined MFB over 30 years ago and has worked in key areas across operations including Training, HAZMAT, Operational Communications, Work Health and Safety and Community Resilience.

Martin has a deep understanding of the emergency management sector, working collaboratively with partner agencies through various secondments throughout his career. In 2011, Martin was seconded to the Victorian Flood Review to conduct a detailed examination of emergency management arrangements in Victoria. Martin holds a Postgraduate Diploma in Organisation Leadership, Graduate Certificate in Applied Management and a Diploma of Fire Technology. He is a graduate of the Institute of Fire Engineers and a member of the Australian Institute of Company Directors. In 2019, Martin was awarded an Australian Fire Service Medal.

Ken Brown AFSM **Acting Deputy Chief Officer | Operational Preparedness**

Ken joined MFB as a recruit firefighter in 1983, and was appointed Assistant Chief Fire Officer of MFB's Technical Operations Department in 2012. He has been Acting Deputy Chief Officer and Executive Director Operational Preparedness since 2017. Ken has been awarded the Australian Fire Service Medal, as well as a Chief Officer Commendation for his exemplary response to fires in Middle Park and Yarraville. Ken holds a Graduate Certificate in Applied Management, an Advanced Diploma of Public Safety (Firefighting Management) and a Diploma in Project Management.

Adam Dalrymple AFSM **Acting Deputy Chief Officer | Community Resilience**

Adam leads MFB's role in driving advocacy for risk and resilience, the built environment, community engagement and legislative reform to improve firefighter and community safety. Adam is National President and Fellow of the Institute of Fire Engineers, an affiliate of the Australian Institute of Company Directors and a current member of the Australasian Fire and Emergency Service Authorities Council (AFAC) Built Environment Group.

Adam holds a Masters of Management through Charles Sturt University and a Graduate Certificate in Management from Charles Sturt University's Australian Institute of Police Management. Adam has been awarded an Australian Fire Service Medal, a National Emergency Medal, a National Medal and an MFB Long and Good Service Medal.

Elizabeth Holley **Executive Director | People and Culture**

Elizabeth is responsible for human resources, workplace relations and ethical standards, health and wellbeing, culture and transformation and media and communications. Elizabeth has extensive experience in human resources, change and culture and holds a postgraduate Bachelor in Education and a Masters in Public Administration.

Elizabeth served as the Acting Executive Director People and Culture at the Victoria Department of Primary Industries, and was a Board member of the Victorian Government Shared Services Governance Board from 2010 to 2012. Immediately before commencing with MFB, Elizabeth was the Director People and Culture for one of Victoria's largest community services providers for families and children, Anglicare Victoria, for almost five years.

Kirstie Schroder **Acting Executive Director | Strategic Services**

Kirstie Schroder leads the Legal Services, Corporate Strategy and Performance, Business Assurance and Contracts & Procurement departments, as well as supporting MFB's Board.

Kirstie joined MFB in 1987, and was the first woman appointed to an executive role in 1994. Her experience spans senior roles in People and Culture, operational training, the Office of the Chief Executive Officer, and governance. Kirstie led the successful transition of Operational Training from MFB's Burnley Training Complex to the state-of-the-art training facility commissioned and built by MFB at Craigieburn in 2014.

Glenn Ockerby **Acting Executive Director | Corporate Services**

Glenn is the CFO, and is responsible for the finance, information and communications services, records management, fleet, risk and business assurance, property, corporate strategy, performance and project management office portfolios, and Fire Equipment Services. Prior to joining MFB in 2015, Glenn was interim CEO at the Risk Management Institute of Australasia and before that he was Executive Director Corporate Strategy and Performance Management at WorkSafe Victoria. Glenn spent many years in professional services roles, such as the Director Performance Management at KPMG Australia and Associate Director CFO Solutions KPMG Consulting Australia. Glenn holds a Bachelor of Business in Accountancy, a Master of Business Administration and is a certified practising accountant.

Organisational structure



Key

Executive Leadership Team	Direct Reports

A/ denotes Acting Role

Our performance

Our service delivery

Major outputs, deliverables, targets

Major outputs/deliverables Performance measures	Unit of measure	2019-20 State target	2019-20 MFB target	2019-20 MFB actual	Result	Notes
Quantity						
Permanent operational staff	number	3,722	2,218	2,125	○	-
Permanent support staff	number	1548	355	365	✓	(1)
Quality						
Road crash rescue accredited brigades/units	number	131	5	5	✓	
Level 3 Incident Controller trained staff and volunteers	number	96	12	7	□	(2)
All structural fires contained to room or object of origin	per cent	80	90	86	○	-
Multi-agency joint procurements of systems or equipments	number	1	0	0	✓	-
Timeliness						
Emergency response times meeting benchmarks (All Structural Fires) – Budget Paper 3	per cent	90	90	90	✓	-
Emergency response times meeting benchmarks (Road Accident Rescues) – Budget Paper 3	per cent	90	90	82	□	(3)
Emergency response times meeting benchmarks (Emergency Medical Response) – Budget Paper 3	per cent	90	90	95	✓	-

MFB contributes to the Victorian Government's Budget Papers within the Emergency Management Capability output. This forms part of the Department of Justice and Community Safety's Supporting the State's Fire and Emergency Services Output Group. The Budget Papers report state-wide performance.

(1) The documented EMV target was 343; however, the MFB Board approved the 355 target as published in the MFB Plan 2019-2020.

(2) MFB is working through consultation to develop an Incident Controllers accreditation program. The existing Level 3 Incident Controllers are being supported to maintain their qualification by being placed on the State Incident Controllers register.

(3) 39 out of the 220 appliance attendances did not meet the 13.5 minute target. It should be noted that 13 (33%) of these 39 attendances that did not meet the 13.5 minute target were within 1 minute of the 13.5 target. 16 (41%) of these 39 attendances that did not meet the 13.5 minute target were affected by significant road congestion during the morning and evening peak times. Some of these attendances involved appliances being despatched from significant distances to the incident, and also the availability of Rescue appliances at the time.

✓ Performance target achieved or exceeded	○ Performance target not achieved – within 5 per cent variance	□ Performance target not achieved – exceeds 5 per cent variance
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Our performance (continued)

Performance against output measures (Business Plan)

Performance measures	Unit of measurement	2019-20 Target	2019-20 Outcome	Result	Notes
LPI 1-MFBSafe: initial investigation within 14 days	per cent	100	81.2	☐	(1)
LPI 2-MFBSafe: completion of 6 monthly station audits	per cent	100	90.3	☐	(2)
LPI 3-MFBSafe: corrective actions implemented within 30 days	per cent	100	97.0	○	-
LPI 4-Number of staff trained in Road to Mental Readiness and Mental Health First Aid (YTD; Full year target 750)	number	750	1097	✓	-
LPI 5-Percentage of WorkCover claims with no failed return to work (rolling 12 months)	per cent	75	67.0	☐	(3)
LPI 6-Average number of days for first return to work (rolling 12 months)	number	20	44	☐	(4)
LPI 7-Lost Time Incident Frequency Rate (LTIFR) per 1000 FTE (rolling 12 months)	number	90	70	✓	-
LPI 8-Availability of specialist appliance qualified operators	per cent	100	-	-	(5)
LPI 9-EMR skill re-certification within four years	per cent	90	95.2	✓	-
LPI 10-Standard Operating Procedures (SOPs) reviewed and updated in line with the agreed schedule	per cent	100	98.0	○	-
LPI 11-Station maintenance area inspections completed	per cent	100	-	-	(6)
LPI 12-Core skills maintenance drills completed (rolling 12 months)	per cent	95	96.9	✓	
LPI 13-Site Specific Risk Information (SSRI) visits completed	per cent	100	-	-	(7)
LPI 14-Specialist capability ('Technical Operations skills maintenance completed' in the MFB Plan)	per cent	100	58.1	☐	(8)
LPI 15-Total operational fleet availability	per cent	85	80.3	☐	(9)
LPI 16-Achieve compliance with requirements of the Marine Capability Improvement Program (100% by 2021/2022)	per cent	40	58.5	✓	-
LPI 17-Operational staff trained in Active Shooter Hostile Event (ASHE) response (100% by 2020/2021)	per cent	96	90.0	☐	(10)
LPI 18-Reduction in non-suspicious residential structure fires (rolling 12 months)	per cent	-2	-4.7	✓	-
LPI 19-Non-suspicious residential structure fire deaths towards zero	number	0	4	☐	(11)
LPI 20-Workforce turnover - All employees (rolling 12 months)	per cent	5.5-7.5	4.9	☐	(12)
LPI 21-Workforce turnover - Firefighters (rolling 12 months)	per cent	5.0-7.0	3.1	☐	(13)
LPI 22-Percentage of operational employees who are available for operational response (current quarter)	per cent	89	89.7	✓	-
LPI 23-Number of stations/work sites visited against schedule (YTD)	per cent	85	100.0	✓	(14)
LPI 24-Percentage improvement in ICT Service Desk average incident resolution time	per cent	5	69.0	✓	-
LPI 25-Percentage improvement in Tier 1 applications availability	per cent	0.5 - 3.0	68.0	✓	-
LPI 26-Net financial result (YTD; Full year target)	number	(\$20.05)M	(\$32.61)M	☐	(15)
LPI 27-Fire Equipment Services (FES) net profit (YTD; Full year target)	number	\$4.6M	\$3.63M	☐	(16)
LPI 28-Achieve capital program budget including savings (YTD)	per cent	100	83.2	☐	(17)
LPI 29-Project plans for Strategic Actions developed and monitored (YTD)	per cent	100	78.0	☐	(18)

Performance measures	Unit of measurement	2019-20 Target	2019-20 Outcome	Result	Notes
LPI 30-Improvement in Risk and Assurance's contribution to planning and decision-making	per cent	10	35.8	✓	-
SPI 1-Improve containment of structure fires (YTD)	per cent	90	86.2	○	-
SPI 2-Structure Fires (SF) response times within benchmark (YTD)	per cent	90	90.1	✓	-
SPI 3-Road Rescue (RR) response times within benchmark (YTD)	per cent	90	82.3	□	(19)
SPI 4-EMR response times within benchmark (YTD)	per cent	90	94.6	✓	-
SPI 5-Permanent operational staff FTE (Full year target 2218)	number	2,218	2,125.0	✓	-
SPI 6-Permanent non-operational staff FTE	number	355	365.3	○	-
SPI 7-Level 3 Incident Controller trained staff	number	12	7	□	(20)
SPI 8-Road rescue units	number	5	5	✓	-

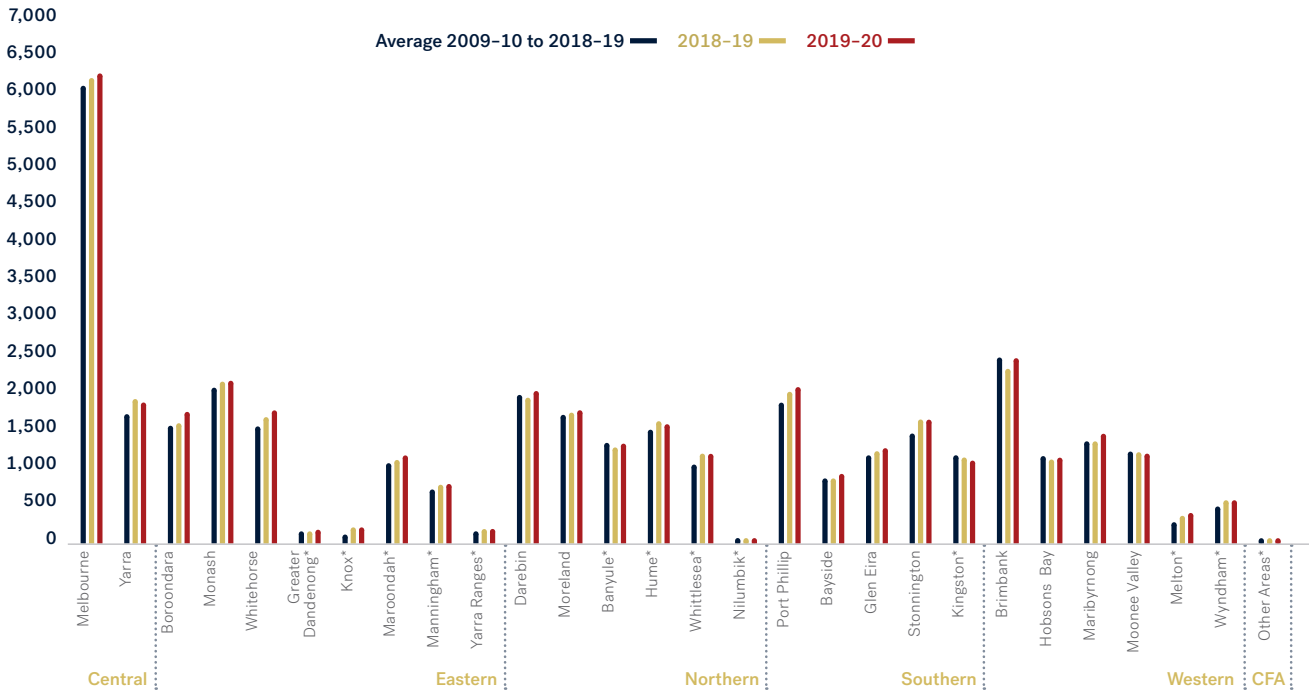
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| <p>(1) Work, Health and Safety Advisors are actively working to improve investigation times by closely monitoring the reporting system and maintaining frequent communication with responsible managers. The COVID-19 response has also disrupted the effectiveness of actioning reports within the specified timeframes.</p> <p>(2) The shortfall in the result is primarily due to resourcing constraints experienced in the first quarter. An Advisor and Safety Manager resigned and were not replaced until the second quarter. A result of 100% was reported for the remaining three quarters.</p> <p>(3) The result for this measure is calculated on a rolling 12-month basis with a one-month time lag. For the rolling 12 months to May 2020, sustainable Return to Work (RTW) figures reduced by 4%. The sustainable RTW figure continues to be impacted by the nature of injuries, particularly amongst operational staff. A significant reason for this reduction is as a result of COVID-19:</p> <ul style="list-style-type: none"> • surgeries were delayed, and as such they continued to work and once surgeries could take place, they were required to cease work again • Claims associated with the Tottenham fire and cancer are in the "at risk" category for COVID-19 and as such were required to cease work. <p>Both of the above led to "failed" RTWs despite the cessation being temporary.</p> <p>(4) The result for this measure is calculated on a rolling 12 month basis with a one month time lag. In the claim cohort, there are three times as many psychological and three times as many cancer claims as the same period in the previous year. Due to the nature of these injuries, these have a longer duration to return to work. 60% of lost time claims returned to work in 20 days or less, and 69% of lost time claims returned to work in 30 days or less which is similar to the previous quarter. Eighteen claims did not have a first return to work until 100+ days; of these it is important to note that three were psychological claims, four were cancer claims, one was a Tottenham fire claim and ten were musculoskeletal. These 18 claims significantly impacted the average return to work timeframe. Without these claims, the average days to return to work is 22 days which is slightly above target.</p> <p>(5) This measure is under development with completion expected in Quarter 2 of 2020/2021.</p> <p>(6) There are no current Operational Response reporting systems that support the progression of this measure, thus LPI 11 has been closed as a performance measure until operational reporting systems are upgraded in line with the IT Strategic Roadmap and agreed via consultation.</p> <p>(7) LPI 13 has been closed as a performance measure, as per LPI 11. Reporting of operational fire safety issues continues as current practice. Firefighters report fire safety risks and actions as required. The reported risks and actions are collated and shared by the Fire Safety Department but it does not collect data on number of inspections.</p> <p>(8) Technical Operations has implemented a three-year training plan across all specialist capability groups with the forecast to progressively meet the trigger numbers by the end of 2021. Courses have been scheduled in line with the Technical Skills Capability Planner that lists the active numbers of qualifications and forecasts numbers of specialist operators required for the next five years. Due to COVID-19 and state restrictions, a number of scheduled courses in Technical Operations have been postponed, impacting the overall result for LPI 14.</p> <p>(9) Fleet availability over the past year has been impacted by factors including:</p> <ul style="list-style-type: none"> • Resources allocated to complete various modification projects to existing fleet. There are currently 17 modification projects being carried out by workshops across the fleet. • Appliances out of commission for warranty repairs • High number of unscheduled repairs required on appliances due to the ageing of the fleet. There are currently 51 appliances which have passed their required replacement date. • High demands on appliances during fire season and major incidents • Fleet Services resources allocated to support operations during fire season and major fire incidents. <p>(10) The SOPs for MFB Active Shooter Hostile Event (ASHE) response to Class 3 Emergencies and supporting documentation have been developed and endorsed. Victoria Police has signed off on the final model in relation to the multi-agency element of the program. The rollout of the program contains a staged approach. All command staff will participate in an awareness and training program followed by a complete rollout across the stations to Firefighters and Officers. In addition to the general training, a cadre of Commanders will receive additional training that will support Victoria Police during Class 3 Emergencies.</p> | <p>(11) Research indicates that factors that increase the likelihood a person will die in a fire include, but are not limited to, older age, living alone, smoking, having health conditions that impair a person's ability to quickly respond to or escape from a fire, and having no working smoke alarms in their home. Fire Rescue Victoria is currently working with AFAC, the National Council for Fire and Emergency Services, to develop a national residential fire prevention strategy to reduce residential fire fatalities towards zero.</p> <p>(12) The target for all employee separations is between 5.5% and 7.5%. The result is below the target range indicating lower than expected employee separations from the organisation. For the financial year Corporate and Technical had a 14.8% turnover of permanent and fixed term employees (excluding agency staff). In total there were 54 separations for Corporate and Technical over the last 12 months with 29 being fixed term employees.</p> <p>(13) Less firefighters separated from the organisation than modelled. For the financial year this measure did not meet the target range of 5 - 7%. There were a total of 65 firefighter separations in the last 12 months with only seven separations in the fourth quarter (three of these were secondments from the CFA). There were 48 separations each with over 30 years of service, 9 separations under 14 years and 8 CFA secondment separations.</p> <p>(14) The Conversations in the Mess program performed at a 100% success rate above the 85% target for Quarters 1 to 3. The program was postponed for Quarter 4 due to COVID-19 and physical distancing requirements.</p> <p>(15) The 2019/2020 full year net result is a deficit of \$32.61M compared to a deficit budget of \$20.05M, which is over budget by \$12.56M.</p> <p>(16) The full year profit result for the financial year end is \$0.94M behind target and was negatively impacted by \$0.744M of unbudgeted/once-off costs. The impact of COVID-19 over the past four months also resulted in lower revenue earned and increased mobilisation and OHS costs. Yearly revenue was \$26.9M (+2% on budget) indicating strong underlying business conditions for a post COVID-19 recovery.</p> <p>(17) The full year performance of the capital program was 83.15% including savings. The largest underspend related to the 6 x Pumper Tanker Appliance Replacement and Workplace Computing projects.</p> <p>(18) At the end of the financial year, ten strategic actions (37%) met their milestones and were on track. Eleven strategic actions (41%) had substantial progress and six (22%) did not meet their project milestones. The overall strategic actions health is 78% (the sum of On Track and Substantial Progress). An assessment on the continuation of strategic actions for inclusion in the interim Fire Rescue Victoria Plan 2020/2021 will require Executive Leadership Team endorsement.</p> <p>(19) As of 1st July 2019 there were 109 open treatments; by 30th June 2020, 39 treatments were closed resulting in 70 open treatments remaining in the risk register. Of the risk treatments closed, the most significant are associated with actions relating to the endorsement of the Fraud, Corruption and Other Losses - Prevention and Management Policy and the Gifts, Benefits and Hospitality Policy by the Operational and Corporate Consultative Committees, along with other actions that were deemed business as usual activities.</p> <p>(20) Optimising road crash rescue coverage remains an ongoing priority. Following attendances to incidents, operational crews will be debriefed to determine opportunities for improvement.</p> <p>(21) MFB is working through consultation to develop an Incident Controllers accreditation program. The existing Level 3 Incident Controllers are being supported to maintain their qualification by being placed on the State Incident Controllers register.</p> |
|--|---|

✓ Performance target achieved or exceeded	○ Performance target not achieved - within 5 per cent variance	□ Performance target not achieved - exceeds 5 per cent variance
* Quarterly BP3 measure	LPI Local Performance Indicator	SPI State Performance Indicator (BP3 measure)

Our performance (continued)



Number of calls per local government area

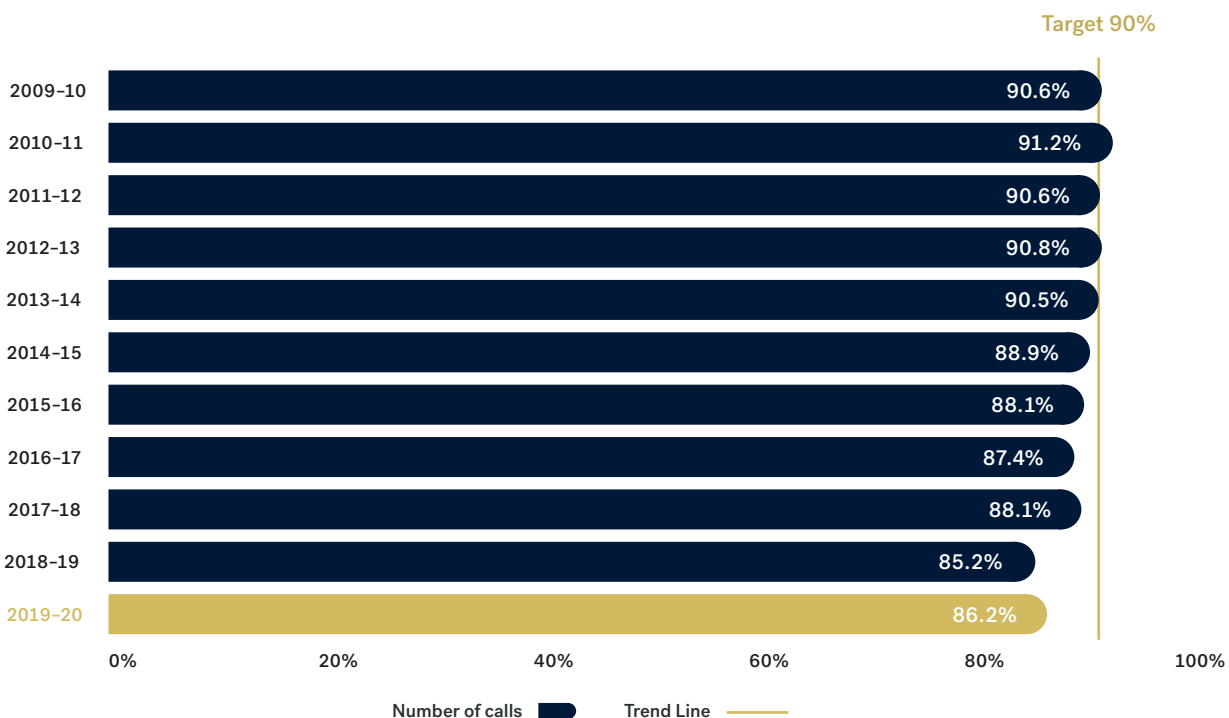


Note: This chart shows all calls attended by MFB. LGAs crossing the metropolitan district boundary are denoted by a star (*).

Major changes affecting performance

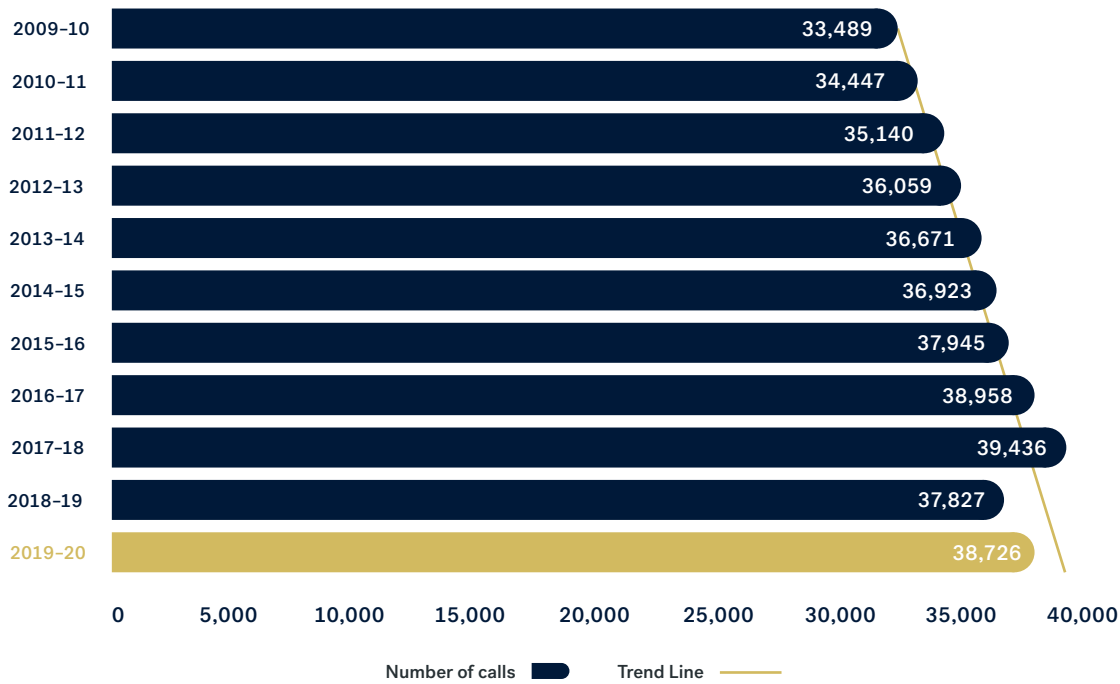


Containment of structure fires to room of origin



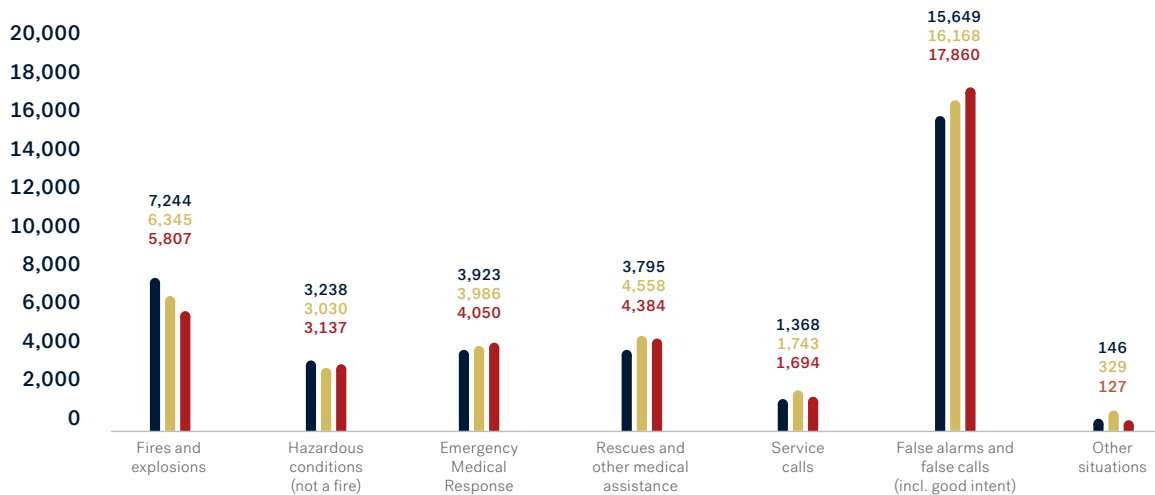


Number of calls attended



Breakdown of calls attended by type of incident (metropolitan district only)

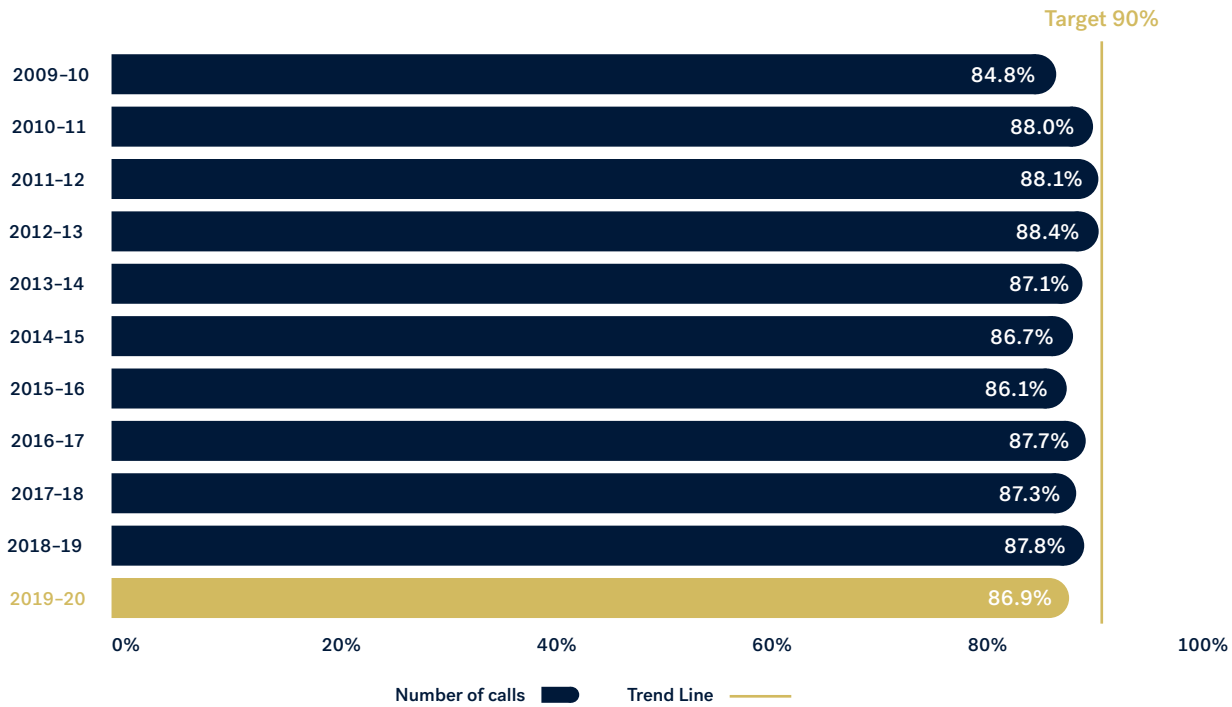
Average 2009-10 to 2018-19 — 2018-19 — 2019-20 —



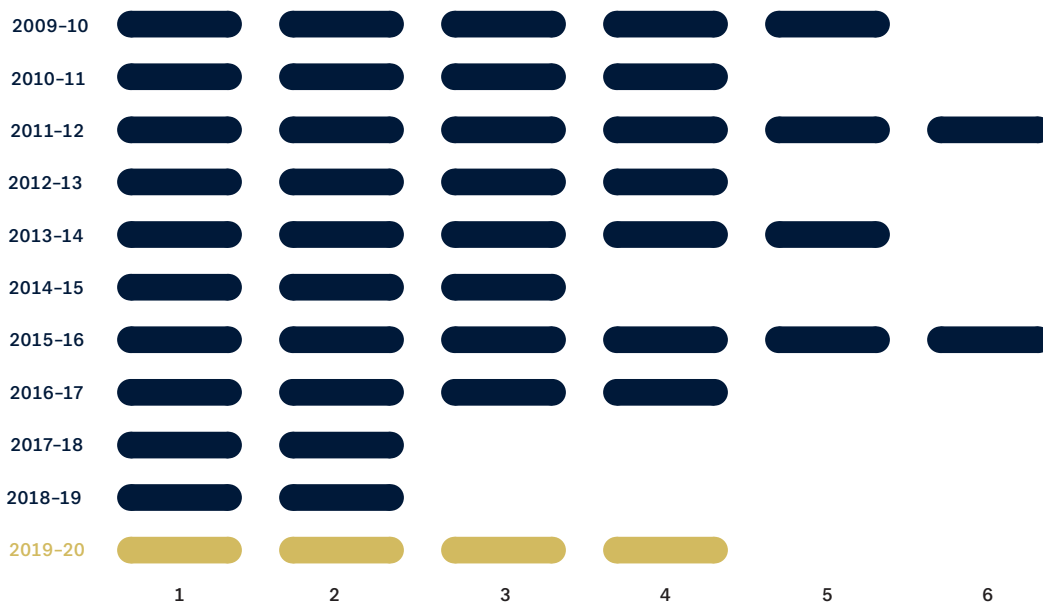
Our performance (continued)



Response times meeting benchmarks



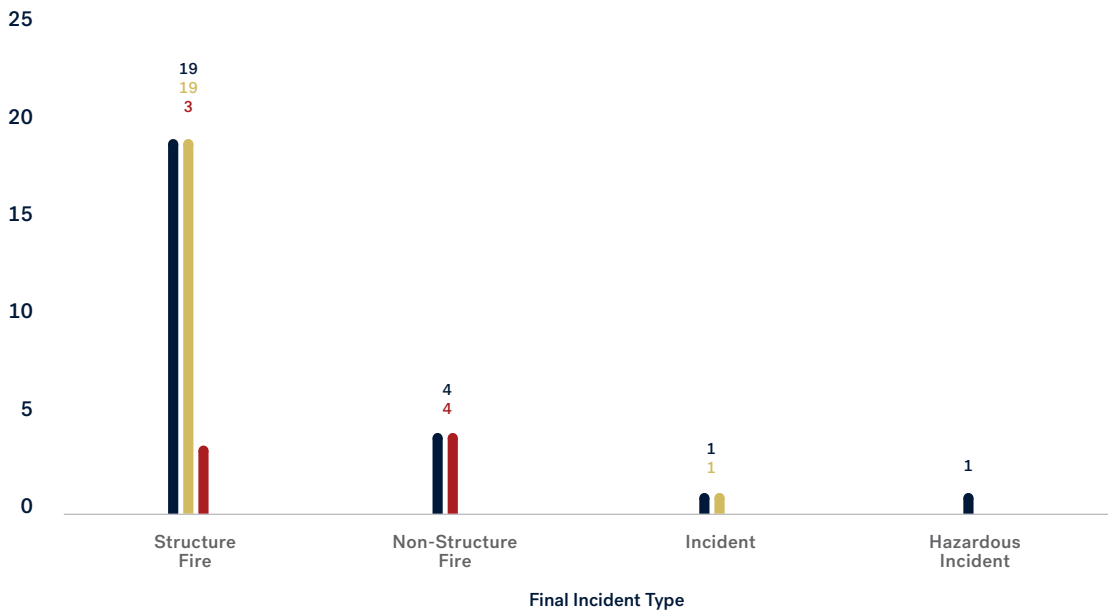
Preventable fire-related fatalities





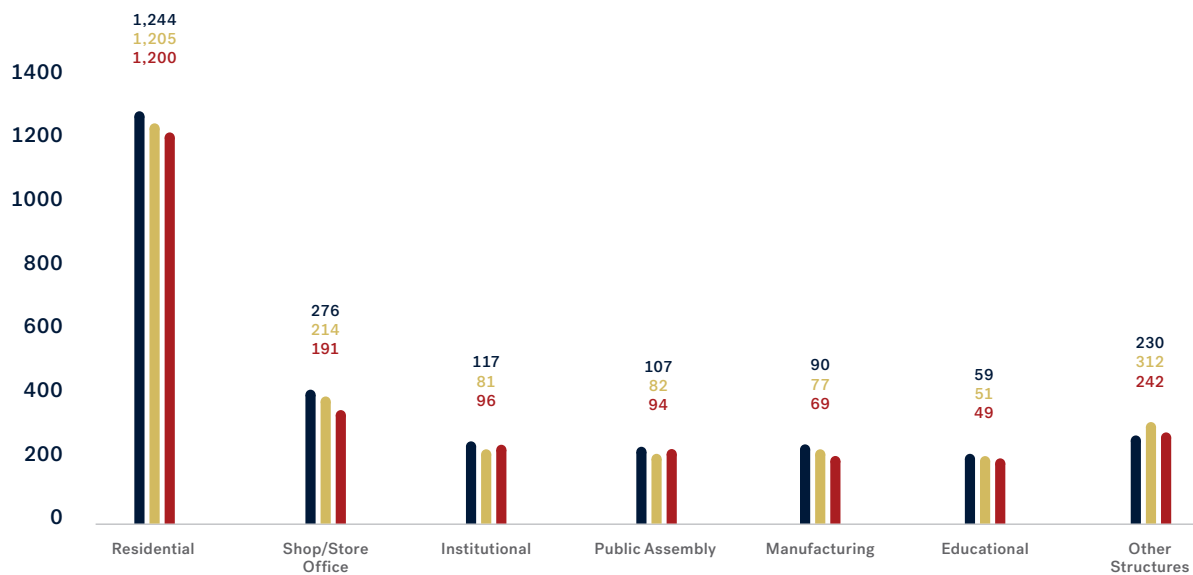
Level three alarms and above attended by MFB in the metropolitan district: 2017-18 to 2019-20

2017-18 ■ 2018-19 ■ 2019-20 ■



Breakdown of building fires by type of property

Average 2009-10 to 2018-19 ■ 2018-19 ■ 2019-20 ■



Our performance (continued)

Summary by suburb

Suburb 2017-18	Final incident type	Alarm level	Number of calls
Brunswick	Structure fire	3	1
Carlton	Structure fire	3	2
Cheltenham	Non-structure fire	5	1
Coburg	Structure fire	3	1
Coolaroo	Structure fire	8	1
Cremorne	Structure fire	3	1
Doncaster	Structure fire	3	1
Essendon	Structure fire	3	2
Heidelberg	Hazardous incident	3	1
Laverton North	Structure fire	3	1
Laverton North	Non-structure fire	3	2
Malvern	Structure fire	3	1
Maribyrnong	Structure fire	3	1
Maribyrnong	Structure fire	5	1
Mount Waverley	Structure fire	3	1
Mulgrave	Incident	3	1
Reservoir	Structure fire	3	1
Somerton	Structure fire	4	1
Sunshine	Structure fire	3	1
Sunshine North	Non-structure fire	3	1
Truganina	Structure fire	3	1
West Footscray	Structure fire	3	1

Suburb 2019-20	Final incident type	Alarm level	Number of calls
Bundoora	Non-structure fire	6	1
Bundoora	Non-structure fire	3	2
Laverton North	Non-structure fire	3	1
Melbourne	Structure fire	3	1
Sandringham	Structure fire	3	1
Somerton	Structure fire	3	1

Suburb 2018-19	Final incident type	Alarm level	Number of calls
Beaumaris	Structure fire	3	1
Brunswick East	Structure fire	3	1
Campbellfield	Structure fire	3	1
Campbellfield	Structure fire	4	2
Campbellfield	Structure fire	8	1
Coburg North	Structure fire	3	1
Coolaroo	Structure fire	3	1
East Melbourne	Structure fire	3	1
Epping	Incident	3	1
Glenhuntly	Structure fire	3	1
Highett	Structure fire	3	1
Maidstone	Structure fire	3	1
Melbourne	Structure fire	3	1
Melbourne	Structure fire	4	1
Mentone	Structure fire	3	1
Mordialloc	Structure fire	3	1
South Melbourne	Structure fire	3	1
Thomastown	Structure fire	3	1
Tottenham	Structure fire	8	1

Major incidents

Throughout the year, MFB employees responded to a number of significant and protracted fires, as well as complex incidents. During this financial year, MFB responded to 37,059 incidents within the metropolitan district and 1,703 incidents requiring a joint response with the Country Fire Authority (CFA).

While MFB continued to provide emergency services to the people of Melbourne, we also provided support to our colleagues during the 2019–20 bushfire season. We deployed MFB firefighters to CFA stations in Victoria and provided relief to our colleagues in New South Wales and Queensland. This year, the bushfire season started earlier than usual, requiring emergency response from September 2019. MFB was proud to be part of the multi-agency response, supporting firefighting efforts, providing command and specialist personnel at the State Control Centre and Incident Control Centres, and committing our specialist teams including Urban Search and Rescue (USAR) operators, High Angle Rescue technicians (HART), and Remote Pilot Aircraft Systems (RPAS) pilots to assess the impact of the fires on communities, and help affected communities respond and recover.

30 December 2019

Grass fire in Bundoora parklands

When searing heat and gusty winds combined on 30 December 2019, a fire took hold at the Plenty Gorge parklands in Bundoora. MFB and CFA crews responded to multiple calls for assistance after smouldering embers ignited a grass fire in the reserve, which presented a significant fire risk to the community.

Firefighters from Fire Station 14 in Bundoora were among the first to respond and raised the alarm level en-route, due to temperatures over 40 degrees, strong northerly winds and a significant amount of smoke in the area.

Initial firefighters on scene were confronted with a fast-running grass and bushfire impacting on a residential community. Embers were sweeping out of Plenty Valley onto nearby properties, and due to the identified risk, the alarm level was quickly escalated to a sixth alarm non-structure fire.

MFB established an Incident Management team (IMT) to respond to the changing dynamics of the environment, as forecast wind changes and deteriorating weather conditions made the situation even more complex. Working as one with our emergency services colleagues, firefighters were able to move residents to safety.

Approximately 130 firefighters were supported by three helicopters providing aerial support, which was critical to access the parklands, where hazardous trees presented a significant risk. This was a protracted incident, involving a multi-agency effort, with strike teams from MFB, CFA and Forest Fire Management Victoria and assistance from Victoria Police and Ambulance Victoria.

A large area of the gorge was affected by fire and the park remained closed for several days. While 22 properties sustained minor damage, the efforts of the responding agencies ensured that not one property was lost and residents and firefighters could return home safely.



Our performance (continued)

Major incidents (continued)

2019-2020

MFB Victorian bushfire response

The 2019-20 bushfire season was unprecedented in many ways. Intense heat, dry conditions and strong winds created catastrophic conditions over a long summer, resulting in one of the most destructive and devastating bushfire seasons on record.

By late November, fires were burning across Australia.

Just one day into the New Year, the Victorian Government declared a State of Disaster, and invoked its powers to respond to the unfolding bushfire crisis. It was the first time such powers had been used by the Victorian Government to equip authorities with the resources needed to keep Victorians safe.

The State of Disaster declaration came as fires ripped through the beachside town of Mallacoota, turning the sky red and forcing people to evacuate to the foreshore for safety.

More than 1,500 firefighters, including over 150 firefighters from interstate and 250 international personnel, as well as 60 aircraft, responded to active fires in Victoria throughout the summer. The scale of the fires drew attention from all over the world, and shocked many with their ferocity and impact on the environment, native wildlife and communities. In Victoria, more than 3,500 fires burned at least 1.5 million hectares.

Five lives were lost and almost 400 homes destroyed.

MFB Commander Donna Wheatley was deployed to fires across Australia, and said that crews were faced with a diverse range of conditions.

'In East Gippsland for example, the geography was confronting, and I guess it explained the difficulties of such a complex situation,' Commander Wheatley said.

'The enormity of how much of our state was on fire - I haven't seen that before.'

Throughout the bushfire season, MFB personnel were deployed to East Gippsland and north-east Victoria to assist the Country Fire Authority (CFA) and our other emergency services colleagues with firefighting efforts, impact assessments and relief and recovery operations.

MFB formed strike teams to protect assets in affected areas, supported CFA stations on the perimeter of the Melbourne metropolitan district, and worked at Incident Control Centres across Victoria.

Commander Wheatley said that it was both a challenge and a privilege for those on the ground.

'They came across people who broke down in tears, people who were furious and venting their anger, people who were amazingly resilient and getting back to replacing fences, cables and sheds that had been destroyed on their properties,' Commander Wheatley said.

In January, MFB Assistant Chief Fire Officer Darren McQuade was a Deputy Incident Controller at the Orbost Incident Control Centre and said the response showed an admirable level of interoperability between agency personnel from MFB, CFA, Department of Environment Land Water and Planning (DELWP), Forest Fire Management Victoria, Victoria State Emergency Services, Ambulance Victoria, Parks Victoria, Victoria Police, Australian Defence Force (ADF), and various other local council and utilities representatives.

'The Incident Management team (IMT) was focused on doing the best they could to respond and provide relief to those who suffered through these unprecedented fires,' he said.

'Everyone in the IMT was under significant pressure and worked long hours to achieve positive outcomes in what at times seemed an overwhelming task.'

Photo courtesy of the Australian Defence Force (ADF)



'I was proud to see how well MFB personnel integrated into the multi-agency IMT, and how they adapted their knowledge and experience into the remote wildfire environment.'

On the ground, MFB's specialist teams proved a vital part of the ongoing response, using their expertise and preparedness to assist with technical response.

Leading Firefighter Brad Plumridge was part of an MFB Urban Search and Rescue (USAR) taskforce deployed to East Gippsland as part of the bushfire response. The team assessed structures across the region and used information from conversations with community members in the most severely affected areas to inform recovery efforts.

Working alongside ADF personnel, more than 80 USAR technicians conducted 5,000 assessments across Victoria, surveying, mapping and recording the damage caused by these devastating fires.

'If anyone on the deployment was uncertain about the magnitude, significance or impact of the fires on individuals in the community, that uncertainty vanished when we received our briefings and we got to work in the local townships,' Leading Firefighter Plumridge said.

In many cases, the combined MFB and ADF crews were the first contact that bushfire survivors had with emergency responders following the bushfires.

'Speaking with people in fire-ravaged communities and reassuring them that we were here to help proved to be one of our most important roles,' Leading Firefighter Plumridge said.

'We are exposed to fires and other incidents every day at work, and being able to draw upon those experiences made it easier to connect with members of the community and to establish a rapport.'

'I think the people we met were grateful that they weren't alone anymore and that we took the time to listen to their stories and experiences.'

The team identified and communicated to the IMT and recovery agencies the community's concerns relating to medication shortages, fodder requirements, fencing, communication and power issues to ensure resources were made available in the bushfire relief and recovery effort.

'We would not have been so successful without the additional support from ADF personnel from the Army,' Leading Firefighter Plumridge said.

'Their professionalism and cooperation was first class, and it was an honour to serve alongside them working as one team.'

When the time came for the deployment to end and for new crews to be rotated in, Leading Firefighter Plumridge made this observation:

'It has been an amazing and truly humbling experience to be a part of such a huge response, and I am incredibly proud to have had the chance to work alongside so many fantastic people all striving towards the same goal.'

The role of RPAS Unit in MFB's bushfire response

In the 2019–20 financial year, MFB had 19 qualified Remote Pilot Aircraft Systems (RPAS) pilots. MFB also trained operators in night flying operations.

During the 2019–20 bushfire season, RPAS teams deployed to Heywood to use thermal imaging to detect hot spots and provide critical information to the Incident Control Centre and strike teams on the ground.

In early February, two peat fires were identified within the existing footprint of the Victorian bushfires in East Gippsland. Peat is a layer of partially decomposed organic material that can develop in some wetland or swampy areas. A layer of peat builds up when partially decayed vegetation, such as leaves, grass, fallen trees and other organic matter accumulates over many years.

When peat dries out it becomes highly flammable, and when ignited, peat may burn for long periods of time and can smoulder underground undetected.

In February 2020, MFB's RPAS Unit captured thermal images of the peat fire to develop maps to better identify the fire line.

While thermal camera technology is only able to provide an accurate temperature at the ground surface level, the team also used the cameras to locate areas of land with thermal irregularities being heated from below. That meant a much more accurate indication of the location of the fire was identified, and that the combined size of the peat fires was more than 70 hectares.

It was a long and challenging bushfire season, which was met with a strong multi-agency effort to meet the challenges of one of the worst fire seasons on record.

In late February, after more than 90 days of fire activity, the welcome news that the Snowy complex fire had been brought under control marked an end to a three-month battle on the fire front and the start of the long road to recovery.

Commander Donna Wheatley said she was humbled by the willingness of other agencies to embrace MFB people as part of their teams.

'As for our people, I was so proud of them,' she said.

'I was so impressed by their professionalism and how hard they worked. They were innovative, solution-focused, and they made it work when it seemed impossible.'

'When put under pressure, the MFB people I led were exemplary.'

MFB was privileged to be able to contribute to the seemingly tireless efforts of emergency services, volunteers, and communities who responded with courage, compassion and resilience to keep Victorians safe during the 2019–20 bushfires.

Our performance (continued)



Emergency Medical Response Program

In 2019–20 MFB firefighters responded to 5,788 calls for emergency medical assistance to patients who were unconscious, not breathing, or who had no pulse. MFB’s Emergency Medical Services (EMS) Department continues to work closely with our Emergency Medical Response (EMR) partner agencies, including Ambulance Victoria and the Country Fire Authority (CFA) to provide life-saving emergency care to the community.

In preparation for the commencement of Fire Rescue Victoria in July 2020, the EMS Department continues to work towards a seamless transition of the EMR capability across the state.

Over the past year, MFB consistently exceeded government benchmarks for response to emergency medical incidents, responding to calls within the required 9.2 minutes, 100 per cent of the time.

In response to the COVID-19 pandemic, MFB increased protective measures for firefighters responding to EMR incidents with a risk of exposure to COVID-19. Firefighters were issued with additional personal protective equipment (PPE) including coveralls that are biologically rated to provide improved protection, as well as gloves, goggles, boot covers and face masks to ensure MFB can continue to deliver critical medical assistance.

The health and safety of our firefighters is MFB’s highest priority, and while donning PPE had the potential to affect response times, MFB continued to exceed performance standards.

Number of personnel trained by EMS Department in 2019–20 period

Recertification MFB	400
Recertification CFA	85
Retention Victorian Recruit Firefighter Course (VRFC)	162
Recruits (skills acquisition)	190
Clinical education sessions	9,610

FACES OF MFB

Sarah Hammond Senior Station Officer

Victoria experienced one of its worst fire seasons in history during the summer of 2019–20. Sarah Hammond is one of the many MFB firefighters who were deployed to support fire-affected communities throughout Victoria.

MFB provided bushfire support in Victoria, New South Wales and Queensland by deploying various specialists from departments including Urban Search and Rescue (USAR), Remote Pilot Aircraft Systems (RPAS), High Angle Rescue technicians (HART), Health and Wellbeing, Thornbury Workshops and Media and Communications.

Senior Station Officer Sarah Hammond has been an MFB firefighter for 13 years and has trained in the specialist skills required to undertake urban search and rescue.

The USAR team completed impact assessments on fire-affected properties in Orbost and surrounds. This process assesses dangers or biological hazards at each property or structure to ensure they are made safe before the residents return to their homes and businesses.

‘Hearing news of bushfires is devastating. As a firefighter, the first thought you have is that you need to be there to help – so I waited for a call for deployment,’ Sarah said.

Sarah was contacted in January and was deployed to Orbost just a few days later. She completed a five-day tour that included a pre-briefing at MFB’s Burnley Complex, three days of on-the-ground work and a one-day handover to the incoming MFB USAR team.

‘I worked as a Liaison Officer in the Incident Control Centre, managing the team of USAR technicians, mapping their routes, and managing their transport and safety – which included working with other agencies, particularly the ADF. I also worked to ensure the health and wellbeing of our firefighters by promoting access to support services and the resources they needed to complete their work,’ Sarah said.

‘A lot of the time our firefighters were the first to reach some of the fire-affected communities. It is part of our duty to check in with the community to ensure they know that support is available. Often the people want to tell you their story, and this can be a difficult and sad time for our firefighters. MFB’s Peer Support Program plays a big role in supporting deployed firefighters with these exposures.’



The data collected by MFB’s USAR team was sent to the State Control Centre to develop a staged approach to recovery. It was used to understand the extent of damage to critical infrastructure to assist the recovery effort of other agencies.

‘There are many emergency service agencies working out of the Incident Control Centre with important roles that support fire-affected communities. Part of my job is advocating for resources for us to collect necessary data and advocate for its importance to the recovery process,’ Sarah said.

The MFB USAR team has responded to incidents both nationally and internationally including the 2009 Kinglake Fires, 2010–11 Queensland Floods, 2011 Christchurch Earthquake, and the 2018 fires in Greece.

‘MFB’s urban search and rescue function is among the best in Australia and I’m proud that MFB is able to offer this critical support to communities in their time of need.’



‘Hearing news of bushfires is devastating. As a firefighter, the first thought you have is that you need to be there to help.’

Safe and healthy workforce

MFB's Health and Wellbeing Department is committed to supporting the best health outcomes for all employees and has a range of services also available for retired staff and employees' family members.

Our health model is a mixed care model providing a range of service options to support employee medical, physical and mental health. This current model continues to evolve in response to the increasingly diverse functions of fire and rescue services, increased investment in health promotion and illness and injury prevention initiatives.

We provide a number of initiatives and programs designed to build resilience and enable our firefighters, our corporate and technical employees and their families to manage the additional challenges that people in the emergency services face. These initiatives and programs include:

- Best Health Experience
- SEEDS Wellbeing Program
- Mental Health Strategy

- Sleep Program
- Functional Movement Assessment
- Brigade Medical Service
- Critical Incident Database
- Health Management Governance
- Health, Safety and Wellbeing Data and Analytics.

MFB's Operational Safety Department works alongside the Health and Wellbeing Department and is responsible for providing a safe and healthy work environment for all employees. This is achieved by maintaining an effective occupational health and safety program, continuously improving processes to identify and manage workplace hazards, and implementing safety measures to reduce occupational risks.

Our *Occupational Health and Safety Policy (2020)* incorporates MFB responsibilities and our commitment to achieving the best health and safety performance in our operations and the broader work environment. The Policy has undergone consultation with employees and relevant committees and was approved by the MFB Board in June 2020.

Number of quarterly OH&S Committee meetings

People, Safety and Wellbeing Committee meetings

Committee	Number of meetings held	Percentage of attended vs. planned (1/7/19 to 30/6/20)
Occupational Health and Safety Policy Committee	5	100% of planned meetings completed.
Operational Employee Occupational Health and Safety Subcommittee	5	83% of planned meetings completed.
People, Safety and Wellbeing Board Committee	4	100% of planned meetings completed.

Number of organisational health and safety incidents investigated

Measure	KPI	2017-18	2018-19	2019-20	Responsible stakeholder/s
Incidents	No. of incidents ^(b)	1,462	1,634	998	Safety Services
	Rate per 100 FTE ^(c)	62.9	68.9	39.3	Culture and Transformation
	No. of incidents requiring first aid and/or further medical treatment	403	363	218	Safety Services
Claims	No. of standard claims ^(a)	---	266	293	Injury and Claims
	Rate per 100 FTE ^(d)	---	11.2	11.5	Culture and Transformation
	No. of lost time claims ^(a)	223	168	194	Injury and Claims
	Rate per 100 FTE ^(d)	---	7.1	7.6	Culture and Transformation
	No. of claims exceeding 13 weeks ^(a)	---	32	50	Injury and Claims
	Rate per 100 FTE ^(d)	---	1.3	2.0	Culture and Transformation

Number of organisational health and safety incidents investigated (continued)

Measure	KPI	2017-18	2018-19	2019-20	Responsible stakeholder/s
Lost shift	No. lost shifts	4,345	4,389	7,153*	Culture and Transformation
Severity rate	Average shifts lost per LTI	19.5	26.1	36.9	Culture and Transformation
Fatalities	Fatality claims	0	0	0	Injury and Claims
Claim costs	Average cost per standard claim (a)	\$-	\$42,790.35	\$81,526.92	Injury and Claims
Return to work	Percentage of claims with RTW plan <30 days	-%	73.78%	72.69%	Injury and Claims
Management commitment	Evidence of OH&S policy statement, OH&S objectives, regular reporting to senior management of OH&S, and OH&S plans (signed by CEO or equivalent).	Complete	Complete	Complete	Work Health and Safety
	Evidence of OH&S criteria in purchasing guidelines (including goods, services and personnel)	N/A	Complete	Complete	Contracts and Procurement
Consultation and participation	Evidence of agreed structure of designated workgroups (DWGs), health and safety representatives (HSRs), and issue resolution procedures (IRPs).	Complete	Complete	Complete	Safety Services
	Compliance with agreed structure on DWGs, HSRs, and IRs.	Complete	Complete	Complete	Safety Services
	Number of quarterly OHS Committee meetings	-	49	45	Safety Services
Risk management	Percentage of internal audits/inspections conducted as planned.	-%	77.5%	90%	Safety Services
	Percentage of reported incidents investigated ^(e)	-%	97.3%	97.2%	Safety Services
	No. of Improvement Notices issued across the department by WorkSafe Inspector. ^(f)	-	-	2	Safety Services
	Percentage of issues identified and actioned arising from:				
	-Internal audits; ^(f)	-%	-%	85%	Safety Services
	-HSR provisional improvement notices; and ^(f)	-%	-%	100%	Safety Services
-WorkSafe notices ^(f)	-%	-%	100%	Safety Services	
Training	Percentage of managers and employees that have received OH&S training:				
	-induction; ^(f)	N/A	N/A	N/A	LinkSafe
	-management training; and ^(f)	N/A	N/A	N/A	Safety Services
	-contractors and temps, ^(f)	N/A	N/A	N/A	Property Services
	Percentage of HSRs trained:				
	-upon acceptance of role (initial training);	N/A	100%	93%	Operational Safety
-re-training (annual refresher)	N/A	N/A	N/A	Operational Safety	

* An increase in lost shifts was observed in FY2019/20 and is attributed to 36% increase from the previous year in mental injury claims, and 111% increase in claims relating to various forms of cancer from the previous year. Claims which have been facilitated by recent legislative amendment have had a significant impact on lost shifts as often the claims relate to previous years but are captured for reporting purposes in the current financial year.

a) Data sourced from Victorian WorkCover Authority.

b) Incident is LTI + NLTi + Near Miss.

c) For calculation of per 100 FTE = (No./(FTE/100)) MTI + FAI, rounded to 1 decimal place.

d) For calculation of per 100 FTE = (No./(FTE/100)), rounded to 1 decimal place.

e) Calculated by number of reports with an inherent and residual rating minus not assessed.

f) Information not available.

Safe and healthy workforce (continued)

Major initiatives

MFB's response to coronavirus (COVID-19)

MFB immediately put an Incident Management team (IMT) in place to manage MFB's response to COVID-19, which implemented a range of rigorous controls to prevent transmission of the new coronavirus disease while ensuring minimal disruption to core functions and operational response.

Operational crews were provided with enhanced Personal Protective Equipment (PPE) to wear at Emergency Medical Response events where there was the potential for COVID-19 exposure. Rotating IMTs considered, managed and mitigated potential exposures and emerging risks.

Employees with increased vulnerability to COVID-19, including employees over the age of 65 and employees with pre-existing medical conditions or vulnerabilities, were encouraged to make arrangements to safeguard their health and wellbeing in consultation with their officer in charge or manager. At an early stage, physical distancing and good hygiene practices were implemented in the workplace for those who were required to attend MFB worksites. MFB quickly moved to support all employees who were able to work remotely. Daily updates were issued to all employees to communicate new and amended work practices and a suite of resources to support new working arrangements was published on a dedicated intranet site.

Further increase to four-person crewing

Throughout the 2019–20 financial year, MFB continued to boost the number of appliances crewed by a minimum of four firefighters, raising the minimum crewing level across the organisation to 307 firefighters at any given time.

In July 2019, MFB committed to replace its final four water tankers with pumper appliances, enabling a minimum of four firefighters to respond on every primary appliance. The inclusion of the Rehabilitation Unit into the minimum crewing chart has now provided our communities with an impressive 307 firefighters on duty at any one time and further enhanced firefighter safety at emergency incidents.

Towards the end of 2019, an enhanced minimum crewing chart was developed and endorsed by MFB and the United Firefighters' Union to reflect the increases and modernisation of MFB's fleet.



Throughout the 2019–20 financial year, MFB continued to boost the number of appliances crewed by a minimum of four firefighters.

Hostile act response and counter-terrorism capability

MFB is continuing to collaborate with Victoria Police, Ambulance Victoria and our other emergency service partners and agencies to develop an integrated and coordinated response model. Developing the strategies and tactics required to respond to hostile acts is challenging for emergency responders as the methods of attack continue to evolve. Hostile acts are complex and the situation often changes quickly. This multi-hazard environment requires response agencies to adopt an integrated model where police, fire, ambulance and emergency services are able to fulfil and coordinate their responsibilities effectively. MFB is continuing its work to address hostile events across the spectrum, focusing on civil disturbances at mass gatherings, the targeting of emergency service workers, and hostile attacks against the community.

This year, MFB has implemented a number of initiatives to enhance and support our response in line with this model. To enhance our capabilities, we have developed and delivered specialised training across ranks to ensure firefighters have the skills and knowledge to effectively implement integrated strategies. In addition, an advanced command program will be delivered to prepare a cohort of command personnel to respond and advise incident controllers and partner agencies during hostile events.

The next 12 months will see the full integration of a suite of programs across MFB that are aimed at supporting our response capability and providing a safe work environment for all first responders.

PFAS study

MFB has identified per-fluoroalkyl and poly-fluoroalkyl substances (known as PFAS) as a key organisational risk. We have spent many years advocating and working towards PFAS minimisation, and the phasing out of PFAS in the firefighting industry to keep our people and communities safe as a strategic priority.

As part of this work, in 2019 MFB partnered with Macquarie University and the United Firefighters' Union to conduct a world-first clinical PFAS study, to investigate whether the regular donation of blood or plasma could reduce the levels of PFAS in firefighters' blood. MFB commissioned Macquarie University to conduct the research over a 12-month period, with around 300 firefighters and employees participating. The research will provide vital intelligence on reducing the possible impacts of PFAS, and help inform future decision-making.

PFAS advocacy

MFB has used PFAS-free foam since 2014, and was the first fire and rescue service in the world to establish threshold PFAS limits for firefighters.

We have developed PFAS exposure prevention programs and continue to provide expertise to actively support our fire and rescue service colleagues in Australia and overseas by giving advice and information about the MFB PFAS remediation processes and applied safe threshold limits.

MFB's PFAS Project Management team is responsible for preparing policy submissions, and was recently invited to present at an international committee meeting, where they continued to put firefighter health and safety on the global agenda.

In October 2019, Commander Mick Tisbury and Acting Deputy Chief Officer Martin Braid presented at the Stockholm Convention Persistent Organic Pollutants Review Committee meeting in Rome, during which a draft decision to ban the use of PFHxS in firefighting foam globally was passed. This represents a significant step towards eradication of PFAS across the sector, and it is expected that the decision will be ratified at the next convention in 2020.

MFB has made significant progress towards PFAS decontamination of all appliances and equipment, and continues to lead the way in advocating for change to improve the lives of Victorians and the firefighting community across the globe.

MFB PFAS testing

MFB proactively organised preliminary soil and perimeter testing to identify, assess and reduce PFAS exposure at our fire stations in June 2019.

MFB has now established a comprehensive PFAS testing program to identify, and reduce potential future exposure to firefighters and the community. Our testing regime includes:

- testing fruit and vegetables grown at MFB fire stations
- preliminary perimeter soil testing at most MFB fire stations, including some former MFB fire stations and properties neighbouring MFB fire stations
- dust testing at MFB fire stations, in conjunction with the 'DustSafe' initiative and Macquarie University
- testing and decontamination of MFB appliances, hoses and firefighting equipment, to within MFB's PFAS thresholds
- PFAS tested MFB firefighter personal protective clothing/ tunics, as a means of checking PFAS exposure of firefighters.

Health and wellbeing

MFB is committed to supporting the best possible health outcomes for its employees, through a health and wellbeing system that promotes physical and mental health.

Our health and wellbeing system is built on policies, procedures and guidelines that provide a framework for delivery of a full range of support services, giving employees the option to get free and confidential help from our in-house experts or through external programs and services. Our Employee Support, Exercise Science and Injury and Claims teams currently manage and deliver key health and wellbeing programs.

Mental health support

Mental Health First Aid and Road to Mental Readiness roll-out

MFB's comprehensive mental health literacy training program involves two evidence-based programs: Mental Health First Aid and Road to Mental Readiness. The two-year rollout began in October 2018.

Road to Mental Readiness (R2MR) was developed by the Mental Health Commission of Canada and focuses on strategies to maintain mental fitness and resiliency skills, and how to apply these from a leadership perspective.

The Mental Health First Aid Program aims to increase an individual's ability to recognise and respond to someone who is experiencing a mental health issue or mental health crisis.

Both programs aim to break down stigma, and increase access to MFB's support services to achieve positive mental health, not only in the workplace but in our communities.

From July 2019 to June 2020, 575 employees completed the R2MR and 572 employees completed the Mental Health First Aid Program.

Safe and healthy workforce (continued)

Walking as one: Walking Off the War Within in Ballarat, 2020

First established in 2017, Walking Off the War Within was held in Ballarat on 29 February 2020.

The walk is held in memory of returned soldier and firefighter Nathan Shanahan, who walked 400 kilometres from Mildura to Adelaide in April 2015 to advocate for better mental health support and awareness, particularly for post-traumatic stress disorder, depression and suicide. Nathan sadly died through suicide in December 2016.

The walk has transformed into a movement of emergency services and defence force personnel, coming together in a series of walking events to continue Nathan's legacy.

In 2020, MFB's Employee Support Program joined our colleagues from the Country Fire Authority (CFA) to co-host a wellbeing concession at the event, promoting the work being undertaken by Victoria's fire and rescue services to improve mental health across the sector. Participants shared information about the range of support services on offer and talked to attendees about their own mental health, to reduce the stigma that often prevents people from getting help.

MFB's Employee Assistance Coordinator Irina Tchernitskaia said: 'The Walking off the War Within events are close to people's hearts, and it's important to get involved to send the message that it is okay to talk about mental health and wellbeing, because this is how we're going to break down stigma and encourage people to seek help if they ever need it.'

Since 2011, Station Officer Peter Watts has served as an MFB peer and he attended the event this year.

'I really enjoyed the experience, and it was positive to see representation from MFB and CFA in the wellbeing space. We are working proactively together to achieve positive outcomes for those experiencing mental health issues.'

At the event, MFB highlighted the work of our Peer Support Program, which is a network of 68 trained employees, who volunteer to support people across the workforce and play a vital role in connecting people to other services.

Supporting first responders on the frontlines

The 2019-20 Victorian bushfires were challenging and distressing for communities and responders, leaving a legacy of destruction and a long relief and recovery effort ahead.

MFB's Employee Support Program was privileged to work alongside our emergency management colleagues to provide mental health support to those on the frontline, regardless of their uniform.

MFB's Employee Assistance Coordinator fulfilled the new role of State Wellbeing Coordinator in the State Control Centre, along with colleagues from CFA, Department of Environment, Land, Water and Planning, and State Emergency Services (VICSES). The primary focus of the role was to deliver coordinated psychological wellbeing services to emergency service personnel across the sector during the bushfire event, integrating wellbeing departments and sharing critical information, which will inform future calls to action.

At the regional level, MFB, together with our CFA peer support colleagues, deployed personnel to Hume and East Gippsland regions. Peers were able to check in with our people and members of other emergency service organisations working in fire-affected communities to promote their wellbeing. Together, we were able to adapt and integrate our psychological wellbeing response models quickly to support first responders on the frontlines.



Physical health support

The Exercise Science Unit develops programs, and offers health and injury prevention services to keep our workforce fit and healthy. Programs and services are responsive to changing trends, underpinned by the latest scientific evidence, and tailored specifically to the needs of Victorian firefighters, to empower our workforce to be stronger and more resilient to injury.

VRFC Physical Resilience Program

The Exercise Science Unit continually improves the Victorian Recruit Firefighter Course (VRFC) Physical Resilience Program to provide proactive education and physical preparedness training to recruits. This program reflects best practice in physical training and provides recruits with the tools to prepare specifically for the physical demands of firefighting. Through theoretical components on preventing injuries and practical workshops, the program prepares recruits for a long and healthy career in fire and rescue services.

Individual exercise rehabilitation

The Exercise Science Unit provides individual exercise rehabilitation support to MFB's operational workforce to get our people back on track after injury. Over the past 12 months, 97 per cent of exercise rehabilitation program recipients successfully avoided injury recurrence. The Unit applies an evidence-based exercise rehabilitation practice to help participants progress beyond pain-free presentation.

The services provided by the Unit are not just about physical resilience, but also play an important role in improving mental health and wellbeing. Chronic injuries can take a toll on an individual's self-esteem, especially when it impacts on their ability to do their job or participate in recreational activities they once enjoyed.

Diesel emissions trial

MFB remains committed to reducing employee exposure to diesel exhaust emissions. A three-month trial of a source capture exhaust extraction system at West Melbourne Fire Station validated the effectiveness of the system, and identified improvements.

Source capture exhaust extraction systems have since been incorporated into new station builds for Box Hill, Derrimut and Brooklyn. All stations due for capital works refurbishments will have the systems installed as part of the refurbishment program, and plans for a program to retro-fit existing stations will commence in the next financial year to provide healthier and safer workplaces for our firefighters, now and into the future.

Cancer Minimisation Awareness Program

In September 2019, MFB launched a Cancer Minimisation Awareness Program to help prevent the development of cancer and other health issues in firefighters. This followed the passing of landmark presumptive rights legislation in Victorian Parliament, which provides compensation to firefighters who meet specified criteria and timeframes under the Act. Firefighters can be exposed to contaminants that are suspected to cause cancer as a result of their work, putting them at greater risk of developing some forms of cancer, compared to the general public. MFB's Operational Safety Department with support from MFB's highly valued Health and Safety Representatives is leading the initiative, which aims to equip operational employees with simple ways they can minimise their risk.



‘At this point in my life I’m happy to say that the condition of my back and general mobility has never been better, and I now feel a degree of strength and resilience in my back that I haven’t felt for many years.’

– Commander Bryan Currie

Safe and healthy workforce (continued)

The program will run for 12 months, and includes a series of posters displayed in prominent locations at fire stations and conversations between Shift Commanders and crews to promote awareness of safe work practices. It covers a range of topics including an overview of the presumptive rights legislation and what it means for firefighters; tips on decontamination including how to clean helmets; appliance hygiene; the importance of using sunscreen; how to protect yourself from diesel particulate; storage of Personal Protective Clothing (PPC); equipment cleaning; respiratory protection; health monitoring; personal hygiene; bagging and tagging of PPC; and an overall summary of the program.

The safety and wellbeing of our people remains MFB's highest priority and the Cancer Minimisation Awareness Program is one way we are safeguarding our employees so we can continue to serve our communities.

Respiratory Protection Replacement Project

The Respiratory Protection Replacement Project is a sector-wide initiative to replace self-contained breathing apparatus (BA) across Victoria's emergency service organisations. The project aims to improve BA interoperability across participating agencies, remove obsolete equipment, improve firefighter safety and ensure current capabilities are maintained. This program represents a significant investment by MFB that will result in effective interoperability across a number of Victorian Government agencies along with enhanced protection for MFB firefighters.

MFB is in the final stages of implementing the project. Once complete, firefighters will be equipped with new BA with more technical features than any previous respiratory protection equipment used by MFB. These added features will enhance the safety of firefighters and their ability to function in extreme environments.

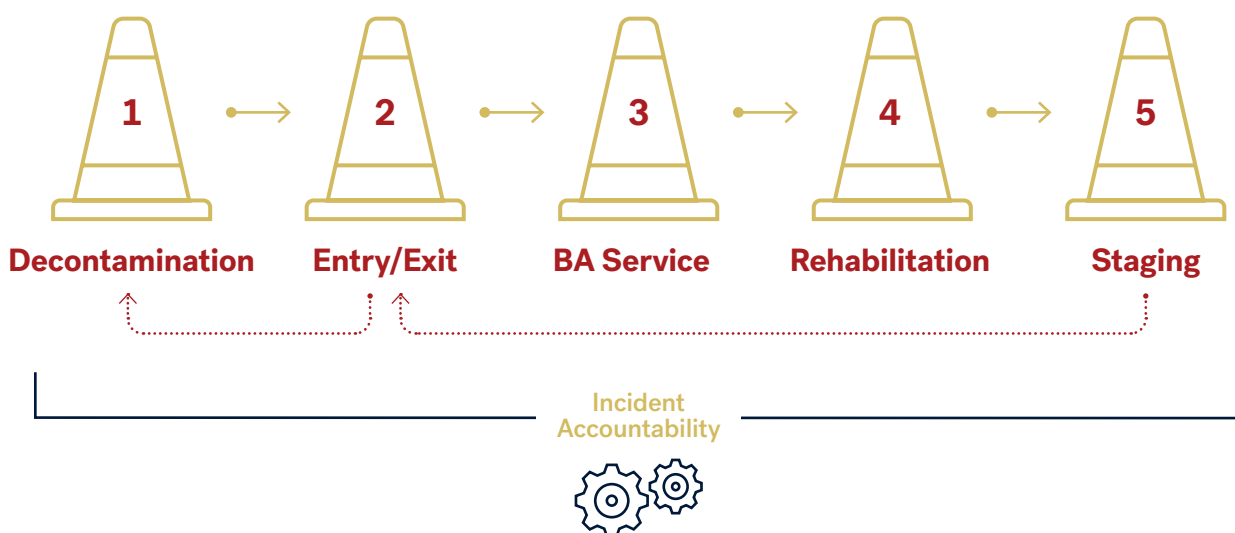
Fireground accountability and contamination management: DEBRiS trial

On 1 September 2019, the Decontamination, Exit, Breathing Apparatus Service Rehab and Staging (DEBRiS) trial was rolled out to all platoons and districts, with the project extended until September 2021.

The DEBRiS model is a five-step systematic process that enables command personnel to capture and account for crews on the fire ground and better manage contaminants. The innovative workflow system has generated national and international interest from our sector colleagues.

MFB's world first DEBRiS model outlines a systematic workflow, which has proven to be successful in minimising firefighter exposure to toxic by-products of combustion. It incorporates a strong focus on the decontamination of firefighter PPC through processes to remove chemicals from clothing and positioning crews in clearly defined safe areas.

There are five steps to DEBRiS:



The DEBRiS workflow system is scalable to suit any incident, and is responsive to the requirements of a diverse range of fire grounds. It can be adapted to suit a single appliance response or expanded to suit a large, protracted incident. The trial will be reviewed from 1 September 2021 with a view to embedding the model in standard operations.

Personal Protective Clothing (PPC) Total Garment Management Project

MFB established the PPC Project to review and renew the arrangements by which we provide all firefighters with world-class personal protective clothing (PPC).

The project has been running since early 2018. The project team consists of five members and is informed by the experience of operational firefighters. The new contract is for a total garment management solution that consolidates all PPC, uniforms and associated services (including laundering, logistics, decontamination and decommissioning) into a single contract to be managed by a single vendor – a first for MFB. The contract is scheduled to commence on 1 January 2021, will contain mechanisms to incorporate new developments in garment and business technologies to provide all firefighters with access to best-in-class PPC. In the interim period the project team is making transition arrangements to achieve the implementation start date.

The project is considered a Victorian Government Strategic Project and is subject to the *Social Procurement Framework Local Jobs First Act 2003* obligations. The project team also worked with the Uniforms and Personal Protective Equipment Monitor throughout the project.



The project is considered a Victorian Government Strategic Project and is subject to the *Social Procurement Framework Local Jobs First Act 2003* obligations.





Mick Tisbury Commander

As an MFB Commander and a founding member of the PFAS Project Management team, Mick plays an important advocacy role at MFB.

Commander Michael 'Mick' Tisbury currently works in the Foam Assessment and Replacement Project team.

He joined MFB in 1989, and has completed specialist Wildfire, Ladder Platform, and Heavy Rescue training. He has also completed leadership training as part of rank promotions, training and instructor courses.

In 2019, Mick travelled to the United Nations Stockholm Convention (COP9) – a global gathering that seeks to protect human health and the environment from persistent organic pollutants.

Mick presented a submission for the elimination of per and polyfluoroalkyl substances, known as PFAS. These chemicals are commonly found in a range of household products, and are also used in firefighting foam; however, MFB has not used them since 2014.

Mick has been instrumental in leading changes to the response to PFAS-containing firefighting foam for MFB and across the sector. MFB has spent years advocating and working for PFAS minimisation and the phasing out of PFAS in the firefighting industry.

MFB was the first fire and rescue service in the world to establish threshold PFAS limits for firefighters, and implement successful measurable decontamination programs for appliances and firefighting equipment. Mick's subject matter expertise has consistently contributed to this body of work.

Mick's interest in this field came from his years of research into PFAS exposure, and its potential impacts on people and the environment.

Mick was the first career firefighter to attend the Stockholm Convention and news of his presence quickly led to fire and rescue services around the world seeking representation from him at the event. Initially representing 13,000 Australian firefighters, this quickly rose to more than 500,000 firefighters from around the world. The work resulted in an agreement from all 182 governments at the convention to place special controls on PFOA-containing firefighting foams, a type of PFAS chemical.



'I am proud to be putting the health and safety of firefighters on the global agenda, and it was an honour to present at the recent Stockholm Convention, where we were able to deliver a significant outcome, not only for us but for the firefighter community and the public around the world,' he said.

Improving community safety and resilience

Compliance and advice

MFB delivered the following compliance inspections and provided the following advice services to our community during 2019–20:

Department	Service	Statistics
Dangerous Goods	Dangerous goods reports	154
	Dangerous goods letters	38
BCA and Audits	Letters of advice	320
	129 applications	754
	187 applications	528
	Modifications	36
Community Safety Technical Department	Fire engineering briefs	618
	Fire engineering reports	458
Fire Investigation and Analysis	Accidental fires attended	49
	Suspicious fires attended	17
	Electrical fires attended	43
	Undetermined fires attended	10
	Fatal (non-preventable)	3
	Fatal (preventable)	4
	Injuries	20
	Actual loss	\$20,504,350
	Potential loss	\$214,805,000
Building Inspections and Compliance	Class 1B – A single dwelling being a detached house or one or more attached dwellings	1
	Class 2 – A building containing two or more sole occupancy units each being a separate dwelling	42
	Class 3 – A residential building, other than a Class 1 or 2, which is commonplace of long-term or transient living for a number of unrelated persons	32
	Class 5 – An office building used for professional or commercial purposes, excluding buildings of Classes 6, 7, 8 or 9	28
	Class 6 – A shop or other building for the sale of goods by retail or the supply of services direct to the public	38
	Class 7 – A building which is a car park or is for storage or display for sale by wholesale	47

Improving community safety and resilience (continued)

Compliance and advice (continued)

Department	Service	Statistics
Building Inspections and Compliance	Class 8 – a laboratory or a building in which a handicraft or process for the production, assembling, altering, repairing, packing, finishing or cleaning of goods or produce is carried on for trade, sale or gain	18
	Class 9A – A healthcare building	10
	Class 9B – An assembly building in a primary or secondary school, but excluding any other parts of the building that are of another class	1
	Class 9C – An aged care building	11
	Essential Safety Measures (ESMs)	228
	General Enquiries	107
	Building Infringement Notices (BINs)	0
	1st inspections	228
	2nd inspections	N/A
	Total Jobs	335
Cladding*	Number of buildings assessed at advisory reference panels	536
	Number of operational (cladding) risk reports	124
	Number of buildings found with ESMs issues	32
Recycling	Number of joint inspections with agency partners	48
	Number of operational (recycling/waste) risk reports	48

*Due to the impact on MFB of COVID-19, these figures are an estimate.



MFB's Community Resilience Department plays an important role in identifying and advocating for improved safety measures in buildings and facilities to minimise risk to firefighters and the community.

Community Resilience

MFB's Community Resilience Department plays an important role in identifying and advocating for improved safety measures in buildings and facilities to minimise risk to firefighters and the community. The department develops strategies, policies and systems to influence change and regulatory reform, and assists in the identification of consumer goods that may be a risk to the community.

The Community Resilience Department works with a range of stakeholders across the building sector including industry, regulators, partner and government agencies to ensure fire safety measures are implemented and maintained to protect responding firefighters and the occupiers of Melbourne's built and hazardous environments.

A priority of the Community Resilience Department is community education and positive policy change, through the development of programs and campaigns that promote fire safety. The department engages directly with diverse communities to ensure they understand fire risks and are informed about how to respond in the event of an emergency.

On an advocacy level, the Community Resilience Department represents MFB and the Australasian Fire and Emergency Service Authorities Council (AFAC) at legislative and technical stakeholder forums across the state to advocate for improved fire safety policy and legislative reforms.

Major initiatives

At-risk groups

MFB's At Risk Groups team develops and implements strategies and interventions to sustainably reduce fire and emergency risk for those who are most vulnerable in the community.

MFB has identified hoarding as a significant fire safety risk to firefighters and the community. Hoarding and/or squalor increases the chance of a fire occurring, and high-fuel loads can increase the size, spread and severity of a fire. It can also make it difficult for occupants to escape and delay firefighters in accessing a property during an emergency.

MFB firefighters were called to emergencies at properties where hoarding and/or squalor are present every four to six days in 2019–20. Responding crews are currently alerted to potential hazards when dispatched via a Hoarding Notification System, and operational response is enhanced based on need.

This year, the At Risk Groups team continued to work closely with local councils, our partner agencies and service providers to identify high risk properties and increase the safety of responding firefighters, residents and neighbours and develop programs to connect vulnerable individuals to support services.

During 2019–20, the At Risk Groups team has successfully achieved the following outcomes in policy and advocacy, research and analysis, and training and expertise.

Policy and advocacy:

- conducted education sessions regarding MFB's Hoarding Notifications System with stakeholders including local councils, community care agencies, health providers and community and social housing providers
- worked with the Transport Accident Commission (TAC) to conduct home fire risk assessments for TAC and WorkSafe clients at increased risk from fire in their homes
- completed the At Risk Group's component of the Fire Investigation and Analysis Unit submissions to the Coroners Court of Victoria in relation to two hoarding fire-related deaths in the metropolitan district.

Research and analysis:

- worked in collaboration with Risk Frontiers and Australasian Fire and Emergency Service Authorities Council (AFAC) to increase awareness of preventable residential fires and completed a major national research project. The *Preventable residential fire fatalities in Australia July 2003 to June 2017* study, was presented by MFB at the AFAC 2019 Conference and has since been published in several industry journals.

Training and expertise:

- provided advice to the Tasmania Fire Service (TFS) on establishing a team within TFS with similar functions to MFB's At Risk Groups team
- worked with the Victorian Department of Health and Human Services on the development of a training package relating to hoarding issues for public housing workers
- continued presentations to participants in Swinburne University's Compulsive Hoarding group therapy sessions
- received an increased number of residential risk referrals relating to individuals living in the community who may be at risk.

Improving community safety and resilience (continued)

Community development work

Over the past year, the Community Development team has continued its work to establish the Victorian Emergency Risk Management System (VERMS), an online software tool that assists with incident prevention and risk planning. The risk assessment application is an MFB-led initiative that integrates complex data into a single platform to enable local government authorities to better identify, understand and deliver interventions to keep their communities safe. The project is well underway and is expected to roll out in mid-2021, providing local government authorities with relevant and up-to-date data to improve safety outcomes for Victorians.

Community education

Melbourne is one of the fastest-growing cities in the world, and as our communities change, the way we work must also change. We are responding to the evolving needs of our communities through community education campaigns and programs which reflect the diverse communities we serve. MFB is committed to making home fire safety accessible to people of all ages and cultural backgrounds.

In 2019–20, MFB's Community Education Unit produced home fire safety materials and delivered a number of key projects, including:

- an update of the *Home Fire Safety Booklet*, which is available in print and accessible online. The online publication was also translated into 22 languages
- an update of the *Smoke Alarm Brochure* with the latest safety advice encouraging Victorians to install interconnected smoke alarms in every bedroom as well as in hallways, published in print and online. It is also available in 22 languages
- a mailout of residential fire safety information to over 10,000 households in 2019–20 through the Inflamm Program. This mailout program targets households immediately after a second-alarm house fire occurs in the neighbourhood, and is effective as the information is delivered when community fire safety awareness is heightened. The Inflamm Program was enhanced in 2019–20 to include high-rise apartment fires, with a focus on balcony and combustible cladding fire safety information. MFB continued to provide fire safety information to households during the COVID-19 public health pandemic
- more than 120 Juvenile Fire Awareness and Intervention Program sessions were delivered by specially trained firefighters to young people in 2019–20
- community engagement at the Royal Melbourne Show in 2019 with a pavilion display alongside other emergency services. MFB employees discussed fire safety with the community, as well as providing an opportunity to experience sitting in a fire truck and learn about the equipment we use to respond to incidents.

Fit to Drive Program

MFB crews attend hundreds of car crashes each year, and as first responders, MFB firefighters witness the devastating impacts of road trauma first-hand. Road safety education is critical for young people as they are three times more likely to be killed in a car crash than older, more experienced drivers. MFB is a proud partner of the Fit to Drive Foundation, with MFB firefighters facilitating a case-based workshop for Year 11 school students as part of the Fit to Drive road safety program.

With key stakeholders including the Department of Education and Early Childhood Development, TAC, VicRoads, the Victorian Road Safety Alliance, local government, local community road safety organisations, RACV, RMIT University and Victoria Police, MFB aims to deliver improved road safety outcomes and to support the Victorian Government to meet its road safety targets and help keep young drivers safe. In mid-2019, the Foundation delivered the program to its 100,000th student. MFB firefighters delivered the workshop to over 9,000 students in 2019–20.

FLAMES

FLAMES is a fire safety education program for English language schools and centres. As part of the program, specially trained firefighters visit secondary schools to deliver the program to students who have recently arrived in Australia and are studying English as an additional language. During 2019–20, FLAMES resources were upgraded and three additional firefighters were trained to deliver the program. The program was paused in March 2020 due to COVID-19 and closure of schools. Throughout 2019–20, MFB delivered 18 FLAMES presentations to 750 students.

Fire Education (FireEd) for foundation and upper primary

FireEd is a fire safety education program for foundation, upper primary and specialist school students.

In 2019–20, MFB developed new resources and accessible fire safety resources for use in specialist schools were updated. FireEd was paused in March 2020 due to COVID-19 restrictions and school closures. This had a significant impact upon program delivery. Nonetheless, the program was delivered to 5,491 students over 83 sessions.

School	Students	Sessions
Prep/foundation primary	4,209	59
Upper primary	1,046	18
Specialist schools	236	6

Seniors' fire education

MFB recruited two new presenters to deliver the Seniors Fire Education Program in 2019–20. The program was paused in March 2020 due to COVID-19 restrictions. Retired firefighters delivered the program to 1,062 participants over 25 sessions, with six sessions using an interpreter.



MFB launches landmark study on preventable fire deaths

In an average week in Australia, at least one person dies in a house fire. Most of the time, those deaths are preventable.

Residential fires cause more deaths each year than all natural hazards, such as storms, floods and bushfires, combined. This rate has remained steady over the past decade, and the elderly, young people, people living with disabilities, people who live alone and people in low socio-economic groups are the most vulnerable.

In September 2017, MFB and the Australasian Fire Authorities Council (AFAC) commissioned research into preventable house fire deaths, in an effort to identify risks and prevent future fatalities. The landmark study, which analysed 14 years of coronial data, found at least 900 people died in residential fires in Australia.

MFB Research Manager Geoff Kaandorp said there were some common risks associated with many deaths in residential fires.

‘Smoking is by far the leading cause of preventable fire-related deaths, with the bedroom and living room the most common places where fatal fires happen,’ Geoff said. ‘People older than 65 are also at greater risk of dying in a residential fire, because risk increases with age.’

People with a physical disability, pre-school aged children, the social-economically disadvantaged, and people who live alone were also over-represented in fatal fires.

The report identified common risk factors including living alone, social and financial disadvantage and the consumption of alcohol, contributing to the risk.

MFB Acting Chief Executive Officer/Chief Officer David Bruce said the research provided crucial insights. ‘Studies like these provide vital intelligence that assist fire and rescue services to better understand why these incidents are happening and who is most at risk.’



‘The research helps us to better understand the complexity of the problem and provides evidence to inform our policies, programs and campaigns so we can protect our most vulnerable,’ he said.

The industry has agreed to work collaboratively to develop a national residential fire strategy ‘towards zero’ to reduce preventable residential fire fatalities.

The landmark *Preventable Residential Fire Fatalities in Australia: July 2003 to June 2017* report was launched at the AFAC Conference in July 2019. The report is a critical resource to the emergency management sector, which will improve prevention initiatives across the country.

Fire safety in the built environment

Sprinklers are now a mandatory requirement in apartment buildings four storeys and above

Following the advocacy of the Australasian Fire and Emergency Service Authorities Council (AFAC) and key stakeholders including MFB, the 2019 National Construction Code came into effect in 2019, making automatic fire sprinkler systems a mandatory requirement for all new residential apartment buildings that are four storeys and above in height. This significant improvement in fire safety requirements for apartment buildings is a direct result of a collaborative approach between MFB, fellow AFAC member agencies and the Fire Protection Association of Australia, providing a safer built environment for the community.

Improving community safety and resilience (continued)

Major community infrastructure

MFB has been working closely with project consortia and Victorian government agencies on a number of major community infrastructure projects throughout 2019–20. On behalf of the community, MFB advocates for world-class fire safety features to be factored into the planning and development of key large-scale projects. MFB provides fire safety engineering advice to inform the design and build of multi-generational infrastructure facilities to improve the safety of firefighters and the communities who will use these facilities in the years to come.

High-risk dangerous goods and waste crime

MFB continues to play a significant role in the whole-of-government High Risk Dangerous Goods and Hazardous Waste Crime Working Group. The working group is responsible for a comprehensive lifecycle review of the supply and storage of toxic and hazardous chemicals that present a high fire risk to firefighters and the community. In 2019–20, the working group commenced work on a suite of strategic projects to enhance prevention and response to high-risk sites in Victoria, and undertook a strategic review of the industry supply chain and current regulations. It also established a coordinated information and intelligence committee, developed a *Coordinated Prevention and Response Framework* and an *Operating Protocol*, and revised whole-of-government governance structure to ensure a coordinated and seamless response.

Essential safety measures and state-wide cladding audit

As a key participant of the state-wide cladding audits Advisory Reference Panels (ARP), MFB continues to highlight the challenges and risks of inadequately maintained essential safety measures. MFB's involvement in the ARP provides increased organisational knowledge and awareness of high-risk sites, helping to inform operational risk reports, station turnout notes and enhanced responses. We are continuing to work with the Victorian Building Authority and other stakeholders to highlight and mitigate risks to both occupants and responding firefighters.

MFB plays an important role in the assessment process, and contribute to ongoing work to identify where cladding is being inappropriately used in buildings. We continue to provide input into the evaluation process alongside our sector partners, which informs the development of operational risk reports and enhanced responses to buildings at risk.

Solar panel advocacy

MFB is working with Solar Victoria to identify factors that cause solar panel fires, with a particular focus on installation issues.

Through our work to better understand the causes of incidents involving solar panel systems, MFB aims to contribute to improvements in Solar Victoria's inspection and auditing procedures, and promote a greater level of quality and assurance to owners and occupiers of residential properties who invest in sustainable energy solutions.

Smoke alarm campaign

In 2019–20, MFB and CFA partnered for the annual smoke alarm campaign to deliver a safety warning to Victorians. The overarching message for the 2020 campaign, 'Silence is Deadly', reminded Victorians that not having a working smoke alarm can be fatal, particularly if you are asleep.

The campaign advised Victorians to install interconnected smoke alarms in all bedrooms, which is new advice and marks a significant change to previous guidance. The campaign used a mix of radio and digital including social media advertising, and the messaging was informed by new research from the state's fire and rescue services, which shows that our sense of smell and ability to detect smoke is reduced during sleep.

The data also revealed that most house fires occur overnight, emphasising the importance of having a working smoke alarm.

Home Fire Safety Booklet

In September 2019, the Risk and Resilience team launched the updated *Home Fire Safety Booklet*. The updated booklet is based on data collected over the last six years that shows most fires start in the kitchen and features a new champion for fire safety, 'Frankie the fire extinguisher'. 'Frankie' is an inclusive character who features throughout the booklet with fire safety tips and recommendations that speak to people of all ages.

The new booklet has been translated into 22 different languages to reflect the diverse communities we serve and ensure that everyone has access to the latest advice from fire and rescue services. The *Home Fire Safety Booklet* provides new advice on the placement of smoke alarms, supporting MFB and CFA's smoke alarm campaign to encourage all Victorians to install interconnected smoke alarms in every bedroom of the house and ensure they are complete with a 10-year long-life battery.

Frank Yaman Leading Firefighter

Frank Yaman is one of five MFB Multicultural Liaison Officers dedicated to increasing community education and awareness of fire and rescue services.

Frank had been a firefighter at MFB for nine years when he applied to be a Multicultural Liaison Officer (MLO). The role appealed to him as he was passionate about supporting communities and helping people.

'I was attracted to join the fire and rescue service because I'm a community-minded person. Having come from a migrant background, I know how important it is to connect with newcomers to Melbourne. It's an opportunity to influence people's perception of emergency services and help support their ways of living,' Frank said.

As an MLO, Frank's role is to be a point of connection between community groups and MFB. MLOs provide critical information and support to community groups such as fire prevention and education services. They also build relationships with migrant and multicultural groups, and help the fire and rescue service better understand different cultures and cultural experiences of fire.

'It's not uncommon for some communities to feel mistrust when they see people in uniform and some may have never interacted with firefighters before,' said Frank. 'We play an important role in helping the community understand the support and resources that are available to them in Victoria.'

Part of MFB's Community Resilience Strategy focuses on increasing fire safety awareness and promoting prevention activities. In addition to the work of MLOs, MFB hosts a program of events to help improve community safety for primary to secondary school students, teenagers learning to drive, senior members of the community and people who have recently migrated to Australia.


'It's hard to measure how many fires we have prevented, but we can measure the strength of our relationships with the communities we serve,' Frank said.

'We're working hard to ensure everyone has equitable access to the fire and rescue services and important safety information. In the emergency response sector, we are often focused on reactive response, that is why it is so rewarding to be part of the proactive prevention programs that ensure there are fewer emergencies that impact our communities, and require our people to attend.'



I was attracted to join the fire and rescue service because I'm a community-minded person. Having come from a migrant background, I know how important it is to connect with newcomers to Melbourne.

Valuing our people



MFB is committed to being a contemporary and respectful fire and rescue service. We are dedicated to providing an understanding, respectful and inclusive workplace for employees and actively participate in, and lead, sector and community reform.

Contemporary workforce conditions

MFB culture and diversity

MFB is committed to being a contemporary and respectful fire and rescue service. We are dedicated to providing an understanding, respectful and inclusive workplace for employees and actively participate in, and lead, sector and community reform.

MFB is working hard to attract and retain high-performing people. The People and Culture Directorate leads this work and has delivered major programs resulting in a significant rise in workforce engagement, reform leadership, and diversity and inclusion.

‘Conversations in the Mess’ is a program that has significantly contributed to enhanced workforce engagement. This program brings together senior corporate and operational leaders, who visit MFB teams and crews at worksites and in stations to open dialogue. It offers participants the opportunity to get to know one another, better understand different job roles, and discuss any issues of interest during a two-hour, open conversation. Participant feedback and organisational indicators tell us that this reciprocal engagement is leading to greater understanding, trust and relationships between MFB’s senior leaders and employees who get a great deal from these interactions.

People across MFB have also worked together to deliver the Our Story MFB website. This website recognises the diverse range of people who work at MFB, the places we work, how MFB has changed over time, and our involvement with communities. The website is a valuable resource for attracting employees to MFB, demonstrating the diversity of our people and the job roles within a modern fire and rescue service. It also reinforces the important advocacy role that MFB plays in keeping our communities safe and thriving across areas such as fire safety, community safety and social reform. This serves as an important legacy as MFB transitions into Fire Rescue Victoria and a new chapter of the history of Victorian fire and rescue services begins.

MFB recognises, values and is working hard to increase social diversity among employees. We have published new reconciliation and disability action plans, which reflect our commitment to providing a respectful and inclusive workplace. Over the past year, we have undertaken key activities to attract people from socially diverse backgrounds. Some of these include targeted marketing for the Victorian Recruit Firefighter Campaign (November 2019), promoting the *35 Years of Operational Women at MFB* travelling and online exhibition, developing education kits for primary and secondary school aged children that highlight firefighting as a career choice for women, and providing opportunities for women in firefighting to present at schools and career exhibitions.

MFB has also demonstrated proactive community engagement and sector leadership in diversity and inclusion, particularly in promoting gender equality. We have delivered six major campaigns addressing the importance of gender equality and how change is accelerated when people of all genders work together. Our success in this area has been evidenced by MFB employees’ enthusiasm to be involved in campaigns, as well as the community’s positive response to these initiatives. For example, MFB’s International Women’s Day 2020 campaign included two videos that explored what it is like to be a woman in today’s world and what it’s like for women to work in fire and rescue services. Within a week of publication, the videos had been viewed by more than 131,000 people across our social media channels.

MFB has also been involved in sector cultural reform activities associated with diversity and inclusion. We led the production of Emergency Management Victoria’s *Pride* video to celebrate the participation of emergency services in the annual Melbourne Midsumma Festival. The video brought sector partners together to show support and recognise individuals, organisations and communities diverse in gender and sexuality. As part of our support for the UN’s 16 Days of Activism campaign against gender-based violence, we provided an appliance wrapped in orange branding and employees from across the organisation joined forces to participate in the Walk Against Family Violence. During 2019–20 Victorian bushfires, we delivered gender and disaster training to highlight the unique experiences of women and people diverse in gender and sexuality to support recovery efforts. MFB continues to actively work with external stakeholder and community groups to ensure that we contribute positively to broader social reform and stay up to date with best practice.

Influential leadership

MFB offers a range of leadership development opportunities that provide employees with the ability to learn and network with colleagues across the emergency services sector. MFB leaders can undertake qualifications through the Australian Institute of Police Management or other industry-specific development programs. We are continuing to support senior leaders to participate in the Williamson Leadership Program, which aligns with our values and role as community leaders.

In preparation for the transition to Fire Rescue Victoria, MFB has been focused on building internal leadership development opportunities, which will create new pathways for development and support the organisation’s strategic direction.

Valuing our people (continued)

EBA update

MFB's Mechanical Workshops Enterprise Agreement expired in July 2019, and negotiations for a new agreement are underway. Throughout the year, MFB has continued to ensure that the United Firefighters' Union Operational Staff Agreement 2016 is implemented following its approval in February 2019. Negotiations for the Corporate and Technical Employees Agreement are due to commence in May 2021 ahead of its nominal expiry in November 2021.

Professional development

MFB provides a range of professional development opportunities to give our people the chance to learn and grow. We support our employees undertaking study for formal qualifications including through higher education, classroom-based workshops and online learning modules.

Employees also have opportunities to attend educational conferences such as the Australasian Fire and Emergency Service Authorities Council and the Emergency Services Foundation Conference. We encourage participation in research scholarships offered internally and through the sector, such as the Emergency Services Foundation scholarship.

Firefighter recruitment campaign

In the four years since MFB and CFA commenced joint training, a total of 462 (329 MFB, 133 CFA) recruits have been equipped with the knowledge and skills to respond across Victoria's urban and rural environments.

During the 2019–20 financial year, MFB and CFA delivered eight Victorian Recruit Firefighting Courses, which added 180 new firefighters to MFB's ranks, including 12 women.

Work is continually being done to attract more women to the fire and rescue services and to promote the role of women in firefighting, and MFB has been working to show the community that firefighting is a career for men and women alike.

MFB and CFA received 965 applications from female candidates in November 2019, which was an increase from previous recruitment campaigns, but due to the operational impacts of the COVID-19 pandemic, appointments have not yet been made from this cohort.

There are a number of initiatives in development to support applicants that are underrepresented in the fire and rescue services through the various stages of recruitment.



462 recruits have been equipped with the knowledge and skills to respond across Victoria's urban and rural environments.



329
MFB



133
CFA

Diversity Initiatives

- Victoria's fire and rescue services continue to cover the cost of the Written Selection Test fee to eligible Centrelink Health Care Card holders to help disadvantaged candidates from diverse socioeconomic backgrounds.
- Fitness industry professionals were engaged in 2020 to develop physical fitness training exercise guides that can be undertaken at home, to ensure preparation for the physical fitness components of the selection process are not cost prohibitive for potential applicants.
- A 'Women in Firefighting' information session was conducted prior to the November 2019 application launch, to provide information on the selection process and highlight the experiences of women firefighters throughout their careers. These sessions will continue in the lead-up to future recruitment campaigns.
- A direct marketing campaign was undertaken prior to the November 2019 recruitment opening, to advertise the 'Women in Firefighting' session, and key information was promoted through a number of women's sporting associations.
- A Women Support Coordinator and Women Support Officer role were created in 2020, with a focus on developing initiatives to encourage women to apply to become firefighters and support female applicants during the selection process. Two Operational employees have been temporarily appointed to develop the program and these roles will be advertised internally to be filled on a longer-term basis.
- FRV's Recruitment team and the Women's Support Officers conducted an information session in July 2020, which invited a number of female firefighters from different ranks at FRV to provide their perspective on the firefighting role and to build support for female applicants throughout the selection process.
- A program was developed in 2020 with Women's Support Officers ensuring female firefighters were present during the physical fitness stages of recruitment, to offer enhanced support to participants.

The number of women applying to join Victoria's fire and rescue services has increased in recent years, and FRV is focused on translating this into greater numbers of women in operations in the future.

Sustainable workforce

MFB continues to work collaboratively across the sector on initiatives that strengthen interoperability between the state's fire and rescue services. All Victorian career firefighters receive training based on a combined curriculum, which is designed to ensure that career firefighters across the state have the necessary skills and knowledge to achieve the best outcomes for community safety in any emergency.

MFB has continued to invest in recruitment and promotional and specialist training programs to ensure that we continue to deliver exceptional service to the community.

Ethical and respectful culture

An ethical and respectful workplace culture begins with the behaviour of its people. Ensuring a safe workplace is a legal requirement of all employers, and respectful behaviour is a key element of a safe workplace. MFB is proud to uphold a high standard when it comes to setting and promoting positive workplace conduct. We are fortunate to have dedicated teams in the People and Culture Directorate who are focused on creating understanding and providing support for ethical and respectful behaviour.

The Ethical Standards Unit is a specialist internal MFB service that provides education, guidance and advice to MFB managers, executives and the wider workforce. Specifically, the unit provides expertise on acceptable behaviour in the workplace, and advice on how to best remedy and address any concerns of staff members relating to behaviour. Unit members are diligent in providing expert, confidential and impartial service, and welcome the opportunity to partner with everyone at MFB to promote an ethical, respectful and safe workplace culture.

The Human Resources Department provides expertise and support to improve people outcomes, particularly through Human Resources Business Partners and the Talent Acquisition team. Business Partners provide critical advice and guidance to MFB managers and leaders across a spectrum of human resources issues that support maintenance and growth in people management capability. Talent Acquisition ensures MFB applies merit and equity principles when appointing employees. It oversees recruitment processes to ensure that applicants are assessed and evaluated fairly and equitably on the basis of the key selection criteria and other accountabilities without discrimination.

The Culture and Transformation Department is also leading work across MFB to build greater understanding of ethical behaviour and respectful relationships. This has been well received with high-level involvement of MFB employees and positive outcomes, such as the video produced for World Mental Health Day which highlighted the success of MFB's mental health literacy programs. We promote positive behaviour through the stories of our people, and generate meaningful workplace culture improvements through the power of positive communications and campaigns.

Valuing our people (continued)

Workforce data

Employee gender and age breakdown

	2019-2020			2018-2019		
	Total	Ongoing	Temporary	Total	Ongoing	Temporary
Gender						
Total	2,538	2,464	74	2,388	2,335	53
Female	298	252	46	273	240	33
Male	2,240	2,212	28	2,115	2,095	20
Age						
Total	2,538	2,464	74	2,388	2,335	53
Under 25	25	24	1	15	13	2
25-34	508	483	25	421	406	15
35-44	655	634	21	601	588	13
45-54	562	543	19	580	571	9
55-64	711	705	6	711	699	12
Over 64	77	75	2	60	58	2

MFB employee breakdown

	Year	Operations	Corporate
Headcount	2020	2,124	414
	2019	2,000	388
	2018	1,982	360
	2017	1,954	343
FTE	2020	2,124.00	400.98
	2019	1,999.05	373.01
	2018	1,980.37	344.16
	2017	1,952.55	321.39

MFB operational and corporate employees by gender percentage

Year	Operations Female	Operations Male	Corporate Female	Corporate Male
2020	4.2%	95.8%	50.5%	49.5%
2019	4.0%	96.0%	50.0%	50.0%
2018	3.6%	96.4%	48.9%	51.1%
2017	3.5%	96.5%	48.1%	51.9%
2016	3.6%	96.4%	46.4%	53.6%
2015	3.5%	96.5%	45.7%	54.3%
2014	3.3%	96.7%	43.8%	56.2%
2013	3.4%	96.6%	43.7%	56.3%
2012	3.7%	96.3%	44.0%	56.0%
2011	3.6%	96.4%	43.8%	56.2%



An ethical and respectful workplace culture begins with the behaviour of its people. Ensuring a safe workplace is a legal requirement of all employers, and respectful behaviour is a key element of a safe workplace.

Valuing our people (continued)

Executive Officer data

An Executive Officer (EO) is defined as a person employed as an executive under Part 3 of the *Public Administration Act 2004 (PAA)*. For a public body, an EO is defined as an executive under Part 3 of the PAA or a person to whom the Victorian Government's Policy on Executive Remuneration in Public entities applies.

All figures reflect employment levels at the last full pay period in June of the current and corresponding previous reporting year.

The following table discloses the number of Executive Officers at MFB as of 30 June 2020. The variance relates to the previous financial year.

Class	All		Men		Women		Self-described	
	Number	Variance	Number	Variance	Number	Variance	Number	Variance
EO1	0	-1	0	-1	0	0	0	0
EO2	2	-1	1	-1	1	0	0	0
EO3	10	-2	6	-2	4	0	0	0
ACFO	14	-3	14	-3	0	0	0	0
Total	26		21		5		0	

Executive Officer remuneration

The number of Executive Officers, other than accountable officers, and their total remuneration during the reporting period are shown in the table below. The total annualised employee equivalent provides a measure of full-time equivalent Executive Officers over the reporting period.

Remuneration comprises employee benefits (as defined in AASB 119 *Employee Benefits*) in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered. Accordingly, remuneration is determined on an accrual basis, and is disclosed in the following categories.

- **Short-term employee benefits** include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis.
- **Post-employment benefits** include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.
- **Other long-term benefits** include long service leave, other long service benefits or deferred compensation.
- **Termination benefits** include termination of employment payments, such as severance packages.

Several factors affected total remuneration payable to Executive Officers over the year. A number of Executive Officers ceased employment with the organisation and this had a significant impact on remuneration figures for the termination benefits category.

Board Remuneration	2019-20	2018-19
Short-term benefits	\$295,918	\$142,087
Post-employment benefits	\$27,733	\$13,495
Total	\$323,651	\$155,582

Accountable Officer Remuneration	2019-20	2018-19
Short-term benefits	\$518,692	\$515,853
Post-employment benefits	\$ 24,053	\$ 20,460
Other long-term benefits	\$8,207	\$10,653
Termination benefits	\$851,542	\$ -
Total	\$1,402,494	\$546,966

Executive Officers Remuneration	2019-20	2018-19
Short term benefits	\$7,550,228	\$7,200,670
Post employment benefits	\$489,792	\$663,349
Other long-term benefits	\$151,803	\$149,976
Termination benefits	-	\$73,402
Total remuneration	\$8,191,823	\$8,087,397
Total number of Executive Officers	31	34
Total annualised employee equivalent (AEE)	27.14	29.69

MFB unplanned absences

Year	Sick leave %	Family leave %	Sick and family leave %	Hours per FTE	Target hours per FTE	WorkCover %	Total unplanned absences %
2019-20	4.54	1.22	5.76	120	<120	2.99	8.75
2018-19	4.06	2.02	6.08	129	<120	2.31	8.39
2017-18	3.99	2.09	6.08	129	<120	2.46	8.54
2016-17	4.03	1.97	6.00	126	<120	2.25	8.25
2015-16	3.98	1.97	5.95	127	<120	2.19	8.14
2014-15	4.36	1.92	6.28	132	<120	2.20	8.48

MFB dollar cost of operational overtime

Actual (\$)	Total overtime	Recall overtime	Maintain strength overtime	Fire call	Muster and dismissed	Standby and dismissed	Excess travel	Other
2019-20	43,302,154	22,868,683	10,560,066	1,298,349	677,632	294,790	3,496,889	4,105,745
2018-19	37,728,241	20,315,358	8,879,192	1,809,239	310,377	243,837	2,869,523	3,300,716
2017-18	20,455,791	8,285,448	5,822,752	1,701,785	370,315	456,086	1,599,673	2,219,732
2016-17	19,897,782	6,684,865	5,557,296	1,219,345	241,695	486,522	1,797,946	3,910,114
2015-16	19,295,588	7,900,325	5,287,626	1,203,847	397,152	420,306	1,616,877	2,469,455
2014-15	16,112,579	7,137,759	4,527,131	874,451	509,799	357,795	1,300,891	1,404,753

*Figures represent overtime paid to Operations employees during 2019-20. Figures exclude overtime paid to non-Operations employees during 2019-20, and excludes overtime worked by Operations employees prior to 30 June 2020 but not paid until after 1 July 2020.

Valuing our people (continued)

Work Cover and injury data

Types of injuries

Injury type	Number
Lower limbs	69
Upper limbs	59
Trunk (including back)	68
Head	25
Neck	3
Systemic locations	34
Multiple locations	16
Mental health	32
Other	0

Promotions and appointments

Rank	Marks figure
Promotions	
Assistant Chief Fire Officer	3
Commander	13
Senior Station Officer	13
Leading Firefighter	59
Appointments	
Corporate	26
Recruit Firefighter	180

Chief Officer/Chief Executive Officer's Scholarship

- Fionn Nguyen, Workforce Development Lead, Human Resources, became the first corporate employee to receive this scholarship. Fionn's research project will deliver a better understanding of the needs of an ageing workforce. It is a critical project as half of MFB's operational workforce was identified as being aged 50 years and over as at 30 June 2019. The project will position MFB to best support our staff to maintain their health and wellbeing, stimulate knowledge sharing between older and younger employees and plan for a healthy retirement.

Executive Officer Commendations

- MFB Fire Equipment Services (FES) Technician Craig Conlin became the first FES technician to be awarded an Executive Officer's Commendation on 25 October, for his courage and quick thinking to save a community member from serious injury.

Training

VEMTC capability and capacity

The Victorian Emergency Management Training Centre in Craigieburn was established in 2014 to create a training facility for the next generation of Victoria's firefighters. VEMTC is the state's primary centre for recruit firefighter training and hosts the Victorian Recruit Firefighter Course (VRFC), a state-wide career firefighter training program.

VEMTC brings MFB and CFA recruits together to complete a joint formal program, encompassing a comprehensive curriculum of theoretical and hands-on training designed to equip the modern firefighter with the skills and knowledge they need to safely respond to emergencies.

The facility is also utilised by MFB's emergency management sector partners for training and multi-agency exercises. Throughout 2019-20, Victoria Police, ADF, Ambulance Victoria and other emergency services conducted a range of training exercises at the facility, building the capacity of the entire emergency services sector.

	Course delivered	Total participants	Total training days	Hours per day	Total student contact hours
Organisational					
VRFC	8	240	576	10	172,800
Continuation/Retention	4	134	400	10	13,400
Leading Firefighter (LFF)	17	85	68	10	3,400
Station Officer (SO)	1	24	15	8	2,880
SO Pre-entry	1	60	4	2	480
SSO Pre-entry	1	60	4	2	480
Senior Station Officer Course (SSO)	1	5	65	8	2,600
SSO Alignment Course	1	5	10	10	500
Commander Course pre-entry	1	15	2	2	60
Commander Course	1	9	55	8	3,960
Cert IV Training and Assessment	3	31	60	8	4,960
MFB CFA Secondment Program	1	10	15	10	1,500
TAE Upgrade	3	14	9	8	336
TAE LNN Upgrade	2	4	16	8	256
Operations					
Structural Firefighting (SFF/CFBT)	17	114	34	10	2,280
Driver Training Level 1	8	44	64	10	3,520
Trailer Training	10	54	10	5	270
Driver Trainer Course EV (Electric Vehicle)	45	45	1	2	90
ESP Driver Training	16	110	16	2	220
BA Service Tech	2	21	6	8	504
HAZMAT Tech	2	32	30	8	3,840
Swift Water Rescue Instructor Course	1	8	10	10	800
WER/Swift Water Rescue	2	16	5	8	320
WER Deckhand	2	16	40	8	2,560
MSA BA Conversion	360	1,450	360	5	7,250

Valuing our people (continued)

	Course delivered	Total participants	Total training days	Hours per day	Total student contact hours
Ladder Platform Conversion	25	50	25	5	1,250
Ladder Platform	25	50	25	5	1,250
Return to Work Program	5	6	5	8	240
Ultra Large Pumper	4	16	16	8	512
Teleboom	3	12	12	8	576
Single Person Emergency Response Driving Course (pilot)	4	24	4	8	192
MKV Governor Training	20	60	20	3	180
MKV Pumper and Pumper Tanker	20	55	20	5	275
Angle Grinder – Forcible Entry Tool	20	40	20	4	160
Control Unit Course	4	16	32	10	1,280
Control Unit Driving Bi-annual assessments	4	16	4	1	16
Transporter Operations and Driving	25	50	25	5	250
External Training					
CFA Low Voltage Fuse Removal	57	912	57	5	4,560
CFA Safe Work at Heights	53	424	53	10	4,240
CFA Safe Work Around Water	57	912	57	5	4,560
CFA Driving Instructor Induction	1	16	1	10	160
VRFC Physical Aptitude Test	36	896	36	10	8,960
Critical Incident Response team (CIRT) Victoria Police	24	20	24	5	100
Mobile Intensive Care Ambulance (MICA) Pre-entry Exams Air Ambulance	1	7	1	8	56
Hong Kong Fire Department Driver Training	1	2	30	8	480
Victoria Police Craigieburn OSU (Active Shooter Exercise)	1	24	1	6	144
Special Operations Group Victoria Police	1	24	5	8	960
ADF (Reserves 8/7 RVR)	1	140	1	10	1,400
ADF – Second Commando Regiment	1	120	1	8	960
External Leadership Training and Events					
Japan Fire Department Visit	1	3	1	10	30
Korea Fire Department Visit	1	3	1	6	18
South Africa Government Visit	1	1	1	6	6
Tasmania Fire Service Chief Officer Visit	1	2	1	4	8

Cameron Adams Acting Commander

Acting Commander Cameron Adams was inspired to follow in his father's footsteps and become a firefighter. In 2019, Cameron received his award for 35 years of dedicated service to the Metropolitan Fire Brigade at the Annual Long and Good Service Awards.

Cameron has seen many changes during more than 35 years at MFB and says the greatest change has been the increased emphasis on firefighter safety.

'I remember when I was young, and my father was caught in a bad fire. He was in hospital for a week. I was about seven or eight years old at the time, which was a really impressionable age. I looked up to him so much and that incident played a big part in my career ambition to become a firefighter.'

Cameron says the tools, equipment and safety practices have changed so vastly from those days that safety concerns are nearly unheard of in today's fire and rescue services. Not only has safety improved, he said that the role of firefighters has expanded enormously over the years to include many more specialist skills.

'When I joined the fire and rescue services, we just put out fires, and it's amazing when you think about all the things a firefighter does today. I would have never thought I'd have the chance to abseil off buildings, or go to medical response calls when I signed up for the service.'

Cameron is an Acting Commander in Corporate Services at MFB's Victorian Emergency Management Training Centre (VEMTC). He is one of six commanders who contribute to running VEMTC, one of the largest and most sophisticated emergency management training facilities in the Southern Hemisphere.

Training facilities at VEMTC are in high demand by emergency services across Australia and the world, and Cameron plays a pivotal role in coordinating access to meet this demand. Cameron said one of the best parts of the job is being part of the new recruits' first experiences on the job, and having the opportunity to share his experiences and knowledge with the next generation of firefighters.

'It's inspiring to be part of the journey that all Victorian firefighters take during their recruit courses at VEMTC.'



'My career at MFB has been and continues to be very rewarding. I'm passionate about what I do and am proud to continue to be a part of the fire and rescue services.'

Fire Equipment Services (FES)

Fire Equipment Services (FES) is the commercial arm of MFB, and partners with clients across a wide range of sectors, including hospitals, universities, commercial premises and small businesses to assist in protecting people and assets.

Fire Technicians are expertly trained and accredited in servicing and inspecting fire equipment, including fire extinguishers and blankets, fire hoses and hose reels, fire hydrants and sprinklers, fire detection and warning systems, passive fire systems and emergency and exit lighting. FES also delivers emergency management and fire safety training utilising MFB firefighters with many years of field experience to facilitate classroom courses, practical training and consultancy services.

Community safety

FES's strategic plan articulates its vision to be the trusted leader, delivering uncompromising quality in fire and life safety through innovative technology and technical expertise.

In 2019–20, FES has delivered:

- maintenance of 349,215 fire detection and suppression equipment items for operational effectiveness in case of an emergency incident
- servicing of 27,473 community sites to ensure regulatory compliance
- training for 19,080 people in fire and life safety to improve community resilience
- removal of 2,168 contaminated items from sites to protect firefighters and the community.

Safety regulations

FES has worked closely with the Victorian Building Authority and other stakeholders to introduce new restricted classes of plumbing qualifications required for the routine servicing of fire sprinkler systems, fire hose reels, fire hydrants and valves. The new requirements promote greater compliance with standards and improved fire safety for the community.



Delivering exceptional service

Major initiatives

Strategic and operational information communication technology services at MFB

MFB remains focused on the continuous improvement of our information and communication technology (ICT) services, to enhance our digital and technology capability and future-proof the organisation. In 2019–20, the Information and Communications Systems department delivered business-as-usual ICT services within the organisation and played a significant role in equipping MFB to work remotely during COVID-19.

After ratification of the MFB 2019 ICT Roadmap by the MFB Board, MFB commenced implementation with the successful upgrade of our on-premises SAP Enterprise Resource Planning platform to an Equinix data centre in Australia, providing a secure, scalable and reliable data hosting environment aligned with international best practice.

Over the past year, MFB initiated a functional restructure of the ICT Department to expand our capability beyond service delivery, with an additional focus on enterprise architecture, portfolio management, risk management and business services.

Ahead of the disruption caused by COVID-19, we successfully upgraded our network to enable our people to securely access the MFB network remotely. This was a critical development that created the ability to connect our employees to MFB systems from any device, in any location, at any time.

Furthermore, the ICS department undertook a revision of MFB's ICT governance and controls, including information management, information security management and IT service management frameworks, as well as ICT business continuity and disaster recovery planning.

MFB continues to prepare for the future in this area with the implementation of a Strategic Network Review to identify ICT opportunities to enable and support the transition to Fire Rescue Victoria.

Whole-of-life asset management

MFB's assets give our people the tools they need to deliver exemplary fire and rescue services to our communities. These assets include fire stations, fire appliances, operational equipment, and a diverse range of ICT equipment and services. To ensure MFB strategically plans for, acquires, maintains and disposes of its assets, a comprehensive Asset Management System is currently being implemented.

During 2019–20, MFB established a multi-year asset management improvement project. This involves detailed planning and scheduling of a significant number of improvement actions that will form the core of the project, improvements in governance, and a rollout of asset information management software.

Fleet upgrades

This year MFB has built, replaced and commissioned a number of firefighting appliances, which will substantially improve the way we work and respond to incidents. MFB's fleet of heavy rescue units has been upgraded with six new custom-built appliances. The next generation heavy rescue appliance is powered by a 320-horsepower engine, with a bigger cabin and added safety features. Designed with the rapid growth of Melbourne in mind, the appliance is built with more lifting equipment to respond to incidents involving heavy vehicles, such as trains, trams and plant machinery. Other features include upgrades in winch capability and two hydraulic ports on the front bumper to streamline rescue operations. These new heavy rescue units are part of MFB's ongoing appliance replacement program to enhance our capabilities. In addition, we have recently taken delivery of the first of six new pumper tankers that will replace our water tankers.

Design planning for the next generation of frontline appliances is almost complete with rescue pumpers to replace the existing MkV (Mark 5) pumpers.

Additionally, MFB's aerial capability has been increased with a 27-metre ladder platform being replaced by a new 44-metre ladder platform.

Fire station refits and builds

Over the past year, MFB has continued to deliver a modern fire and rescue service with major development works at fire stations and other MFB properties across the metropolitan district.

MFB commenced construction of two new fire stations. The new fire station in Derrimut will replace Fire Station 49 in North Laverton, and the new fire station in Brooklyn will replace Fire Station 45 in Spotswood. Derrimut Fire Station will become Victoria's first five-star-rated green fire station and will provide firefighters with the facilities to meet the community's emergency response needs now and into the future. Both sites have been selected with reference to strategic planning and will provide improved response coverage to the western suburbs of Melbourne.

The two new stations will be fitted with an advanced diesel emissions system to capture exhaust fumes as appliances enter the station, which will improve the health and safety of firefighters. This follows a successful trial of this system at the West Melbourne Fire Station, which has proven to minimise exposure to diesel particulate matter and reduce our impact on the environment. As a result, MFB amended current fire station design guidelines to require diesel emissions source capture systems to be installed in all new stations that we build, to protect our people and the environment. This is a significant achievement and important step to ensure firefighter safety.

Delivering exceptional service (continued)

Construction is underway at Box Hill Fire Station (Fire Station 20) to rebuild a fit-for-purpose facility to better serve our people and the community. The development includes plans to extend the station on the current site to the neighbouring property.

MFB has established a new Northern District Command office in Bundoora, which is now fully operational and accommodates both operational and administrative employees.

As part of our expansion of the Eastern Hill precinct, corporate employees have recently moved into offices in Spring Street, Melbourne, and planning is underway for major refurbishment of the historic Eastern Hill Fire Station and rear yard. To enable this development, a temporary fire station is being designed for Baker Street, Richmond.

Major refurbishments of both Fire Station 5 in Broadmeadows and Fire Station 22 in Ringwood are planned and currently in the design phase, with construction expected to commence in 2021 for occupancy in 2022.

MFB's Property Services team continues its focus on compliance with the Victorian Government Asset Management Attestation Framework. This is underpinned by longer-term facilities contracts that prioritise the lifecycle condition management of the maintenance of property and plant and equipment, as well as detailed, internal functional analysis of station operations. This enables improved capital planning to drive long-term station replacement and improvement programs.

Environmental compliance and sustainability

MFB's Environment Policy has been updated to align the organisation with new Victorian Government reporting requirements and to support MFB's aim to reduce its impact on the environment. MFB reports on our energy and water consumption, transportation, waste generation, paper purchasing, green procurement and greenhouse gas emissions. Reporting at fire stations and MFB worksites is undertaken through a range of methods to capture consumption and usage.

Advocacy is an area of growth for MFB's Environment Department, which is driving engagement with other agencies and industries, and providing guidance to regulators and other government bodies in legislative reform and implementation. MFB's Policy and Environment Strategy is underpinned by the following principles:

- to be resource efficient by decreasing energy, water consumption and the generation of waste within our corporate, workshops and firefighting operations
- to continually improve our environmental management systems (EMSs) to enhance environmental performance and to fulfil our compliance obligations

- to undertake robust monitoring and regularly review our targets, objectives, actions and policies to align with both government and community expectations
- to increase adaptation and resilience of MFB and the community, resulting in growing awareness of the effects of climate change, and in the aftermath of a series of recent natural disasters
- to promote sustainable development and sustainable behaviours within MFB, with emergency services partners, and the community.

To support these principles we commit in a cost-effective and practical manner to:

- comply with applicable legislation and other requirements that MFB has committed to
- act to reduce the environmental impact of our operations
- minimise consumption and onsite waste production and maximise recycling
- reduce total waste produced by minimising our use of resources, increasing re-use, recycling and by using recycled products and materials
- utilise sustainable purchasing principles when purchasing products and services
- encourage our suppliers and contractors to continually improve their own environmental performance
- embed ecological sustainable design in station and building works, including consideration to research and innovative technologies
- build partnerships and share knowledge within the emergency services sector and the community
- set targets, measures and actions to deliver our policy commitments
- annually report on our environmental performance internally and externally
- undergo periodic independent EMS audits and other benchmarking tools
- manage our hazardous material and where this cannot be avoided, aim to reduce their use and potential harm to the environment
- adopt sustainable practices within our operational, technical and corporate buildings to reduce our carbon footprint
- continually improve our environmental performance and review this policy and our objectives and targets on an annual basis.

Environmental indicator report

Total Energy usage differentiated by primary source (GJ)

Description	Unit of measure	2005-06 baseline	2019-20	2018-19	2017-18	% Change 2019-20	% Change 2017-20	% Change from baseline
Energy consumption	GJ	48,555	51,380	50,592	54,925	1.56	-6.45	5.82
Energy consumption per FTE	GJ per FTE	21.8	20.3	21	23.6	-3.10	-13.78	-6.66
% green power purchased	per cent	8	3.1	23	20	-86.31	-84.26	-60.64
Greenhouse emissions (Electricity)	tCO ² -e	8,219	9,605	9,763	11,488	-1.61	-16.39	16.87
Greenhouse emissions (Natural Gas)	tCO ² -e	1,177	1,137	1,139	1,085	-0.21	4.76	-3.43
Total Greenhouse emissions from these sources	tCO ² -e	12,374	10,742	10,902	12,573	-1.47	-14.56	-13.19

Total units of office waste disposed of by destination (kgs)

Description	Unit of measure	2005-06 baseline	2019-20	2018-19	2017-18	% Change 2019-20	% Change 2017-20	% Change from baseline
Landfill waste	kg	NR	397,400	298,440	999,947.52	33.16	-60	NA
Commingled recycling	kg	NR	178,500	149,212	138,009.46	19.63	29	NA
Total waste	kg	NR	575,900	447,652	1,137,956.98	28.65	-49	NA
Recycling rate	per cent	NR	30.99	33.33	12.13	-7.02	155	N/A
Greenhouse emissions (Landfill waste)	tCO ² -e	NR	514.21	417.81	1,399.93	23.07	-63	NA

Delivering exceptional service (continued)

Environmental indicator report (continued)

Paper usage results

Indicator	Unit of measure	2005-06 baseline	2019-20	2018-19	2017-18	% Change 2019-20	% Change 2017-20	% Change from baseline
0-49% recycled	A4 ream	NR	2,377	2,762	2,821	-13.94	-15.74	NA
75-100% recycled	A4 ream	NR	3,822	4,465	4,412	-14.40	-13.37	NA
Total	A4 ream	NR	6,199	7,227	7,233	-14.22	-14.30	NA
Paper consumption per FTE	A4 ream	NR	2.46	3	3.1	-18.16	-20.80	NA

Sustainable Transportation

Description	Unit of measure	2005-06 baseline	2019-20	2018-19	2017-18	% Change 2019-20	% Change 2017-20	% Change from baseline
Fuel consumption (Diesel)	GJ	23,993	32,374	33,518	33,857	-3.41	-4.38	34.93
Fuel consumption (Unleaded)	GJ	16,677	9,706	10,422	10,352	-6.87	-6.24	-41.80
Fuel consumption (BioDiesel)	GJ	0	180	139	661	29.40	-72.79	NA
Fuel consumption (LPG)	GJ	866	100	220	275	-54.44	-63.55	-88.42
Total fuel consumption	GJ	40,762	42,315	44,298	45,145	-4.48	-6.27	3.81
Consumption per FTE	GJ per FTE	22	16.8	18	18	-6.90	-6.90	-23.83
Total distance travelled	kilometres	5,313,338	5,235,534	5,912,245	5,333,628	-11.45	-1.84	-1.46
Greenhouse gas emissions	tCO ² -e	2,946	2722	3,240	3,264	-15.99	-16.60	9.99
- Diesel	tCO ² -e	1677	2109.77	2,484	2509.12	-15.07	-15.92	25.81
- Unleaded	tCO ² -e	1162	606.62	742	737.01	-18.25	-17.69	-47.80
- BioDiesel	tCO ² -e	54	0.04	0	0	NA	NA	-99.92
- LPG	tCO ² -e	53	5.64	14	17.5	-59.70	-67.76	-89.35
Total travel per FTE	kilometres per FTE	2,861	2,073	2,452	2,290	-15.44	-9.45	-27.53

Total distance travelled via Air

Description	Unit of measure	2005-06 baseline	2019-20	2018-19	2017-18	% Change 2019-20	% Change 2017-20	% Change from baseline
Total distance travelled	kilometres	NR	41,8750	68,3271	61,4671	-38.71	-31.87	NA
Greenhouse gas emissions from Air travel	tCO ² -e	NR	140.61	162.87	121.77	-13.67	15.47	NA

Water usage results

Description	Unit of measure	2005-06 baseline	2019-20	2018-19	2017-18	% Change 2019-20	% Change 2017-20	% Change from baseline
Total metered consumption	kL	30,031	30,410	38,834	45,537	-21.69	-33.22	1.26
Consumption per FTE3	kL per FTE	13.5	12.0	16.1	19.6	-25.19	-38.55	19.31

Marine Operations

Description	Unit of measure	2005-06 baseline	2019-20	2018-19	2017-18	% Change 2019-20	% Change 2017-20	% Change from baseline
Operation Time	Hours	NR	1,624	1,424	1,383	14.04	17.43	NA
Total fuel consumption	GJ	NR	736	1,625.21	1,083.94	-54.72	-32.11	NA
Greenhouse gas emissions from Marine operations	tCO ² -e	NR	47.82	120.1	75.75	-60.18	-36.87	NA

Greenhouse Emissions

Description	Unit of measure	2005-06 baseline	2019-20	2018-19	2017-18	% Change 2019-20	% Change 2017-20	% Change from baseline
Electricity use	tCO ² -e	8,219	9,605	9,763	11,488	-1.61	-16.39	16.87
Gas use	tCO ² -e	1,177	1,137	1,139	1,085	-0.21	4.76	-3.43
Vehicle use	tCO ² -e	2,946	2722.07	3,240	3,021	-15.99	-9.90	-7.60
Air travel	tCO ² -e	NR	140.61	162.87	121.77	-13.67	15.47	NA
Marine operations	tCO ² -e	NR	47.82	120.1	75.75	-60.18	-36.87	NA
Total GHG emissions reductions from GreenPower purchases	tCO ² -e	NR	-302	-2,070	NR	-85.39	NR	NR
Total GHG emissions from these sources	tCO ² -e	12,342	13,653	14,426	15,792	-5.36	-13.55	10.62

Delivering exceptional service (continued)

MFB's environmental performance

MFB has a strong track record of working to minimise the environmental impacts of our operations. We are committed to reducing our carbon impact and have implemented sustainable building practices to improve the health and safety of our firefighters and the community, as well as delivering long-term environmental benefits. We aspire to be a sustainability leader, making a positive contribution to the environment and the community we serve. The following are our key areas of focus to improve our environmental performance.

Advocacy

MFB continues to work with key Victorian Government agencies and regulatory authorities such as Cladding Safety Victoria, Victorian Building Authority and Environment Protection Authority Victoria (EPA) to work towards finding more sustainable outcomes for the organisation and industry.

MFB has been an active member of the EPA's Government Reference Group for amendments to the *Environment Protection Act 2018* (to come into effect on 1 July 2021) since the Group's establishment in October 2019. MFB has successfully advocated for a number of critical changes to the upcoming legislation to better complement daily operations within MFB and the emergency management sector.

Built environment

MFB is leading the way in building sustainability into our operations. In 2019–20, we committed to incorporating environmental considerations in the design of all future fire stations, including new construction, refurbishments, maintenance activities and equipment.

Sustainable design, technology and engineering principles have been adopted across our property portfolio to benefit our people and the environment.

Water use

MFB is committed to saving water and reducing water waste across all MFB fire stations and work sites. We continue to monitor, improve and modify our rainwater capture and harvesting systems across a majority of MFB sites for re-use in daily operations to reduce the volume of water we use.

To ensure our people work in a safe environment and minimise water waste in essential firefighter training, we conduct fortnightly water quality tests of harvested rainwater, which is used for training at VEMTC. Results are critically assessed and monitored to ensure harvested water used onsite is collected and treated within the purpose-built wastewater treatment plant, which meets government environmental water quality thresholds.

MFB undertakes business monitoring to manage consumption and usage per site. This system enables fast identification of leaks or issues onsite to minimise the ongoing potential for leaks that waste large volumes of water and affect infrastructure foundations.

The environment

MFB has continued to work on ways to minimise the impact of our operations on the environment through ongoing testing to identify and remedy environmental risks.

Energy

MFB is focused on reducing our energy use across our property portfolio, which includes eight corporate office and district command facilities, 47 fire stations, two training and education colleges, one site containing fleet facilities and workshops and three warehousing sites. A number of works designed to improve energy efficiency within MFB were recently undertaken, including:

- continued optimisation of the boilers at MFB Headquarters (Eastern Hill), adopting more energy efficient and environmentally friendly units
- replacement of the current boiler located at Fire Station 44 in Sunshine to a smaller standalone unit, which supplements the existing heating, ventilation and air conditioning (HVAC) system, reducing power usage and emissions.

A program to monitor daily data trends of a number of current HVAC systems at MFB was implemented, for the purpose of:

- identifying areas of inefficiencies and excessive use within the current system in real time, allowing for improvements to be made
- identifying faults within the HVAC system quickly to reduce the likelihood of increased resource waste through leaks and non-functioning components
- using predictive maintenance modelling to reduce downtime within the units and to ensure optimal efficiency of water, energy and gas are used in the operation of the unit.

Waste

MFB has reduced our waste by changing the bin sizes at some fire stations. Large skip bins have been replaced with domestic size bins to encourage employees to recycle and reduce the amount of waste sent to landfill. MFB is continuing to explore opportunities to improve efficiency in waste collection cycles and ways to re-use materials.

Procurement

MFB continues to embed sustainability considerations into specifications, tender criteria and contracts to ensure consideration of the environmental impact is a standard part of the procurement decision-making process.

Fleet

MFB has a fleet of corporate and command vehicles that are hybrid electric vehicles and we recently procured a fully electric vehicle. We are currently assessing opportunities to expand our fleet to improve MFB's environmental performance and sustainability in this area.

MD4V pilot project

The Mobile Data for Vehicles (MD4V) pilot commenced in September 2019, with tablets installed in seven MFB appliances across the metropolitan district. Four MD4V trainers working with the project team have delivered on-shift MD4V training to more than 250 firefighters to use the new technology.

The MD4V tablet and its software have been designed to provide crews with a range of features to improve their situational awareness and safety, and make it easier to navigate to incidents. The MD4V tablets provide crews with key incident information, suggest the most efficient route to the address, and identify other appliances, with details about the attending crews and Officer in Charge, real-time location and their estimated time of arrival to the scene. Aerial mapping technology is also built into the software showing key features in the environment and surrounding area.

MFB crews who have trialled the new technology are reporting that the system is easy to use and provides critical information ahead of time. This innovative solution is facilitating improvements to situational awareness, dynamic risk assessments and resource management. The MD4V pilot will inform future plans to add tablets more broadly across the MFB fleet to enhance operations and best serve our communities.

Strategic Location Plan

In 2019–20, MFB undertook a comprehensive review of the methodology and criteria used to determine the geographic positioning of new fire stations. The review established an enhanced process, which takes advantage of newly available datasets to provide insight into a range of community risk factors in areas across the metropolitan district.

The review identified that existing presumptions of the link between socio-economic indexes for areas and the likelihood of fire occurring were not in fact as closely connected as once thought. This insight was the catalyst for a broader examination of the actual risks the community is potentially exposed to.

MFB engaged geospatial information specialists to perform detailed analytics in order to identify existing and emerging risk factors. Factors such as road traffic data models, current and proposed land usage classifications, and community demographics were taken into account. The results provided clarity and improved MFB's understanding of the risks that have an impact on operational response.

After comprehensive analysis, a report outlining emerging and existing risks was prepared, which improved our understanding of potential impacts on community safety. The report provides a framework for strategic decision-making, which will enable a consistent approach to determining the location of new fire stations and specialist equipment in the future.



Delivering exceptional service (continued)

Technical Operations

Firefighters respond to a wide range of emergency incidents including fires, rescue operations, medical emergencies and hazardous chemical spills. MFB's Technical Operations Department ensures we have the capability and specialist skills required to respond to any and all of these emergency scenarios.

Units within MFB's Technical Operations Department include Emergency Medical Services, Urban Search and Rescue (USAR), Trench Rescue, Heavy Rescue Unit, Impact Assessment, High Angle Rescue (HART), Remote Pilot Aircraft Systems (RPAS), Air Operations, Marine, HAZMAT Response and Equipment and Resource Management.

The department conducts skills acquisition and skills maintenance sessions across the operational workforce, to ensure our firefighters are always equipped to perform specialised operations, and its staff are frequently called on to support our emergency service colleagues at incidents. We continue to work with partner agencies to deliver specialist training throughout Victoria.

Road accident rescue

MFB has five dedicated heavy rescue appliances operating across metropolitan Melbourne, with more than 400 trained firefighters ready to deploy. Our heavy rescue operators are expertly trained and respond to road, industrial and complex transport incidents.

The Heavy Rescue Unit is currently upgrading its fleet of trucks and is expecting to commission six new and improved heavy rescue appliances in 2020.

MFB High Angle Rescue technicians (HART) and Road Crash Rescue technicians were deployed to assist fire-affected communities in East Gippsland throughout the 2019–20 Victorian bushfire season. The MFB contingent joined air rescue crews and conducted aerial road crash rescue operations from a firefighting aircraft. We used helicopters to gain access to roads compromised by fire activity and worked in collaboration with the Country Fire Authority (CFA), Victoria Police, Forest Fire Management Victoria and SES to prioritise the safety of local communities.

MFB's HART are specialist firefighters who respond to incidents that require complex rescue operations. HART is part of the Rope Rescue Unit, which oversees research and projects to improve the safety and technology for HART:

- rescuing people in tight spaces or on top of buildings
- securing loose building materials, such as glass panels and scaffolding
- assisting Ambulance Victoria with removing patients injured on worksites.

It is critical that our firefighters refresh and update their skills to ensure we apply best practice rescue techniques. Throughout 2019–20, HART participated in training with our emergency management colleagues in Victoria, South Australia and Tasmania, to learn from our colleagues and gain experience in different environments. In addition, HART completed on-shift skills maintenance each month, and undertook the annual skills maintenance program held at MFB's Burnley training facility.

Remote Pilot Aircraft Systems (RPAS) Unit

Remote Piloted Aircraft Systems (RPAS) have revolutionised MFB's emergency response when it was first introduced in 2011. Over the past decade, the demand for RPAS services has increased as the benefits of real-time thermal imaging and an aerial view of incidents became increasingly evident, allowing firefighters to locate the seat of the fire through smoke. The use of RPAS also informs mapping and decision-making on the fire ground. MFB was the first fire and rescue service in Australia to use remote piloted aerial devices in operational firefighting, and we are continuing to monitor advancements in technology to ensure we are providing a world standard safety response for our community and firefighters.

MFB's RPAS Unit is trained to Civil Aviation Safety Authority standards to become licensed pilots. To meet demand and expand our capabilities, MFB is training more firefighters to join the 19 qualified RPAS Unit pilots working across Victoria.

MFB Firefighters have also completed night flying training, with 14 pilots now trained to conduct night operations.

MFB's RPAS pilots played a vital role in the recent Victorian bushfires, conducting aerial hot spot assessments in Heywood and Bairnsdale. The thermal images captured were used to develop maps to better identify the fire line, ascertain the rate a fire spread, measure the effectiveness of firefighting activities and provide intelligence to the Incident Management Team (IMT).

Marine

MFB's marine firefighters are trained to use firefighting vessels to respond to fire, incidents and chemical spills in Port Phillip Bay and inland waterways. In the marine environment, MFB regularly supports other organisations, including the Victorian Department of Transport and Victoria Police by responding to a range of maritime emergencies.

In July 2019, MFB's Marine Concept of Operations was approved by the Acting CEO/Chief Officer. The document will help to verify operational capability and identify any gaps. This work will provide a clear pathway to further developing MFB's marine capability.

In the past year, MFB has trained 16 new Deckhands, eight Swift Water Rescue Instructors and 16 Swift Water Rescue Operators to expand our capacity to deliver training more broadly.

Importantly, our Marine Asset Management Program is well underway, replacing older equipment and ensuring all equipment is serviced to the appropriate standard.

Work has commenced on purchasing two new vessels to replace older craft and provide additional capability to manage emergencies in the marine environment.

The strategic focus of the department has been to ensure the smooth integration of infrastructure, skills maintenance and acquisition while preparing for the transition of marine firefighting to Fire Rescue Victoria.

Urban Search and Rescue (USAR)

MFB's specialist USAR firefighters are trained to conduct complex rescue operations across metropolitan Melbourne. They search for and rescue people, leading responses to major structural collapses and natural disasters. The team consists of more than 150 qualified USAR firefighters, including 30 damage assessors and five on-call structural engineers.

In 2019–20, changes to the computer-aided dispatch system have resulted in an increase in calls for assistance to vehicles in structures. Over the past year, MFB's specialist USAR operators have responded to 30 cars into buildings.

MFB's USAR Department is also responsible for establishing recovery areas for firefighters at major incidents, to manage fatigue, provide nutrition and rehydrate and oversee recovery. In 2019–20, the USAR team introduced the flexible habitat pod into the Decontamination, Exit, Breathing Apparatus Service, Rehab and Staging (DEBRiS) fire ground management system. The habitat pod has inflatable tents that provide attending crews with shelter and rehabilitation areas when involved in large-scale fires or incidents.

The Technical Operations Department is currently working with MFB's Operational Training Department to have the USAR course re-accredited. This will ensure MFB and ultimately Fire Rescue Victoria will continue to be the lead agency for USAR in Victoria, and provide training and leadership to CFA, SES, Victoria Police and Ambulance Victoria.



Then and Now

In 1995, the *Port Management Act 1995* was amended to include port waters as part of MFB's response district, nearly doubling MFB's response area to include waters and bays surrounding the metropolitan district.

Today, MFB employs 80 marine-qualified firefighters who respond to fire, incidents and chemical spills within the bay on our fleet of eight marine vessels.

Delivering exceptional service (continued)



1997 Thredbo Landslide

Since 1997, MFB has been the lead agency for USAR in Victoria.

Just two weeks after MFB's USAR Department was established, a 1,000-tonne landslide destroyed the Thredbo Alpine Village in New South Wales. MFB's USAR team was deployed to support rescue efforts. While 18 people were tragically killed in the landslide, MFB's USAR team was part of the successful rescue of Stuart Diver—the sole survivor of the disaster.

Impact Assessment teams (IATs)

During the 2019–20 Victorian bushfire season, the Technical Operations Department deployed our largest ever Impact Assessment Taskforce (IAT), which conducted initial impact assessments between December 2019 and February 2020, following the large, complex and unpredictable fires that impacted north-east Victoria and East Gippsland.

MFB's IAT worked alongside ADF to survey, map and record the damage caused by the Upper Murray, Tambo, Snowy and Mallacoota complex fires. Throughout the bushfire season, MFB and Australian Defence Force crews completed over 5,000 damage assessments across the state.

In addition, MFB deployed 80 Urban Search and Rescue (USAR) technicians to gather intelligence to inform relief and recovery efforts.

HAZMAT

MFB currently has 164 specialist HAZMAT technicians who regularly respond to incidents such as chemical spills, fires involving flammable materials, and medical emergencies involving hazardous materials and dangerous chemicals. MFB's HAZMAT team is made up of qualified firefighters from across the organisation and three Scientific Advisors, who are often called on to provide expertise and advice on how to safely mitigate hazardous materials at incidents.

In 2019–20, the HAZMAT Unit trained 31 MFB firefighters and one Aviation Rescue firefighter in our accredited program. The training also attracted personnel from Victoria Police, along with fire and rescue service representatives from Tasmania, New South Wales, and Canberra.

The HAZMAT Department oversees the Breathing Apparatus Unit and provides skills maintenance training within MFB and to our sector partners. In 2019–20, the HAZMAT Unit conducted skills maintenance for 83 HAZMAT technicians, 16 BA Service Pod operators, and 65 HART. The unit also trained 41 Ambulance Victoria paramedics and 10 Victorian Police officers in BA operations and provided decontamination training for Melbourne-based Aviation Rescue firefighters, sharing our expertise to build capacity across the sector.

In addition to assisting in over 100 HAZMAT incidents, the HAZMAT Unit is responsible for delivering equipment to enable firefighters to detect hazardous materials and safely respond to incidents. This year, the unit replaced specialist equipment including AreaRAEs, Raman spectrometers, and personal equipment.

BA Unit

The Breathing Apparatus (BA) Unit ensures key technical equipment for operational response is managed, serviced and maintained. This includes BA sets, fully encapsulated HAZMAT suits, thermal imaging cameras and emergency medical equipment. The team ensures that this life-saving equipment is ready for service at all times.

In 2019–20, the BA team commissioned and delivered 643 new G1 BA sets to be rolled out for operational use. These new BA sets represent a significant technological improvement on previous equipment and include enhanced ergonomics and digital functions. To ensure the availability of compressed air for BA sets, the BA team has overseen the commissioning of five new breathing air compressors across three MFB locations. In addition, the BA team has conducted BA facemask fit testing for 95 per cent of all on-shift firefighters this year.

Equipment and Resource Management Unit

The Equipment and Resource Management (ERM) Unit's main function is to maintain operational capacity, deliver continuous improvement and work to reduce workplace-related injuries. To ensure the safety of our people, the ERM Unit conducts regular reviews and provides recommendations about the implementation and servicing needs of MFB's operational equipment.

To support operational capacity on the fire ground, the ERM Unit manages logistical requirements at large-scale, protracted incidents. At a large fire event, the ERM Unit provides equipment, resources and consumable goods such as absorbent, foam, pillows and booms, sand and citric acid to minimise the environmental impact of firefighting.

ERM builds capacity within MFB by:

- identifying and researching new equipment and systems
- evaluating and analysing existing programs and processes to deliver the latest and most up-to-date technology available
- implementing new ways of working with equipment to enhance firefighter safety and interoperability
- developing partnerships with other emergency service organisations and sharing resources for the benefit of the community in a cost-effective manner.

Kim Wiley Fleet Asset Maintenance Manager

As the Fleet Asset Maintenance Manager, Kim Wiley is responsible for the critical task of maintaining the safety and state-of-the-art functionality of MFB's fleet of world-class firefighting appliances.

There are many talented professionals who work behind the scenes to ensure MFB delivers exceptional service to the community every day. The Fleet Asset Maintenance team, which operates from MFB's Thornbury Workshops, ensures MFB's fire trucks, specialist appliances, and smaller vehicles are ready to go when the emergency tones go off.

'My role is incredibly diverse, and that is what I love most about it – every day is completely different. We have an experienced, talented team of professionals at the workshops who work tirelessly to keep our fleet functional,' Kim said.

The MFB fleet consists of vehicles and equipment including pumpers, specialist trucks, technical operation pods, marine vessels and other appliances.



MFB's Fleet Asset Maintenance team includes mechanics, auto-body builders, auto-electricians, mechanical fitters, gear officers, apprentices and supervisors. They maintain MFB's appliances as well as some hydraulic and forcible entry equipment; coordinate maintenance, modifications and upgrades to the fleet; maintain gear and equipment levels on trucks and provide 24-hour breakdown and emergency repair services.

'On average our team completes 90 services and responds to 400 to 600 issues a month on appliances. We also currently have 19 upgrade projects underway, which will deliver essential modifications to the fleet,' Kim said.

'Modification projects are diverse and can include major changes such as electrical upgrades and Mobile Data for Vehicles (MD4V) terminal modification – through to more practical and functional changes such as upgrades to BA bolsters or tool clip replacements.'

In addition to coordinating safety and product improvements, the workshops also provide support when MFB responds to major incidents by fuelling trucks and travelling with deployed firefighters interstate to maintain the vehicles. The workshops' crew played a vital role in the 2019–20 Victorian bushfire response, with team members embedded within our strike teams to provide these critical services.

'Our team works exceptionally hard to deliver timely reactive responses to the issues that occur in this line of work, and simultaneously deliver proactive upgrades that allow MFB to be a state-of-the-art fire and rescue service.'

'We are always looking for ways to improve the fleet, which in turn provides Victorians with a safer, better fire and rescue service. I'm very proud of our team and our work as we continue to provide an innovative, world-class service to the community.'



'My role is incredibly diverse, and that is what I love most about it – every day is completely different. We have an experienced, talented team of professionals at the workshops who work tirelessly to keep our fleet functional.'

Working with others

Major initiatives

State emergency management processes and response

The 2019–20 bushfire season tested Victoria’s state emergency management processes and interoperability. In challenging conditions and over a long fire season, MFB successfully demonstrated our ability to work as one with our emergency management colleagues and partner agencies.

This is a testament to MFB’s preparedness and work to integrate and strengthen processes to enable effective responses for all emergencies, such as fire, flood and storms. The work MFB has undertaken to develop common approaches and understanding has helped to align processes and procedures to enhance interagency cooperation.

State Capability Framework

MFB has continued to collaborate with emergency management partners across the sector to assess our joint capability and implement measures to ensure we are prepared for any emergency. In 2019–20, we developed the Victorian Preparedness Framework, which builds on the Victorian Preparedness Goal and the Victorian Capability Blueprint. This framework identifies the range of skills and capabilities required to respond effectively to major emergency scenarios, and importantly, it determines capability gaps we need to address. The framework identifies 21 core capabilities and workshops that are underway to evaluate and enhance the state’s overall capability against the requirements of likely scenarios.

MFB has adopted the principles and tools developed through the State Capability Framework to measure our capabilities and capacity to respond at a state level as required.

Victorian Protective Data Security Framework (VPDSF)

During 2019–20, MFB implemented a revision to our Information Management and Information Security Management Frameworks to comply with data security obligations set out by the VPDSF. This year, we continued a program of work that regularly reviews and amends information security controls to mitigate risk and ensure ongoing compliance with the VPDSF. MFB is committed to implementing and maintaining the highest possible standards of information security to ensure our people and systems are protected, as we continue to deliver emergency services to our community.

CBD Security Taskforce

MFB has engaged with stakeholders including Melbourne City Council, Victoria Police and Ambulance Victoria as a member of the CBD Security Taskforce to develop CBD security measures to keep the public safe and ensure an effective operational response in the event of a major incident.

Following extensive consultation and collaboration with these stakeholders, the CBD Security Taskforce has decided that the concrete blocks and barriers at nine of Melbourne’s most busy and high-profile pedestrian sites will be replaced with steel bollards, barriers, street furniture and other long-term measures. The aim is to create protective zones for pedestrians and balance the needs of everyone using the sites, taking into account safety, engineering, design and heritage aspects.

The program also includes an upgrade of security cameras and the installation of a new public address system. This system now enables MFB to provide messaging and direct people away from emergency incidents. These facilities will be utilised by MFB alongside other emergency management messaging, such as text messages and internet warnings.

Operational doctrine

In 2019, the Operational Planning and Policy Department at MFB initiated the development of a new operational doctrine framework. This new operational guidance has been designed specifically to address common hazards across a variety of incidents that MFB firefighters respond to. The procedures identify and outline control measures to manage hazards safely and provide valuable, relevant and up-to-date information to our firefighters. The revised operational guidance is a key part of our work in transitioning to Fire Rescue Victoria and delivering a modern fire and rescue service.

In addition to the development of new operational guidance, the Operational Planning and Policy Department is conducting an overhaul of how information is communicated to firefighters, and how it can be accessed. All operational doctrine will be communicated, stored and accessed electronically which will allow for updates and changes to be made quickly, ensuring the currency of information.

Governance

Governing legislation

MFB is a statutory body established in Victoria pursuant to the *Metropolitan Fire Brigades Act 1958* (MFB Act).

MFB's headquarters are located at

**456 Albert Street
East Melbourne
Victoria 3002**

MFB's principal decision-making powers, affecting members of the public, are enshrined in the MFB Act and the Metropolitan Fire Brigades (General) Interim Regulations 2019 (MFB Regulations).

MFB derives its operational powers, functions and duties from the MFB Act, the MFB Regulations, *Country Fire Authority Act 1958*, *Electricity Safety Act 1998*, *Emergency Management Act 1986*, *Emergency Management Act 2013*, *Occupational Health and Safety Act 2004*, *Gas Safety Act 1997*, *Dangerous Goods Act 1985*, *Building Act 1993*, *Building Regulations 2018*, *Residential Tenancies Act 1997*, Residential Tenancies (Caravan Parks and Movable Dwellings Registration and Standards) Regulations 2010, Planning and Environment Act 1987 and other legislation.

Changes to governing legislation

The *Firefighters' Presumptive Rights Compensation and Fire Services Legislation Amendment (Reform) Act 2019* (Fire Services Reform Act) received assent on 2 July 2019.

Parts 1 and 2 of the Fire Services Reform Act came into operation on 3 July 2019. Part 1 provides for preliminary matters, including the purposes of the Act. Part 2 provides for the establishment and operation of the Firefighters' Presumptive Rights Compensation Scheme, which is administered by WorkSafe Victoria.

The remaining provisions, in Parts 3 to 11 of the Fire Services Reform Act, are yet to come into operation. These provisions will amend the MFB Act to abolish MFB and create a new entity, Fire Rescue Victoria (FRV). The metropolitan district will be amended to be the Fire Rescue Victoria Fire District. The boundaries of the district will be expanded to include some outer urban areas and regional centres to address the increased demand, complexity and risk profiles of these areas due to population growth, demographic, land use and industrial changes. As a result of the boundary changes, 38 Country Fire Authority (CFA) fire stations will be located within the Fire Rescue Victoria Fire District and will become the responsibility of FRV.

All of Victoria's career firefighters will become FRV employees and will transfer with their existing entitlements and benefits to FRV. Other non-operational employees of CFA will also transfer to FRV.

In anticipation of the commencement of Parts 3 to 11 of the Fire Services Reform Act, on a date or dates to be proclaimed, MFB has worked with the Victorian Department of Justice and Community Safety, Emergency Management Victoria, CFA and the United Firefighters' Union to develop proposed Fire Rescue Victoria (General) Regulations.

The proposed Fire Rescue Victoria (General) Regulations are based on the MFB Regulations, updated and changed as necessary to improve their clarity and effectiveness to better support the operations of FRV. The proposed regulations are intended to be made in time to commence on the same date that FRV is established.

Governance arrangements

MFB's governance arrangements are made up of a range of documented policies, procedures and practices, which assist MFB to comply with its legislative obligations and to adhere to public sector values and standards.

These include:

- the Board's Governance Charter, which sets out the composition, roles, and accountabilities of the Board, Board committees, and their members
- a policy development and review framework which provides for the development, approval, publication, implementation and review of organisational policies and procedures
- an organisation-wide compliance framework, including a legislative Compliance and Obligations Register
- an organisation-wide integrity framework.
- policies and procedures addressing whole-of-organisation governance, financial, integrity, and strategic issues (such as risk management, conflict of interest, fraud, corruption and other losses, financial delegations and authorisations, protected disclosures, gifts, benefits and hospitality), which the Board reviews and approves according to an agreed schedule
- policies and procedures addressing operational matters that are periodically reviewed and approved by MFB management.

MFB's Board

MFB's Board is responsible for the overall governance of the organisation, including:

- setting MFB's strategic directions and priorities
- approving MFB's strategic plan, budget and priorities
- overseeing MFB's service delivery, performance and improvement
- establishing appropriate and effective financial and governance and compliance objectives
- implementing Victorian Government policy frameworks relating to the requirements of the *Financial Management Act 1994*, the associated directions issued under section 8 of that Act and the Victorian public sector integrity standards published pursuant to the *Public Administration Act 2004*.

Composition of the Board

The MFB Act allows for up to seven members to be appointed by the Governor in Council, one of whom is to be appointed President. Board members in office for the 2019-20 financial year were:

- Jasmine Doak (appointed to the Board on 6 June 2017, appointed President on 20 February 2018)
- Kylie Hall (appointed to the Board on 15 November 2016)
- Fiona Chamberlain (appointed to the Board on 27 March 2017, resigned effective 8 July 2019)
- Gennaro Fittipaldi (appointed to the Board on 28 November 2017)
- Peita Duncan (appointed to the Board on 10 January 2018)
- Greg Sword (appointed to the Board on 14 March 2018)
- Frances Diver (appointed to the Board on 1 October 2018)
- Pam White (appointed to the Board on 19 November 2019)

The Board met on 12 occasions in 2019–20. Executives, employees and representatives of other organisations are invited to Board meetings as required for discussions on relevant items.

Code of Conduct

The Board adheres to the principles in the Directors' Code of Conduct developed by the Victorian Public Sector Commission.

The Board adheres to the requirements of section 21 of the MFB Act and MFB's Conflict of Interest Policy with respect to declaring any conflict of interest to ensure that members of the Board do not place themselves in a position where there is conflict, actual or potential or perceived, between their interests and the duty they owe to MFB and the Victorian community.

The Board Secretary maintains a register of members' interests. A schedule of Board members' interests is provided at each Board meeting.

Board professional development

All Board members have the opportunity to visit MFB facilities and meet with management and employees to enhance their understanding of operational issues and business operations. MFB has a formal induction program for new Board members covering the nature of the organisation, financial management, key performance indicators, current issues, corporate strategy and expectations of the performance of Board members.

Board performance

An external evaluation of Board performance is conducted at regular intervals. The Board also conducts an annual evaluation of its own performance and that of Board committees. It continues to implement the recommendations of externally facilitated and self-evaluation reviews.

Board committees

The Board's committee structure is set out below. As at 1 July 2020, the Board and its committees ceased to exist pursuant to the operation of section 99 of the *Fire Rescue Victoria Act 1958*, being the commencing day of Fire Rescue Victoria, constituted by the Fire Rescue Commissioner, as the successor in law to the Metropolitan Fire and Emergency Services Board.

Audit, Risk and Compliance and Finance Committee

The Audit, Risk and Compliance and Finance Committee was established in September 2019, after combining the former Audit, Risk and Compliance Committee with the Finance Committee.

The Audit, Risk and Compliance Committee operated from 1 July 2014 until 19 September 2019.

The Finance Committee operated from 1 July 2018 until 19 September 2019.

The combined Audit, Risk and Compliance and Finance Committee assists the Board to fulfil its corporate governance and oversight responsibilities. These include risk management and internal control systems, accounting policy and practices, internal and external audit functions and the discharge of the Board's financial management responsibilities, including financial reporting, for the use of allocated financial resources. It also provides assurance to the Board on the financial status of MFB.

Audit, Risk and Compliance and Finance Committee (commenced September 2019)

- Greg Sword (Chair)
- Peita Duncan
- Frances Diver

Stuart Alford, a former member of the Board from 2013 – 2018, also attends Committee meetings to provide advisory services to the Committee.

Audit, Risk and Compliance Committee (July 2019 to September 2019)

- Greg Sword (Chair)
- Peita Duncan
- Frances Diver

Stuart Alford was also an advisor to this committee from 1 October 2018 to September 2019.

Finance Committee (July 2019 to September 2019)

- Greg Sword (Chair)
- Frances Diver
- Gennaro Fittipaldi

Stuart Alford was also an advisor to this committee from 1 October 2018 to September 2019.

Governance (continued)

People Safety and Wellbeing Committee

This Committee assists the Board to fulfil its responsibilities for the health, safety, culture, and wellbeing of MFB staff. The Committee provides assurance to the Board that MFB has appropriate systems in place to identify and effectively manage health and safety risks and achieve its workforce capability and its health, safety, cultural and wellbeing objectives.

Membership for 2019–2020

- Kylie Hall (Chair)
- Greg Sword
- Gennaro Fittipaldi

Executive Remuneration Committee

The members of the MFB Board have also been appointed as the Executive Remuneration Committee and met on 28 August, 14 October and 28 October 2019.

Fire and Emergency Services Committee

This Committee was established in July 2018. However, the Committee did not meet or undertake any activity. It was dissolved by the Board in October 2019.

Attendance by Board members

Board meetings	Board meetings		Audit, Risk and Compliance Committee		Audit, Risk, Compliance and Finance Committee		People Safety and Wellbeing Committee		Finance Committee		Executive Remuneration Committee	
	No. meetings attended	No. meetings eligible to attend	No. meetings attended	No. meetings eligible to attend	No. meetings attended	No. meetings eligible to attend	No. meetings attended	No. meetings eligible to attend	No. meetings attended	No. meetings eligible to attend	No. meetings attended	No. meetings eligible to attend
Jasmine Doak	11	12	-	-	-	-	-	-	-	-	3	3
Kylie Hall	10	12	-	-	-	-	4	4	-	-	2	3
Gennaro Fittipaldi	12	12	-	-	-	-	2	4	-	3	3	3
Peita Duncan	10	12	1	2	8	9	-	-	-	-	2	3
Greg Sword	10	12	1	1	9	9	4	4	3	3	3	3
Frances Diver	11	12	2	2	7	9	-	-	3	3	3	3
Pam White**	5	7	-	-	-	-	-	-	-	-	-	-
Stuart Alford*	-	-	2	2	9	9	-	-	3	3	-	-
Total number of meetings held for 2019/2020		12		2		9		4		3		3

* Stuart Alford's tenure as a member of the Board ended on 30 September 2018. He then attended Finance Committee meetings and Audit, Risk and Compliance Committee meetings as an advisor from 1 October 2018 until the two committees combined to become the Audit, Risk and Compliance and Finance Committee in September 2019, following which he attended the Audit, Risk and Compliance and Finance Committee meetings as an advisor.

** Pam White was appointed to the Board on 19 November 2019.

Internal control

The MFB Board is responsible for oversight of MFB's framework of internal controls. This includes:

- Strategic and business planning – the Board monitors MFB's performance towards the achievement of organisational objectives throughout the year
- Financial reporting – there is a comprehensive budgeting cycle with an annual budget approved by the Board and the Minister for Police and Emergency Services. Monthly actual results are reported against budget and revised forecasts are prepared as set out in the MFB Plan
- Internal audit – through the Audit, Risk and Compliance and Finance Committee, a comprehensive three-year rolling internal audit program is established and monitored. It includes financial, operational and system processes and controls. MFB has engaged an external service provider as its internal auditor
- Investment appraisal – MFB has clearly defined guidelines for capital expenditure. These include measurement against corporate objectives, annual budgets, detailed appraisal and review procedures, and levels of delegated authority.

MFB's Compliance Framework

MFB's Compliance Framework is a structured, organisation-wide approach that gives MFB employees the information, policies and procedures that they need to comply with applicable legal obligations.

A core component of the Compliance Framework is MFB's Compliance and Obligations Register, which lists more than 250 applicable Acts and regulations with which MFB must comply. The Register summarises each obligation and any associated practical measures that are required or recommended to support compliance. It is continuously updated to reflect any changes in applicable legislation. The Register assists MFB employees to better understand their legislative obligations and to identify and implement appropriate measures to discharge their responsibilities, including through training and targeted communications, policies, processes or procedures, and additional controls such as manager supervision, quality assurance systems, monitoring, audit and review.

MFB's Integrity Framework

MFB's Integrity Framework comprises organisation-wide integrity policies and procedures that reflect Victorian public sector standards, such as MFB's Public Interest Disclosures Policy and Procedures, a Conflict of Interest Policy with associated declaration forms and guidance materials, and the Gifts, Benefits and Hospitality Policy with associated declaration forms and registers. MFB reviews and updates these policies on an annual basis, and otherwise as necessary, to improve their clarity and relevance to MFB, as well as to address any new or emerging integrity risks. An Integrity Framework Committee supports the implementation of the integrity policies and procedures by conducting information seminars and 'train the trainers' sessions to communicate integrity requirements to our employees.

Other disclosures

Disclosure of major contracts

During 2019–20, MFB entered into one contract greater than \$10 million. The contract was awarded to Harris HMC Construction for the construction of the Derrimut Fire Station. Details of the contract have been disclosed in the Victorian Government's contracts publishing system and are available at www.tenders.vic.gov.au

Compliance with building and maintenance provisions of the *Building Act 1993*^[1]

MFB owns and controls more than \$648 million^[2] in property assets across Victoria to meet its service delivery requirements. In 2019–20, a property capital program consisting of \$8.8 million included investigative works, upgrades and refurbishing of existing fire stations as follows:

- construction of the new fire station in Derrimut
- fit out of 215 Spring Street offices in the Eastern Hill precinct to accommodate corporate, administrative and operational employees
- Box Hill Fire Station final design and commencement of construction
- Brooklyn Fire Station final design and commencement of construction
- design of Ringwood Fire Station refurbishment
- design of new Broadmeadows Fire Station
- replacement of BA compressors at South Melbourne Fire Station and VEMTC in Craigieburn
- fit out of the new Bundoora Northern District Office
- Western District Commander accommodation design
- Eastern Hill Fire Station rear slab rectification investigation design.

MFB maintains its property assets including fire stations, corporate, administrative and ancillary properties, and training colleges, with an annual recurrent branch, leasing, utilities, maintenance and plant and equipment budget of approximately \$17.7 million, which includes preventative and reactive maintenance works.

MFB ensures it complies with all building legislation with its capital and maintenance works. In 2019–20 the following building permits and/or notices were issued:^[3]

Item	2018-19	2019-20
No. of Greater Works Projects (>\$50,000) ^[3]	13	13
No. of Building Permits obtained	2	6
No. of Occupancy Permits obtained ^[4]	2	1*
No. of Certificate of Final Inspections obtained ^[5]	2	6
No. of Emergency Orders issued on buildings	0	0
No. of Building Orders issued on buildings	0	0
No. of buildings brought into conformity with building standards ^[6]	0	0

*Note: Occupancy Permit provided for Northern District Office (Bundoora).

[1] The reference to the *Building Act 1993* should also be taken to refer to the provisions under the National Construction Code.

[2] Please note that in the 2018-2019 MFB Annual Report, this figure was reported within this section as being \$680 million. The data was accurately reported in table 4.1 of the 2018-2019 MFB Annual Report, which totalled \$655 million.

[3] Does not include design and documentation work undertaken or works <\$50,000.

[4] New FS24 Glen Iris Fire Station was commissioned and opened.

[5] Some works are awaiting final inspection certificates to be issued.

[6] New Brooklyn premises was acquired and building upgraded to meet *Building Act 1993*.

Non-Conformance Declaration:

Eastern Hill Complex – Building and Occupancy
Permits pending

FES Workshop (Bayswater) – Building and Occupancy
Permits pending

Compliance with building and maintenance provision of the *Building Act 1993* ^[7]

MFB has implemented extensive mechanisms in place to maintain its critical property infrastructure. These consist of (but not limited to):

- 6-monthly OHS inspections on all MFB-controlled worksites (facilities)
- 3-monthly essential services inspections and audits
- 6-monthly emergency and exit light testing schedule for all occupied facilities
- 6-monthly cathodic inspections – Eastern Hill tower and VEMTC gas supply lines
- 6-monthly ‘working safely at heights’ inspection and audits quarterly electrical generator testing (where installed)
- 6-monthly plumbing and drainage inspections
- quarterly security assessments
- division 5 asbestos audits (every five years – where known to exist)
- water system, backflow prevention and interceptor trap testing
- preventative maintenance on mechanical plant
- 6-monthly risk-based roof inspections and gutter cleaning
- 6-monthly periodical cleans of all occupied work locations.

MFB has also entered into preventative maintenance contracts with works schedules ensuring key performance indicators with its main service contractors. The synergy between MFB and its contractors ensures its facilities remain safe for its workforce and compliant with all regulatory requirements at all times.

[7] The reference to the *Building Act 1993* should also be taken to refer to the provisions under the National Construction Code.

Compliance with the *Disability Act 2006*

In the 2019–20 financial year, MFB continued to prioritise compliance with the *Disability Act 2006*.

MFB delivered a new *Disability Action Plan 2019–21*, which includes a review of our legislative compliance obligations and actions, as well as our attraction and recruitment processes. The Plan also incorporates actions to raise awareness of disability considerations in the workplace and guidance on building a healthy work environment for everyone. A key outcome of the Plan is to identify and reduce any barriers for people with disability in obtaining employment.

MFB incorporates physical accessibility in plans for all building upgrades and new stations. MFB’s *Design and Delivery Manual* for new and refurbished fire stations directs that all works to buildings and surrounding public access environments meet a minimum accessibility requirement when work is being planned and completed. These requirements specifically relate to the public areas of car parks, main entrances and entry foyers, visitor bathrooms, lecture rooms (and other multi-purpose rooms), appliance bays, and turnout alcoves (to sign in and get through to appliance bays).

Statement on competitive neutrality policy

MFB’s activities are conducted consistently with the *National Competition Policy* and the *Policy Statement, Competitive Neutrality Policy Victoria*. No competitive neutrality complaints were lodged in relation to business activities conducted by MFB.

Application and operation of the *Public Interest Disclosures Act 2012*

Public Interest Disclosures Act 2012

The *Public Interest Disclosures Act 2012* encourages people to report improper behaviour by public officers and public agencies. The Act sets out the process for making reports and investigating and rectifying suspected or known corruption in the Victorian public sector.

Legislative changes came into force on 1 January 2020 and included renaming the Act which was previously known as the *Protected Disclosures Act 2012*. The changes clarify and broaden the matters which can now be reported as public interest disclosures. The changes also aim to further support and protect individuals from detrimental action arising from their disclosure.

MFB is committed to ensuring transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal improper or corrupt conduct. MFB does not tolerate improper conduct by employees or any reprisals against any person making a public interest disclosure.

Other disclosures (continued)

MFB has policies and procedures in place to comply with the requirements under the Public Interest Disclosures Act to ensure disclosures can be easily made and managed. These documents can be accessed at www.mfb.vic.gov.au

Further information about MFB's Public Interest Disclosures Procedures or Policy can be sought by contacting the Public Interest Disclosures Coordinator. This role is undertaken by the Manager, Ethical Standards Unit. Any enquiries should be directed to:

MFB Public Interest Disclosures Coordinator
215 Spring Street
Melbourne VIC 3000
(03) 9665 4639
protecteddisclosurecoordinator@mfb.vic.gov.au

Reporting procedures

In accordance with the Public Interest Disclosures Act, MFB cannot receive public interest disclosures and is unable to report on the number of public interest disclosures made in relation to its operations.

If an employee or member of the public wishes to make a public interest disclosure about MFB or an employee or officer of MFB, they must make the disclosure to the Independent Broad-based Anti-corruption Commission (IBAC) or to another entity capable of receiving the disclosure.

IBAC's contact details are:

Level 1, North Tower
459 Collins Street
Melbourne VIC 3000
Phone: 1300 735 135
www.ibac.vic.gov.au

Disclosures of detrimental action by MFB or any of its employees as a result of a person making a public interest disclosure may be made by sending an email to: protecteddisclosurecoordinator@mfb.vic.gov.au

Application and operation of the Carers Recognition Act 2012

MFB has taken all practical measures to comply with its obligations under the *Carers Recognition Act 2012*.

These include the following:

- promoting the care relationship principles set out in the Carers Recognition Act to people in care relationships
- building awareness and understanding of the care relationship principles through an employee awareness strategy, and induction and training programs
- considering the care relationships principles when setting policies and providing services. MFB is reviewing our employment policies, such as flexible working arrangements and leave provisions, to ensure that these comply with the statement of principles in the Carers Recognition Act.



MFB is committed to ensuring transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal improper or corrupt conduct.

Details of consultancies over \$10,000

In 2019–20 there were 13 consultancies where the total fees payable to the consultants were \$10,000 or greater.

The total expenditure incurred during 2019–20 in relation to these consultancies is \$1,211,113 (excluding GST). Details of individual consultancies are outlined below.

Consultant	Purpose of consultancy	Start Date	End Date	Total approved project fee (excl. GST)	Expenditure 2019–20 (excl. GST)	(\$ thousand)
						Future expenditure (excl. GST)
Access Macquarie Ltd	Dust Safe Initiative	May-20	May-20	\$27,880	\$27,880	\$0
Access Macquarie Ltd	Advice on medical screening for chemicals present at Tottenham fire	May-20	May-20	\$22,727	\$22,727	\$0
Alchemy Opening Horizons Pty Ltd	Lead Negotiator: PPC Project	Jan-20	Jun-20	\$42,000	\$42,000	\$0
Envirolab Services Pty Ltd	PFAS Repatriation Program	May-20	Jun-20	\$32,312	\$32,312	\$0
Deloitte Consulting Pty Ltd	Transition Management Services relating to Fire Rescue Victoria	May-20	Jun-20	\$749,934	\$484,851	\$265,083
GHD Pty Ltd	PFAS Risk Assessment	Jun-20	Jun-20	\$201,866	\$201,866	\$0
Jeka Corp Pty Ltd	Identification of MFB Portfolio, best use of asset classes in accordance with whole of government usage, lifecycle planning, disposal planning and feasibility analysis.	Apr-20	Apr-20	\$21,650	\$21,650	\$0
Lockton Companies Australia	WorkCover Consulting	Aug-19	Jun-20	\$280,000	\$230,000	\$50,000
Pricewaterhouse Coopers	MFB Employee Entitlement Asset and Liability Review	Nov-19	Nov-19	\$26,520	\$26,520	\$0
Pricewaterhouse Coopers	Board Transition Plan	May-20	Jun-20	\$67,550	\$67,499	\$51
Smale, Suzanne Hazel	Review of the Juvenile Fire Awareness and Intervention Program (JFAIP)	Dec-19	Jun-20	\$64,580	\$18,150	\$46,430
Social Traders Ltd	Development of MFB's Social Procurement Strategy	Jul-19	Jul-19	\$15,000	\$15,000	\$0
The Primary Agency Pty Ltd	Industrial workshops	Mar-20	May-20	\$20,657	\$20,657	\$0

Other disclosures (continued)

Details of consultancies under \$10,000

In 2019-20, there were 13 consultancies engaged during the year, where the total fees payable to the individual consultancies were less than \$10,000.

The total expenditure incurred during 2019-20 in relation to these consultancies was \$50,717 (excl. GST).



Disclosure of government advertising expenditure

In 2019–20, MFB did not conduct any advertising campaigns with a total media spend of \$100,000 or greater.

Disclosure of ICT expenditure

MFB 2019–2020 ICT expenditure

Total ICT expenditure	BAU ICT expenditure	Non-BAU ICT expenditure
(Operational and Capital)	(Operational)	(Capital)
\$23,091,852	\$19,630,397	\$3,461,455

Capital project expenditure is based on current project plans. Any slip in project timelines will impact forecasted expenditure.

ICT expenditure refers to MFB's costs in providing business enabling information and communications technology services within the current reporting period. It is comprised of

- non-business as usual (Non-BAU) ICT expenditure, which relates to extending or enhancing MFB's current ICT capabilities
- BAU ICT expenditure is all remaining ICT expenditure, and primarily relates to ongoing activities to operate and maintain the current ICT capability.

Local Jobs First disclosure

The *Local Jobs First Act 2003* introduced in August 2018 brings together the Victorian Industry Participation Policy (VIIP) and Major Project Skills Guarantee (MPSG) Policy which were previously administered separately.

MFB is required to apply the Local Jobs First Policy in all projects valued at \$3 million or more in Metropolitan Melbourne or for state-wide projects, or \$1 million or more for projects in regional Victoria. MPSG applies to all construction projects valued at \$20 million or more.

The MPSG guidelines and VIIP guidelines will continue to apply to MPSG applicable and VIIP applicable projects respectively where contracts have been entered prior to 15 August 2018.

Projects Commenced – Local Jobs First Standard

During 2019–20, MFB commenced four Local Jobs Standard projects totalling \$28.564m. All four of these projects were located in the metropolitan area of Melbourne, with an average commitment of 91.5 per cent local content. No projects were commenced that occurred state-wide. The MSPG did not apply to any of these four (4) projects.

The outcomes expected from the implementation of the Local Jobs First policy to these projects where information was provided are as follows:

- an average of 91.5 per cent of local content commitment was made;
- a total of 112 jobs (AEE) were committed, including the creation of fifteen (15) new jobs and the retention of 97 existing jobs (AEE);
- a total of eighteen (18) positions for apprentices, trainees and cadets were committed, including the creation of nine (9) new apprenticeships, traineeships, and cadets; and
- the retention of the remaining nine (9) existing apprenticeships, traineeships and cadets.

Other disclosures (continued)

Projects Commenced – Local Jobs First Standard (continued)

Project	Contract Value Tax Excluded	Local Content	Total Jobs Created	Total Jobs Retained	Apprenticeships /Trainees/ Cadetships Created	Apprenticeships /Trainees/ Cadetships Retained
Contract 17/034 – Plumbing Maintenance & Associated Services	\$4,530,000	93%	3	5	3	0
Contract 18/026 – Construction of Derrimut Fire Station	\$9,252,341	91%	2	44	1	2
Contract 19/038 – Construction of Brooklyn Fire Station	\$7,217,827	89%	0	30	0	1
Contract 18/017 – Construction of Box Hill Fire Station	\$7,546,382	93%	10	18	5	6

Capital projects and asset investments program

- MFB did not have any capital projects or asset investment programs which met the disclosure threshold of \$10 million over the previous financial year.

Projects completed – Victorian Industry Participation Policy Standard

During the 2019–20 financial year, there was one project completed with a contract that exceeded \$3 million for which a Victorian Industry Participation Policy (VIPP) was required. The total value of the contract for this project was \$8.9 million excluding GST.

The VIPP plan commitments achieved as a result of this project commencing include:

- local content of 94.6 percentage of the total value of the contract
- three new jobs and one retained job
- three new apprenticeships/traineeships and two retained apprenticeships/traineeships.

Application and operation of the Freedom of Information Act 1982

The President, Jasmine Doak, is the Principal Officer for the purpose of administering the requirements of the *Freedom of Information Act 1982* (FOI Act). MFB's authorised officers are Ms Sarah McKellar-White, Acting FOI Unit Manager, and Ms Jan Smith, Freedom of Information Officer.

The purpose of the FOI Act is to extend as far as possible the right of the community to access information held by government departments, statutory authorities, local councils, ministers and other bodies subject to the FOI Act.

Under the FOI Act, an applicant has a right to apply for access to documents held by MFB. This comprises documents created by MFB or supplied to MFB by an external organisation or individual. The term 'documents' includes maps, films, microfiche, photographs, computer printouts, computer discs, tape recordings and videotapes. Information about the type of material produced by MFB is available on the MFB website under its Part II Information Statement.

The FOI Act states that access may be refused, either fully or partially, to certain documents. Examples of documents that may not be accessed include: cabinet documents, some internal working documents, law enforcement documents, documents covered by legal professional privilege, such as legal advice, personal information in certain circumstances, and information provided to MFB in confidence.

The FOI Act requires requests to be processed in 30 days, with some extensions available if specific criteria are met.

If an applicant is not satisfied by a decision made by MFB, under section 49A of the FOI Act, they have the right to seek a review by the Office of the Victorian Information Commissioner (OVIC) within 28 days of the decision.

FACES OF MFB

Saranyae Manisegaran Regional Psychologist

Saranyae Manisegaran is one of MFB's Regional Psychologists, providing health and wellbeing services to MFB employees and their families.



MFB is dedicated to enhancing the health and wellbeing of our workforce by creating a workplace of mutual respect and understanding. A key focus of Saranyae's work has been supporting people from socially diverse groups, and specifically improving support for people who identify as diverse in gender and sexuality (DiGS).

'It's a priority for the emergency management sector to ensure that we create an environment where people don't have to hide, and feel safe to be who they are,' Saranyae said.

'The research tells us that people from DiGS communities are much more at risk of mental health disorders, self-harm and suicide — in fact they are twice as likely to be diagnosed and treated for mental health disorders.

'We can't paint everyone with the same brush. It's important that we are aware and provide support to people that form part of these at-risk groups, and this applies to the whole emergency management sector.'

In 2019, MFB joined the newly established Emergency Management Pride Network Victoria. The network is a way for the emergency management sector to come together to show support for DiGS people and communities through events and initiatives.

'This kind of work saves lives and MFB is stepping up to take more of a leadership role in the network's initiatives,' Saranyae said.

In January 2020, MFB led the production of an agency-wide *Wear your rainbow with pride* video. Saranyae opened the video, alongside multiple emergency services agencies putting on their rainbow lanyards, vests, armbands and pins to show our unified support in creating a more respectful and inclusive environment as a sector. The video brought together network members and was shared by each agency to raise awareness.

'Taking the lead role in this film production reaffirms MFB's commitment to leading in this space and sends a clear message to our people and to the community that we are a supportive and respectful workplace,' Saranyae said.



This kind of work saves lives and MFB is stepping up to take more of a leadership role in the network's initiatives.

Other disclosures (continued)

Making a request

When making a request for documents under the FOI Act, applicants must clearly identify the types of documents being sought.

Requests for documents held by MFB must be made in writing, and addressed to:

**Freedom of Information Officer
Metropolitan Fire and Emergency Services Board
456 Albert Street
East Melbourne VIC 3002**

Freedom of Information requests can also be lodged online at www.foi.vic.gov.au.

An application fee of \$29.60 per request applies. Access charges may also be payable if the document pool is large, and the search for material is time-consuming.

General enquiries relating to freedom of information may be made by contacting the Freedom of Information Officer on (03) 9662 2311.

Freedom of information statistics

During the 2019–2020 financial year, MFB received 376 FOI applications.

Applicants	Number	Outcome
Media organisations	3	1 matter – access to documents provided in part 1 matter–access to documents refused under the relevant exemptions 1 matter–no documents within the scope of the request.
Members of Parliament	6	1 matter–OVIC review in progress 1 matter–request could not be processed pursuant to the <i>Freedom of Information Act 1982</i> 1 matter–access to some documents provided in part, access to other documents refused under the relevant legislative exemptions 1 matter–access to document allowed in full 1 matter–no documents located within the scope of the request 1 matter–access to documents refused pursuant to exemptions under the <i>Freedom of Information Act 1982</i> .
United Firefighters Union	0	Not applicable.
Other members of the public	367	Partial access to documents provided.

MFB made 376 FOI decisions during the 12 month ending 30 June 2020.

Time period	Number
Within the statutory 30 day period	369
With the extended statutory 30–45 day period	7
46–90 days	0
90+ days	0

The average time taken to finalise requests in 2019–2020 was 30 days.

During 2019–20, 2 requests were subject to a complaint/internal review by OVIC with none progressing to VCAT.

Further information

Further information regarding the operation and scope of the FOI Act can be obtained from OVIC, at ovic.vic.gov.au

Statement of availability of other information

In compliance with the requirements of the Standing Directions of the Minister for Finance, details in respect of the items listed below have been retained by MFB and are available on request, subject to the provisions of the *Freedom of Information Act 1982*:

- (a) a statement that declarations of pecuniary interests have been duly completed by all relevant officers;
- (b) details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary;
- (c) details of publications produced by the entity about itself, and how these can be obtained;
- (d) details of changes in prices, fees, charges, rates and levies charged by the entity;
- (e) details of any major external reviews carried out on the entity;
- (f) details of major research and development activities undertaken by the entity;
- (g) details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
- (h) details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and its services;
- (i) details of assessments and measures undertaken to improve the occupational health and safety of employees;
- (j) a general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes;
- (k) a list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved; and
- (l) details of all consultancies and contractors including:
 - (i) consultants/contractors engaged;
 - (ii) services provided; and
 - (iii) expenditure committed to for each engagement.

The information is available on request from:

**Freedom of Information Officer
Metropolitan Fire and Emergency Services Board
456 Albert Street
East Melbourne VIC 3002**

Metropolitan Fire and Emergency Services Board Financial Management Compliance Attestation Statement

I, Ken G. Block, certify that the Metropolitan Fire and Emergency Services Board has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.

Disclosure index

The annual report of MFB is prepared in accordance with all relevant Victorian legislations and pronouncements. This index has been prepared to facilitate identification of MFB's compliance with statutory disclosure requirements.

Legislation	Requirement	Page reference
Standing Directions and Financial Reporting Directions		
Report of operations		
Charter and purpose		
FRD 22H	Manner of establishment and the relevant Ministers	16, 20
FRD 22H	Purpose, functions, powers and duties	16, 19
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FRD 22H	Employment and conduct principles	53-57, 81
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FRD 22H	Application and operation of <i>Freedom of Information Act 1982</i>	88, 90-91
FRD 22H	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	82-83
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FRD 22H	Application and operation of the <i>Protected Disclosures Act 2012</i>	79
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FRD 22H	Details of consultancies over \$10,000	85
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Legislation	Requirement	Page reference
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FRD 9B	Departmental Disclosure of Administered Assets and Liabilities by Activity *	
FRD 11A	Disclosure of Ex gratia Expenses	150
FRD 21C	Disclosures of Responsible Persons, Executive Officers and other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report	152–154
FRD 103H	Non-Financial Physical Assets	117
FRD 110A	Cash Flow Statements	100
FRD 112D	Defined Benefit Superannuation Obligations	109
FRD 114C	Financial Instruments – general government entities and public non-financial corporations	130
Legislation		
	<i>Freedom of Information Act 1982</i>	88, 90–91
	<i>Building Act 1993</i>	82–83
	<i>Protected Disclosures Act 2012</i>	83–84
	<i>Carers Recognition Act 2012</i>	84
	<i>Disability Act 2006</i>	83
	<i>Local Jobs First Act 2003</i>	87–88
	<i>Financial Management Act 1994</i>	95

Note:

(a) References to FRDs have been removed from the Disclosure index if the specific FRDs do not contain requirements that are of the nature of disclosure.

*FRV has determined that FRD 9B is not applicable.

Management Discussion and Analysis

Executive summary

The 2019/20 financial year recorded a net result of \$32.6 million deficit which compares to the \$34.3 million deficit in the 2018/19 financial year. The comprehensive result was a deficit of \$32.6 million, compared to the \$3.9 million surplus for the previous financial year.

Comprehensive operating statement

Total income

Income from transactions increased by \$39.6 million (8.1%) to \$523.6 million primarily related to increased supplementary grant income from the State Government of \$50.8 million and Treasurer's Advances of \$4.1 million relating to regional deployments. The other key source of income relates to sales of services which decreased from \$43.0 million to \$41.4 million. This income relates mostly to fire suppression systems servicing and false alarm charges; the decrease of \$1.6 million was mainly related to false alarm charges.

Total expenses and other economic flows

Expenses from transactions increased by \$44.2 million (8.7%) to \$551.9 million. The main cause of the increase was employee expenses which increased by \$32.6 million to \$421.1 million; of this increase \$24.1 million relates to increased salaries and leave payments to staff and overtime \$5.2 million.

Included in the net result, is other economic flows that in total resulted in an additional loss of \$4.0 million. The other economic flows reported were: a net loss on financial instruments of \$2.8 million as a result of an unrealised loss on investments valued to market value as at 30 June 2020; as well as, a net \$2.8 million loss primarily reflecting a revaluation of employee leave liabilities to present value caused by decline in discount rates.

When accounting for the net other economic flows loss of \$4.0 million with the net operating balance result of \$28.6 million deficit, the overall net result is \$32.6 million deficit.

The overall comprehensive result for the current financial year was a deficit of \$32.6 million.

Balance sheet

Assets

Total assets as at 30 June 2020 were \$934.6 million compared to the previous year \$946.5 million, a decrease of \$11.9 million. The main reason for the decrease was a net reduction in cash and deposits and investments of \$5.8 million due to withdrawals to fund operations.

The employee benefits fund investments at 30 June 2020 totalled \$82.1 million. The return is recorded in the operating statement as investment distributions \$4.5 million, realised loss \$2.0 million on distributions and an unrealised loss of \$1.9 million as the portfolio is valued to market value. The unrealised loss is recorded in the Other Economic Flows on the operating statement.

Liabilities

Total liabilities as at 30 June 2020 were \$215.9 million compared to 30 June 2019 of \$201.6 million, an increase of \$14.3 million, of which \$17.3 million relates to employee related provisions as a result of wage increases, wage inflation and discount rate changes.

Equity

The net worth of the MFB as at 30 June 2020 is \$718.7 million which represents 76.9% equity over total assets controlled by the organisation.

Page 94 (Management Discussion and Analysis) inclusive is not part of the financial statements considered in the Audit opinion issued by the Victorian Auditor-General's Office.

Financial Report

Declaration

The attached financial statements for the Metropolitan Fire and Emergency Services Board (MFB) have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2020 and financial position of MFB at 30 June 2020.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 30 November 2020.



Ken G. Block
Fire Rescue Commissioner
Fire Rescue Victoria

Melbourne
30 November 2020



Tony Matthews
Executive Director, Corporate Services
Fire Rescue Victoria

Melbourne
30 November 2020

Financial Report (continued)

Financial statements

How this report is structured

MFB has presented its audited general purpose financial statements for the financial year ended 30 June 2020 in the following structure to provide users with the information about MFB's stewardship of resources entrusted to it.

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Financial Report (continued)

Comprehensive Operating Statement

For the financial year ended 30 June 2020

	Notes	2020	(\$ thousand) 2019
Continuing operations			
Income from transactions			
Grants	2.2	461,727	418,157
Sale of goods and services	2.3.1	41,411	42,980
Interest	2.3.2	489	759
Investment distributions	2.3.3	4,844	10,416
(Loss) on financial instruments - investments	2.3.4	(1,956)	(824)
Other income	2.3.5	17,116	12,489
Total income from transactions		523,631	483,977
Expenses from transactions			
Employee benefit expenses	3.1.1	421,144	388,489
Depreciation	4.1.2	23,747	24,170
Contract services with State Government entities	3.2	24,585	23,709
Other operating expenses	3.3	82,379	71,303
Total expenses from transactions		551,855	507,671
Net result from transactions (net operating balance)		(28,224)	(23,694)
Other economic flows included in net result			
Net gain on non financial assets ⁽ⁱ⁾	8.2	1,263	643
Net (loss) on financial instruments ⁽ⁱⁱ⁾	8.2	(2,848)	(1,138)
Other (losses) from other economic flows	8.2	(2,800)	(10,086)
Total other economic flows included in net result		(4,385)	(10,581)
Net result		(32,609)	(34,275)
Other economic flows - other comprehensive income:			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	4.1.4	-	38,240
Total other economic flows - other comprehensive income		-	38,240
Comprehensive result		(32,609)	3,965

The accompanying notes form part of these financial statements.

- (i) 'Net gain/(loss) on non-financial assets' includes unrealised and realised gains/(losses) from revaluations, impairments, and disposals of all physical assets and intangible assets, except when these are taken through the asset revaluation surplus.
- (ii) 'Net gain/(loss) on financial instruments' includes bad and doubtful debts from other economic flows, unrealised and realised gains/(losses) from revaluations, impairments and reversals of impairment, and gains/(losses) from disposals of financial instruments, except when these are taken through the financial assets at fair value through other comprehensive income revaluation surplus.

Balance Sheet

As at 30 June 2020

	Notes	2020	(\$ thousand) 2019
Assets			
Financial assets			
Cash and deposits	6.3	51,129	12,637
Receivables	5.1	20,340	31,988
Investments and other financial assets	4.4	82,049	126,385
Total financial assets		153,518	171,010
Non-financial assets			
Inventories	5.3	2,092	1,982
Property, plant and equipment	4.1	725,625	720,480
Investment properties	4.2	41,418	39,192
Intangible assets	4.3	7,767	9,813
Prepayments		4,214	4,065
Total non-financial assets		781,116	775,532
Total assets		934,634	946,542
Liabilities			
Payables	5.2	30,639	29,273
Borrowings	6.1	6,661	951
Employee related provisions	3.1.2	178,047	160,718
Other liabilities		595	10,629
Total liabilities		215,942	201,571
Net assets		718,692	744,971
Equity			
Accumulated surplus		125,643	158,252
Physical asset revaluation surplus	8.8	461,360	461,360
Contributed capital		131,689	125,359
Net worth		718,692	744,971

The accompanying notes form part of these financial statements.

Financial Report (continued)

Cash flow statement

For the financial year ended 30 June 2020

	Notes	2020	(\$ thousand) 2019
Cash flows from operating activities			
Receipts			
Receipts from government ⁽ⁱ⁾		476,765	399,803
Receipts from other entities ⁽ⁱ⁾		49,230	64,146
Interest received		489	758
Investment distributions received ⁽ⁱⁱ⁾		4,844	10,416
Goods and Services Tax recovered from the ATO ⁽ⁱⁱⁱ⁾		9,129	9,130
Total receipts		540,457	484,252
Payments			
Payments to suppliers and employees		(526,282)	(480,215)
Total payments		(526,282)	(480,215)
Net cash flows from/(used in) operating activities	6.3.1	14,175	4,037
Cash flows from investing activities			
Payments for investments ^(iv)		(44,841)	(20,411)
Proceeds from sale of investments ^(iv)		85,000	20,000
Purchases of non-financial assets		(21,219)	(12,822)
Proceeds from sales of non-financial assets		624	10,361
Net cash flows from/(used in) investing activities		19,564	(2,872)
Cash flows from financing activities			
Owner contributions by State Government		6,330	-
Repayment of borrowings and principal portion of lease liabilities ^(v)		(1,577)	(238)
Net cash flows from/(used in) financing activities		4,753	(238)
Net increase in cash and cash equivalents		38,492	927
Cash and cash equivalents at beginning of financial year		12,637	11,710
Cash and cash equivalents at end of financial year	6.3	51,129	12,637

The accompanying notes form part of these financial statements.

(i) Restatement of 2019 to reflect amounts due from State Government reclassified from receipts from government to receipts from other entities..

(ii) 'Investment distributions received' is recognised as cash flow from operating activities.

(iii) Goods and Services Tax paid to and recovered from the ATO is presented on a net basis.

(iv) Proceeds from sales of investments and payments for investments relate to the managed investment portfolio.

(v) The loan repayment relates to an energy efficiency program loan provided by State Government. MFB has recognised cash payments for the principal portion of lease payments as financing activities; cash payments for the interest portion as operating activities consistent with the presentation of interest payments and short-term lease payments for leases and low-value assets as operating activities. Refer to Note 6.1

Statement of changes in equity

For the financial year ended 30 June 2020

	Notes	Physical asset revaluation surplus	Accumulated surplus	Contributed capital	Total
Balance at 1 July 2018		423,120	192,527	125,359	741,006
Net result for the year		-	(34,275)	-	(34,275)
Other comprehensive income for the year	8.8	38,240	-	-	38,240
Balance at 30 June 2019		461,360	158,252	125,359	744,971
Net result for the year		-	(32,609)	-	(32,609)
Transfer to contributed capital ⁽ⁱ⁾		-	-	6,330	6,330
Other comprehensive income for the year	8.8	-	-	-	-
Balance at 30 June 2020		461,360	125,643	131,689	718,692

The accompanying notes form part of these financial statements.

Notes:

(i) State Government funding towards non-financial asset acquisitions.

Financial Report (continued)

1. About this report

The Metropolitan Fire and Emergency Services Board is a statutory authority established under the *Metropolitan Fire Brigades Act 1958*.

Its principal address is:

Metropolitan Fire and Emergency Services Board
456 Albert Street
East Melbourne VIC 3002

A description of the nature of its operations and its principal activities is included in the **Report of operations**, which does not form part of these financial statements.

Fire Rescue Victoria

On 1 July 2020 Fire Rescue Victoria (FRV), a new organisation, commenced bringing together all MFB and career CFA firefighters.

The Firefighters' Presumptive Rights Compensation and Fire Services Legislation Amendment (Reform) Act 2019 (Act) amended the Metropolitan Fire Brigades Act 1958 to abolish MFB and create a new entity, Fire Rescue Victoria (FRV). The Melbourne Fire District is renamed the FRV Fire District and the boundaries of the district will be expanded to include some outer urban areas and regional centres to address the increased demand, complexity and risk profile of these areas due to population growth, demographic, land use and industrial changes. As a result of the boundary changes, 38 Country Fire Authority (CFA) career and integrated fire stations will be located within the FRV Fire District and will become the responsibility of FRV. All of Victoria's career firefighters will become FRV employees and will transfer with their existing entitlements and benefits to FRV. The Act also provides for other Country Fire Authority employees to transfer to FRV by Ministerial direction.

These are the final set of annual accounts for MFB as a result of the transition to Fire Rescue Victoria on 1 July 2020.

Structured planning by MFB and CFA will ensure there will be an orderly transition of MFB's assets, liabilities, commitments, obligations and rights to FRV. (See Note 8.9 Subsequent events).

Basis of preparation

These financial statements are in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

The accrual basis of accounting has been applied in preparing these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

According to AASB 1058 *Income of Not-for-Profit Entities*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of MFB.

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions to or distributions by owners have also been designated as contributions by owners.

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in applying AAS that have significant effects on the financial statements and estimates are disclosed in the notes under the heading: 'Significant judgement or estimates'.

These financial statements cover MFB as an individual reporting entity and include all the controlled activities of MFB.

All amounts in the financial statements have been rounded to the nearest \$1,000 unless otherwise stated.

Compliance information

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA) and applicable Australian Accounting Standards (AASs) which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

Financial Report (continued)

2. Funding delivery of our services

Introduction

MFB provides comprehensive fire, rescue and emergency response services including community resilience and educative programs to residents within the metropolitan fire district with the key objective to reduce the incidence and impact of fire and other emergencies on the community. MFB works closely and jointly with other organisations in the emergency services sector.

To enable MFB to fulfil the above mentioned services, the organisation was primarily funded from the Fire Services Property Levy. The levy applies to property owners, including local municipal councils who remit the levy annually to the State Revenue Office. State Government determine the annual grant income funding for MFB as detailed in these financial statements. MFB also received market based service fees, statutory service fees and other income as detailed in these statements.

Structure

2.1	Summary of revenue and income that funds the delivery of our services	104
2.2	Grants	105
2.3	Income from transactions	106

2.1 Summary of revenue and income that funds the delivery of our services

	Notes	2020	(\$ thousand) 2019
Grants	2.2	457,591	414,311
Treasurer's advance ⁽ⁱ⁾	2.2	4,136	3,846
Sale of goods and services	2.3.1	41,411	42,980
Interest	2.3.2	489	759
Investment distributions - managed investment	2.3.3	4,844	10,416
(Loss) on financial instruments - investments	2.3.4	(1,956)	(824)
Other income	2.3.5	17,116	12,489
Total income from transactions		523,631	483,977

(i) The Treasurer's advance received via the Department of Justice and Community Safety is the State Government's re-imbusement of costs incurred in assisting other emergency services at major incidents and assisting regional strike teams.

Revenue and income that fund delivery of MFB's services are accounted for consistently with the requirements of the relevant accounting standards disclosed in the following notes.

2.2 Grants

	2020	(\$ thousand) 2019
Income recognised as income of not-for-profit entities		
General purpose	405,063	387,659
Supplementary grants	52,528	26,652
Treasurer's advance ⁽ⁱ⁾	4,136	3,846
Total grants	461,727	418,157

(i) The Treasurer's advance received via the Department of Justice and Community Safety is the State Government's re-imbusement of costs incurred in assisting other emergency services at major incidents and assisting regional strike teams.

Grant income of \$461.7 million (2019: \$418.2 million), including Supplementary grants of \$52.5 million (2019: \$26.7 million), Treasurer's advance of \$4.1 million (2019: \$3.8 million) and inter portfolio grant of \$0 million (2019: \$0.9 million) arises from transactions in which a party provides goods or assets (or extinguishes a liability) to MFB without receiving approximately equal value in return. While grants may result in the provision of some goods or services to the transferring party, they do not provide a claim to receive benefits directly of approximately equal value (and are termed 'non-reciprocal' transfers). Receipt and sacrifice of approximately equal value may occur, but only by coincidence.

MFB had determined that all grant income is recognised as income of not-for-profit entities in accordance with AASB 1058, except for grants that are enforceable and with sufficiently specific performance obligations and accounted for as revenue from contracts with customers in accordance with AASB 15. During the current and prior financial year there were no grants with sufficiently specific performance obligations.

The impact of initially applying AASB 1058 on MFB's grant revenue is described in Note 8.10. Due to the modified retrospective transition method chosen in applying AASB 1058, comparative information has not been restated to reflect the new requirements. The adoption of AASB 1058 did not have an impact on Other comprehensive income and the Statement of Cash flows for the financial year.

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when MFB had an unconditional right to receive cash which usually coincides with receipt of cash. On initial recognition of the asset, MFB recognised any related contributions by owners, increases in liabilities, decreases in assets, and revenue ('related amounts') in accordance with other Australian Accounting Standards. Related amounts may take the form of:

- (a) contributions by owners, in accordance with AASB 1004;
- (b) revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15;
- (c) a lease liability in accordance with AASB 16;
- (d) a financial instrument, in accordance with AASB 9; or
- (e) a provision, in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets.

Previous accounting policy for 30 June 2019

Grant income arises from transactions in which a party provides goods or assets (or extinguishes a liability) to MFB without receiving approximately equal value in return. While grants may result in the provision of some goods or services to the transferring party, they do not provide a claim to receive benefits directly of approximately equal value (and are termed 'non-reciprocal' transfers). Receipt and sacrifice of approximately equal value may occur, but only by coincidence.

For non-reciprocal grants, MFB recognised revenue when the grant is received.

Grants can be received as **general-purpose grants**, which refers to grants which are not subject to conditions regarding their use. Alternatively, they may be received as **specific-purpose grants**, which are paid for a particular purpose and/or have conditions attached regarding their use. MFB grants are primarily general-purpose grants appropriated from the State Government.

Financial Report (continued)

2.3 Income from transactions

2.3.1 Sales of goods and services

	2020	(\$ thousand) 2019
Fire suppression equipment sales and servicing (contracts with customers)	24,487	23,156
False alarm charges	8,853	10,137
Charges services	2,246	2,688
Road accident rescue	3,966	5,212
Hazardous materials	250	58
Other – supply of services	1,609	1,729
Total sale of goods and services	41,411	42,980

The main source of income from sales of goods and services relates to false alarm income and fire suppression equipment and fire containment systems. The sales income is recognised when:

- MFB no longer has any of the significant risks and rewards of ownership of the goods transferred to the buyer;
- MFB no longer has continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- the amount of income, and the costs incurred or to be incurred in respect of the transactions, can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to MFB.
- Regulatory fees are recognised at the time of billing.

Income from the **supply of services** is recognised by reference to the stage of completion of the services being performed. The income is recognised when:

- the amount of the income, stage of completion and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to MFB.

Under this method, income is recognised by reference to labour hours supplied or to labour hours supplied as a percentage of total services to be performed in each annual reporting period.

The sale of goods and services included in the table above are transaction that MFB has determined to be classified as revenue from contracts with customers in accordance with AASB 15. The impact of initially applying AASB 15 on MFB's revenue from contracts with customers is described in Note 8.10. Due to the modified retrospective transition method chosen in applying AASB 15, comparative information has not been restated to reflect the new requirements.

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in the contract with the customer. MFB recognised revenue when it transfers control of a good or service to the customer.

For contracts that permit the customer to return an item, revenue is recognised to the extent it is highly probable that a significant cumulative reversal will not occur. Therefore, the amount of revenue recognised is adjusted for the expected returns, which are estimated based on the historical data. In these circumstances, a refund liability and a right to recover returned goods asset are recognised. The right to recover the returned goods asset is measured at the former carrying amount of the inventory less any expected costs to recover goods. The refund liability is included in other payables (Note 6.2) and the right to recover returned goods is included in inventory (Note 6.3). During the financial year, there were no material adjustments relating to customer returns. MFB reviewed its estimate of expected returns at each reporting date and updates the amount of the asset and liability accordingly. As the sales are made with a short credit term, there is no financing element present. There has been no material change in the recognition of revenue from the sale of goods as a result of the adoption of AASB 15.

Previous accounting policy for 30 June 2019

The main source of income from sales of goods and services relates to false alarm income and fire suppression equipment and fire containment systems. The sales income is recognised when:

- MFB no longer had any of the significant risks and rewards of ownership of the goods transferred to the buyer;
- MFB no longer had continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- the amount of income, and the costs incurred or to be incurred in respect of the transactions, can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to MFB.

Regulatory fees are recognised at the time of billing.

Income from the **supply of services** is recognised by reference to the stage of completion of the services being performed. The income is recognised when:

- the amount of the income, stage of completion and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to MFB.

Under this method, income is recognised by reference to labour hours supplied or to labour hours supplied as a percentage of total services to be performed in each annual reporting period.

2.3.2 Interest

	2020	(\$ thousand) 2019
Interest from financial assets not at fair value through profit and loss		
Interest on bank deposits	489	354
Interest on term deposits with Treasury Corporation Victoria	-	405
Total interest from financial assets not at fair value through profit and loss	489	759

Interest income includes interest received on bank term deposits and other investments and the unwinding over time of the discount on financial assets. Interest income is recognised using the effective interest method, which allocates the interest over the relevant period.

Net realised and unrealised gains and losses on the revaluation of investments do not form part of income from transactions, but are reported either as part of income from other economic flows in the net result or as unrealised gains or losses taken directly to equity, forming part of the total change in net worth in the comprehensive result.

2.3.3 Investment distributions

Investment distributions are declared income as advised by the fund managers on the investments. The investments included investments in term deposits, bonds, equities, exchange traded funds and other securities as defined in the management agreement between MFB and the fund manager. Accordingly, investment distributions include dividend income, interest income and capital gain income (net of any capital loss) upon sale of equities and exchange traded funds. Investment distribution income is accounted upon declaration and credit of the distribution to the investment account. As at 30 June 2020, MFB had investment distributions of \$4.844 million (2019: \$10.416 million).

2.3.4 Gain or losses on financial instruments – investments

MFB portfolio of managed investments consists of equities, bonds and other financial instruments. As is customary in the financial markets, investments are traded in that they are sold and then other securities purchased. This results in realised gains or losses from securities that are purchased and sold. Realised gains or losses on financial instruments is calculated by comparing the initial unit purchase price to the unit sale price, multiplied by the number of units withdrawn.

The investment portfolios are priced 'to market prices' at regular intervals, this pricing to market price results in unrealised gains or losses. Unrealised gains or losses from the portfolio investments is not recorded under Income from transactions, but is separately reported under Other economic flows included in net result.

Financial Report (continued)

2.3.5 Other income

	2020	(\$ thousand) 2019
Workers compensation recovered from workcover	6,712	4,876
Litigation settlement ⁽ⁱ⁾	5,599	3,539
Discount received – workcover premium	870	779
Insurance recovery	154	326
Rental income	261	295
Sundry	3,520	2,674
Total other income	17,116	12,489

(i) \$1.4 million interim insurance recovery received in 2018 netted off with settlement proceeds as subsequently returned in 2020 upon finalisation of the matter.

Rental income from leasing of investment properties which are operating leases are recognised on a straight-line basis over the lease term.

Operating leases relate to the investment property owned by MFB with lease terms under 12 months. The lessee does not have an option to purchase the property at the expiry of the lease period. The risks associated with rights that MFB retained in underlying assets are not considered to be significant, MFB employed strategies to further minimise these risks. For example, ensuring all contracts include clauses requiring the lessee to compensate MFB when a property has been subject to excess wear and tear during the lease term.

3. The cost of delivering services

Introduction

This section provides an account of the expenses incurred by MFB in delivering services and outputs. In Section 2, the funds that enable the provision of services were disclosed and in this note the cost associated with provision of services are recorded

Structure

3.1	Expenses incurred in delivery of services	109
3.2	Contract services with State Government entities	112
3.3	Other operating expenses	113

3.1 Expenses incurred in delivery of services

	Notes	2020	(\$ thousand) 2019
Employee benefit expenses	3.1.1	421,144	388,489
Depreciation and amortisation	4.1.2	23,747	24,170
Contract services with State Government entities	3.2	24,585	23,709
Other operating expenses	3.3	82,379	71,303
Total expenses incurred in delivery of services		551,855	507,671

3.1.1 Employee benefits in the comprehensive operating statement

	2020	(\$ thousand) 2019
Salaries and wages, annual leave and long service leave	286,467	262,353
Overtime	44,944	39,777
Defined benefit superannuation expense	25,029	25,026
Defined contribution superannuation expense	4,127	2,044
Movement in employee leave benefit provisions	17,395	21,566
Payroll tax	17,516	16,190
WorkCover	18,921	15,561
Travelling/meal allowance	4,859	4,696
Fringe benefits tax	1,886	1,276
Total employee expenses	421,144	388,489

Financial Report (continued)

3.1.1 Employee benefits in the comprehensive operating statement (continued)

Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, termination payments and WorkCover premiums.

The amount recognised in the comprehensive operating statement in relation to superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period. MFB did not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. Instead, Department of Treasury and Finance discloses in its annual financial statements the net defined benefit cost related to the members of these plans as an administered liability (on behalf of the State as the sponsoring employer).

Termination benefits are payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when MFB was demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

3.1.2 Employee benefits in the balance sheet

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave (LSL) for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

	2020	(\$ thousand) 2019
Current provisions:		
Annual leave		
Unconditional and expected to settle within 12 months	28,458	25,240
Unconditional and expected to settle after 12 months	21,811	17,850
Accrued leave		
Unconditional and expected to settle within 12 months	1,216	693
Unconditional and expected to settle after 12 months	9,912	5,518
Long service leave		
Unconditional and expected to settle within 12 months	7,728	7,079
Unconditional and expected to settle after 12 months	73,146	67,873
Provisions for on-costs		
Unconditional and expected to settle within 12 months	7,522	7,951
Unconditional and expected to settle after 12 months	20,512	20,721
Total current provisions for employee benefits	170,305	152,925
Non-current provisions:		
Long service leave	6,370	6,309
On-costs	1,372	1,484
Total non-current provisions for employee benefits	7,742	7,793
Total provisions for employee benefits	178,047	160,718

Reconciliation of movement in on-cost provision

	2020	(\$ thousand) 2019
Opening balance	30,156	20,914
Additional provisions recognised	15,570	26,539
Reductions arising from payments/other sacrifices of future economic benefits	(15,360)	(15,827)
Unwind of discount and effect of changes in the discount rate	(959)	(1,470)
Closing balance	29,407	30,156
Current	28,035	28,672
Non-current	1,372	1,484

Wages and salaries, annual leave and sick leave: Liabilities for wages and salaries (including non-monetary benefits, annual leave and on-costs) are recognised as part of the employee benefit provision as current liabilities, because MFB does not have an unconditional right to defer settlements of these liabilities.

The liability for salaries and wages are recognised in the balance sheet at remuneration rates which are current at the reporting date. As MFB expects the liabilities to be wholly settled within 12 months of reporting date, they are measured at undiscounted amounts.

The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid, as MFB does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in employee benefits in the Statement of Comprehensive Income as it is taken.

Employment on-costs such as payroll tax, workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

Unconditional LSL is disclosed as a current liability; even where MFB does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- undiscounted value – if MFB expected to wholly settle within 12 months; or
- present value – if MFB does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. There is a conditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL is measured at present value.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flow' in the net result.

Financial Report (continued)

3.1.3 Superannuation contributions

Employees of MFB are entitled to receive superannuation benefits and MFB contributed to both defined benefit and defined contribution plans. The defined benefit plan(s) provides benefits based on years of service and final average salary. The defined benefit plan contribution rate is 11.0% (2019: 11.0%) and for defined contribution plans is 9.5% (2019: 9.5%).

	Paid contribution for the year		(\$ thousand) Contribution outstanding at year end	
	2020	2019	2020	2019
Defined benefit plans⁽ⁱ⁾				
Emergency Services Superannuation Fund	23,302	23,701	337	194
Defined contribution plans				
Emergency Services Superannuation Fund	4,115	2,034	66	30
Other	1,592	1,293	-	-
Total	29,009	27,028	403	224

(i) The basis for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans.

3.2 Contract services with State Government entities

	2020	(\$ thousand) 2019
Department of Justice and Community Safety	13,077	12,520
Emergency Services Telecommunications Authority (ESTA) ⁽ⁱ⁾	10,932	10,595
Other	576	594
Total contract services with State Government entities	24,585	23,709

(i) Contract services with State Government entities relate to call taking and dispatch services and related activities provided by ESTA as well as payments to Department of Justice and Community Safety for the State Control Centre and related emergency management support and activity.

3.3 Other operating expenses

	2020	(\$ thousand) 2019
Supplies and services:		
Fire systems contractor services expense	14,839	13,923
Property utilities, rates and maintenance	12,121	11,598
Information technology	10,681	5,765
Plant and equipment maintenance	7,879	6,805
Uniforms	7,347	5,847
Motor vehicles fuel and maintenance	5,538	5,444
Supplies and consumables	5,135	4,636
Training and development	4,299	3,108
Communications	3,538	2,237
Legals	1,847	3,529
Consultants	1,262	531
Insurance	1,022	947
Property leases	898	1,212
Travel	852	729
Cost of goods sold	794	793
Internal audit and compliance audit	565	929
Advertising and promotional activity	195	114
Other	3,567	3,156
Total other operating expenses	82,379	71,303

Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

Supplies and services are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any inventories held for distribution are expensed when the inventories are distributed.

Operating lease payments up until 30 June 2019 are recognised on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset.

From 1 July 2019, the following lease payments are recognised on a straight-line basis:

- Short-term leases – leases with a term less than 12 months; and
- Low value leases – leases with the underlying asset's fair value (when new, regardless of the age of the asset being leased) is no more than \$10 000.

Variable lease payments that 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 and which are not, in substance fixed) such as those based on performance or usage of the underlying asset, are recognised in the Comprehensive Operating Statement (except for payments which has been included in the carrying amount of another asset) in the period in which the event or condition that triggers those payments occur.

Financial Report (continued)

4. Key assets available to support output delivery

Introduction

MFB controlled infrastructure and other investments that are utilised in fulfilling its objectives and conducting its activities. They represent the resources that are controlled by MFB to be utilised for delivery of those outputs.

Structure

4.1	Total property, plant and equipment	114
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Significant judgement: Classification of investments as key financial assets

MFB has made the judgement that investments are key financial assets invested to support MFB's objectives.

MFB has applied judgement in relation to property, plant and equipment in regards to the useful lives, the asset condition, and classification in regards to aspects such as specialised or non-specialised and the fair value.

Fair value measurement

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 7.3 in connection with how those fair values were determined.

4.1 Total property, plant and equipment

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2020	2019	2020	2019	2020	2019
	(\$ thousand)					
Land at fair value ⁽ⁱ⁾	370,288	370,288	-	-	370,288	370,288
Buildings at fair value ⁽ⁱ⁾	325,547	320,100	(47,373)	(34,817)	278,174	285,283
Plant, equipment and vehicles at fair value	113,877	110,353	(67,264)	(59,503)	46,613	50,850
Assets under construction at cost	30,550	14,059	-	-	30,550	14,059
Net carrying amount	840,262	814,800	(114,637)	(94,320)	725,625	720,480

(i) MFB land and buildings are predominantly classified as specialised. Refer to Note 7.3.2 for detailed classification.

(ii) AASB 16 Leases has been applied for the first time from 1 July 2019.

The following tables are subsets of the above table of buildings, plant and equipment by right-of-use assets.

4.1.1 Total right-of-use assets: buildings, plant, equipment and vehicles

	Gross carrying amount	Accumulated depreciation	(\$ thousand) Net carrying amount
	2020	2020	2020
Buildings at fair value	5,398	(842)	4,556
Plant, equipment and vehicles	1,578	(80)	1,498
Net carrying amount	6,976	(922)	6,054

	Buildings	(\$ thousand) Plant, Equipment and Vehicles at fair value
Opening balance - 1 July 2019⁽ⁱ⁾	639	-
Additions	4,759	1,578
Depreciation	(842)	(80)
Closing balance - 30 June 2020	4,556	1,498

(i) This balance represents the initial recognition of right-to-use assets recorded on the balance sheet on 1 July 2019 along with transfer from finance lease assets (recognised under AASB 117 at 30 June 2019) to right-of-use assets (recognised under AASB 16 at 1 July 2019).

Initial recognition: Items of property, plant and equipment, are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a machinery of government change are transferred at their carrying amount.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

The cost of a leasehold improvement is capitalised and depreciated over the shorter of the remaining term of the lease or the estimated useful lives.

The initial cost for non-financial physical assets under a finance lease (under AASB 117 until 30 June 2019) is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

Right-of-use asset acquired by lessees (Under AASB 16 - Leases from 1 July 2019) - Initial measurement

MFB recognised a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentive received; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

Financial Report (continued)

4.1.1 Total right-of-use assets: buildings, plant, equipment and vehicles (continued)

Subsequent measurement: Property, plant and equipment (PPE) as well as right-of-use assets under leases are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is summarised on the following page by asset category. In addition, for right-of-use assets the net present value of the remaining lease payments is often the appropriate proxy for fair value of relevant right-of-use assets.

Right-of-use asset – Subsequent measurement

MFB depreciated the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful life of the right-of-use assets are determined on the same basis as property, plant and equipment. The right-of-use assets are also subject to revaluation, however, as at 30 June 2020 right-of-use assets have not been revalued as management considered carrying value of right-of-use assets to approximate the fair value.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

Non-specialised land and non-specialised buildings are valued using the market approach, whereby assets are compared to recent comparable sales or sales of comparable assets that are considered to have nominal value.

Specialised land and specialised buildings: The market approach is also used for specialised land, although is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued. Primarily MFB land and buildings are specialised.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that the CSO adjustment is also equally applicable to market participants.

For the majority of MFB's specialised buildings, the current replacement cost method is used, adjusting for the associated depreciation.

Heritage assets are valued using the current replacement cost method. This cost generally represents the replacement cost of the building/component after applying depreciation rates on a useful life basis. However, for some heritage and iconic assets, the cost may be the reproduction cost rather than the replacement cost if those assets' service potential could only be replaced by reproducing them with the same materials.

Vehicles are valued using the current replacement cost method. MFB acquired new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers in MFB who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Fair value for **plant and equipment** that are specialised in use (such that it is rarely sold other than as part of a going concern) is determined using the current replacement cost method.

Refer to Note 7.3 for additional information on fair value determination of property, plant and equipment.

Impairment of property, plant and equipment

The recoverable amount of primarily non-cash-generating assets of MFB are specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 *Fair Value Measurement*, with the consequence that AASB 136 does not apply to such assets that are regularly revalued.

4.1.2 Depreciation and amortisation

Charge for the period⁽ⁱ⁾

	2020	(\$ thousand) 2019
Buildings	12,556	11,834
Plant, equipment and vehicles	9,476	10,614
Intangible produced assets (amortisation)	1,715	1,722
Total depreciation and amortisation	23,747	24,170

(i) The table incorporates depreciation of right-of-use assets as AASB 16 Leases

All buildings, plant and equipment and other non financial physical assets that have finite useful lives, are depreciated. The exceptions to this rule include items under assets held for sale, land and investment properties.

Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life.

Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Asset	Useful life: years
Buildings	40
Plant, equipment and vehicles	3-40
Right-of-use assets	1-5

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term. Where MFB obtained ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the entity will exercise a purchase option, the entity depreciates the right-of-use asset over its useful life.

Leasehold improvements are depreciated over the shorter of the lease term and their useful lives.

Indefinite life assets: Land which is considered to have an indefinite life is not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

4.1.3 Carrying values by purpose groups⁽ⁱ⁾

	2020	Public safety and environment 2019	2020	(\$ thousand) Total 2019
<i>Nature based classification</i>				
Land at fair value	370,288	370,288	370,288	370,288
Buildings at fair value	278,174	285,283	278,174	285,283
Plant, equipment and vehicles at fair value	46,613	50,850	46,613	50,850
Assets under construction at cost	30,550	14,059	30,550	14,059
Net carrying amount	725,625	720,480	725,625	720,480

(i) Property, plant and equipment are classified primarily by the 'purpose' for which the assets are used, according to one of six purpose groups based upon government purpose classifications. All assets in a purpose group are further sub categorised according to the asset's 'nature' (i.e. buildings, plant, etc.), with each sub category being classified as a separate class of asset for financial reporting purposes. All MFB assets are classified in the Purpose Group "Public Safety and Environment".

Financial Report (continued)

4.1.4 Reconciliation of movements in carrying values of property, plant and equipment(i)

	(\$ thousand)				
2020	Land at fair value	Buildings at fair value	Plant, equipment and vehicles at fair value	Assets under construction at cost	Total
Opening balance	370,288	285,283	50,850	14,059	720,480
Recognition of right-of-use assets on initial application of AASB 16⁽ⁱⁱ⁾	-	639	-	-	639
Adjusted balance at 1 July 2019	370,288	285,922	50,850	14,059	721,119
Additions	-	4,759	5,050	17,511	27,320
Disposals	-	(74)	(668)	-	(742)
Transfer in/out of assets under construction	-	163	857	(1,020)	-
Revaluation of PPE	-	-	-	-	-
Transfer (to)/from investment property	-	(40)	-	-	(40)
Depreciation	-	(12,556)	(9,476)	-	(22,032)
Closing balance	370,288	278,174	46,613	30,550	725,625

(i) Managerial fair value assessments have been performed for all classes of assets in this purpose group and the decision was made that movements were not material (i.e. less than or equal to 10 per cent). The next scheduled full revaluation for this purpose group will be conducted in 2021.

(ii) This balance represents the initial recognition of right-of-use assets recorded on the balance sheet on 1 July 2019 relating to operating leases - refer to Note 8.10.

	(\$ thousand)				
2019	Land at fair value	Buildings at fair value	Plant, equipment and vehicles at fair value	Assets under construction at cost	Total
Opening balance	330,559	284,141	53,325	25,835	693,860
Additions	1,489	-	5,062	5,652	12,203
Disposals	-	-	(1,786)	-	(1,786)
Transfer in/out of assets under construction	-	12,565	4,863	(17,428)	-
Revaluation of PPE	38,240	-	-	-	38,240
Transfer (to)/from investment property	-	411	-	-	411
Depreciation	-	(11,834)	(10,614)	-	(22,448)
Closing balance	370,288	285,283	50,850	14,059	720,480

(i) Managerial fair value assessments have been performed for all classes of assets in this purpose group and the decision was made that movements were not material (i.e. less than or equal to 10 per cent) except for the land class which was revalued using VGV indices as at 30 June 2019. The next scheduled full revaluation for this purpose group will be conducted in 2021.

4.2 Investment properties

	2020	(\$ thousand) 2019
Balance at beginning of financial year	39,192	37,132
Net gain from fair value adjustments	2,186	2,471
Transfers (from)/ to investment property	40	(411)
Balance at end of financial year	41,418	39,192

Investment properties represent properties held to earn rentals or for capital appreciation, or both. Investment properties exclude properties held to meet service delivery objectives of MFB. Investment properties are initially recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to MFB.

Subsequent to initial recognition at cost, investment properties are revalued to fair value with changes in the fair value recognised as other economic flows in the comprehensive operating statement in the period that they arise. Fair values are determined based on a market comparable approach that reflects recent transaction prices for similar properties. These properties are neither depreciated nor tested for impairment.

4.3 Intangible assets

	Computer Software		Licences		Assets under construction at cost		(\$ thousand) Total	
	2020	2019	2020	2019	2020	2019	2020	2019
<i>Gross carrying amount</i>								
Opening balance	25,466	25,220	13,388	13,268	2,749	2,638	41,603	41,126
Additions	474	288	-	120	-	212	474	620
Disposals	(87)	(143)	-	-	(101)	-	(188)	(143)
Transfers from construction in progress	230	101	-	-	(230)	(101)	-	-
Closing balance	26,083	25,466	13,388	13,388	2,418	2,749	41,889	41,603
<i>Accumulated depreciation, amortisation and impairment</i>								
Opening balance	(20,684)	(19,025)	(11,106)	(10,251)	-	-	(31,790)	(29,276)
Amortisation of intangible produced assets ⁽ⁱ⁾	(1,715)	(1,722)	-	-	-	-	(1,715)	(1,722)
Amortisation of intangible non produced assets ⁽ⁱ⁾	-	-	(687)	(855)	-	-	(687)	(855)
Disposals	70	63	-	-	-	-	70	63
Closing balance	(22,329)	(20,684)	(11,793)	(11,106)	-	-	(34,122)	(31,790)
Net book value at end of financial year	3,754	4,782	1,595	2,282	2,418	2,749	7,767	9,813

(i) The consumption of intangible produced assets is included in 'depreciation' line item, where the consumption of the intangible non produced assets is included in 'net gain/(loss) on non-financial assets' line item on the comprehensive operating statement.

Financial Report (continued)

Initial recognition

Purchased intangible assets are initially recognised at cost. When the recognition criteria in AASB 138 *Intangible Assets* is met, internally generated intangible assets are recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Depreciation and amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- (a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (b) an intention to complete the intangible asset and use or sell it;
- (c) the ability to use or sell the intangible asset;
- (d) the intangible asset will generate probable future economic benefits;
- (e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (f) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Subsequent measurement

Intangible produced assets with finite useful lives, are amortised as an 'expense from transactions' on a straight-line basis over their useful lives. Produced intangible assets have useful lives of between 3 and 15 years.

Intangible non produced assets with finite lives are amortised as an 'other economic flow' on a straight line basis over their useful lives. The amortisation period is 15 to 25 years.

Impairment of intangible assets

Intangible assets with finite useful lives are tested annually for impairment and whenever there is an indication that the asset may be impaired. As at reporting date, MFB did not hold any indefinite life intangible assets.

Annually impairment testing is undertaken which involves detailed analysis with the asset managers to determine if any events such as policy changes, new technology, emerging systems etc. that impact the expected future life usage of the intangible assets or potential future cash flows anticipated.

If impairment is indicated, the asset value is adjusted to its expected remaining useful life and the resulting change is treated as an impairment loss to the operating statement.

4.4 Investments and other financial assets

	2020	(\$ thousand) 2019
Non-current investments and other financial assets		
Equities and managed investment schemes:		
Employee benefits fund - balanced fund	49,419	75,434
Employee benefits fund - growth fund	32,630	50,951
Total non-current investments and other financial assets	82,049	126,385
Total investments and other financial assets	82,049	126,385

(i) MFB designated all its equities and managed investment schemes at fair value through profit or loss. Unless such assets are part of a disposal group held for sale, all equities and managed investment schemes are classified as non-current.

5. Other assets and liabilities

Introduction

This section sets out those assets and liabilities that arose from MFB's controlled operations.

Structure

5.1	Receivables	121
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5.3	Inventories	123

5.1 Receivables

	2020	(\$ thousand) 2019
Contractual		
Sale of goods and services	5,914	5,909
Other receivables	5,928	3,191
Allowance for impairment losses of contractual receivables	(581)	(94)
Statutory		
GST input tax credit recoverable	1,593	405
Amounts owing from Department of Justice and Community Safety	4,136	19,174
Regulatory fees charges	3,350	3,403
Total receivables	20,340	31,988
<i>Represented by:</i>		
Current receivables	17,595	28,846
Non-current receivables	2,745	3,142

Contractual receivables are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. The MFB held the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. The MFB applied AASB 9 for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

Details about MFB's impairment policies and MFB's exposure to credit risk, and the calculation of the loss allowance are set out in Note 7.1.

Leases as a Lessor

MFB's accounting policy under AASB 16 has not changed from the comparative period.

As a lessor, MFB classified its leases as either operating or finance leases.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

Financial Report (continued)

5.2 Payables

	2020	(\$ thousand) 2019
Contractual		
Supplies and services	18,982	18,158
Amounts payable to government and agencies	254	667
Accrued employee costs	5,791	3,901
Other payables	1,616	3,034
Statutory		
FBT payable	440	316
PAYG tax payable	2,041	1,791
Payroll tax payable	1,515	1,406
Total payables	30,639	29,273
<i>Represented by:</i>		
Current payables	30,639	29,273
Non-current payables	-	-

Payables consist of:

- **contractual payables**, classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to MFB prior to the end of the financial year that are unpaid; and
- **statutory payables**, that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

Payables for supplies and services have an average credit period of 30 days. No interest is charged on the 'other payables' for the first 30 days from the date of the invoice and there have been no claims by suppliers for interest for late payment.

The terms and conditions of amounts payable to the government and agencies vary according to the particular agreements and as they are not legislative payables, they are not classified as financial instruments.

Financial guarantees: Payments that are contingent under financial guarantee contracts are recognised as a liability, at fair value, at the time the guarantee is issued. Subsequently, should there be a material increase in the likelihood that the guarantee may be exercised, the liability is recognised at the higher of the amount determined in accordance with the expected credit loss model under AASB 9 *Financial Instruments* and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with AASB 118.

MFB provided minimal financial guarantees and none are material in nature or amounts.

In the determination of fair value, consideration is given to factors including the overall capital management/prudential supervision framework in operation, the protection provided by the State Government by way of funding should the probability of default increase, probability of default by the guaranteed party and the likely loss to MFB in the event of default.

5.2.1 Maturity analysis of contractual payables⁽ⁱ⁾

	(\$ thousand)				
	Maturity dates				
2020	Carrying amount	Nominal amount	Less than 1 month	1-3 months	3 months -1 year
Supplies and services	18,541	18,541	13,296	5,133	112
Amounts payable to government and agencies	695	695	695	-	-
Accrued employee costs	5,791	5,791	5,791	-	-
Other payables	1,616	1,616	1,616	-	-
Total	26,643	26,643	21,398	5,133	112
2019					
Supplies and services	18,158	18,158	9,989	7,896	273
Amounts payable to government and agencies	667	667	667	-	-
Accrued employee costs	3,901	3,901	3,901	-	-
Other payables	3,034	3,034	3,034	-	-
Total	25,760	25,760	17,591	7,896	273

(i) Maturity analysis is presented using the contractual undiscounted cash flows.

5.3 Inventories

	2020	(\$ thousand) 2019
Current inventories		
Supplies and consumables: at cost	2,152	2,011
Total current inventories	2,152	2,011
Loss of service potential	(60)	(29)
Total inventories	2,092	1,982

Inventories are recorded at cost upon receipt and then measured on the basis of weighted average cost.

Inventory is assessed regularly for obsolescence and carrying values are adjusted where applicable.

Technical obsolescence occurs when an item still functions for some or all of the tasks it was originally acquired to do, but no longer matches existing technologies. Functional obsolescence occurs when an item no longer functions the way it did when it was first acquired.

Financial Report (continued)

6. Financing our operations

Introduction

This section provides information on the sources of finance utilised by MFB during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of MFB.

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Note 7.1 and sub set notes provide additional, specific financial instrument disclosures.

Structure

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6.1 Borrowings

	2020	(\$ thousand) 2019
Current borrowings		
Advances from government ⁽ⁱ⁾	238	238
Lease liabilities ⁽ⁱⁱ⁾	1,261	-
Total current borrowings	1,499	238
Non-current borrowings		
Advances from government ⁽ⁱ⁾	476	713
Lease liabilities ⁽ⁱⁱ⁾	4,686	-
Total non-current borrowings	5,162	713
Total borrowings	6,661	951

(i) The interest free loan from State Government is recognised at the fair value of the consideration.

(ii) Secured by the assets leased. Leases liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

Maturity analysis of borrowings

2020	(\$ thousand)					
	Carrying amount	Nominal amount	Less than 1 month	1-3 months	3 months -1 year	1 - 5 years
Advances from government	714	714	-	-	-	714
Lease liabilities	5,947	6,298	141	243	1,008	4,906
Total	6,661	7,012	141	243	1,008	5,620
2019						
Advances from government	951	951	-	-	-	951
Lease liabilities	-	-	-	-	-	-
Total	951	951	-	-	-	951

Interest expense

	2020	2019
Interest on lease liabilities	59	-
Total interest expense	59	

'Interest expense' includes costs incurred in connection with the borrowing of funds and includes interest component of lease repayments.

Interest expense is recognised in the period in which it is incurred.

6.2 Leases

Information about leases for which MFB was a lessee is presented below.

The Agency's leasing activities

MFB leased property, IT equipment and motor vehicles. The lease contracts are typically made for fixed periods of 1-5 years with an option to renew the lease after that date in some leases.

Leases of IT equipment with contract terms of 1-3 years are either short-term and or/leases of low-value items. MFB has elected not to recognise right-of-use assets and lease liabilities for these leases.

At 30 June 2020, MFB commitments for short-term leases was immaterial.

6.2.1 Right-of-use Assets

Right-of-use assets are presented in note 4.1.1.

6.2.2 Amounts recognised in the Statement of Comprehensive Statement

The following amounts are recognised in the Statement of Comprehensive Operating Statement relating to leases:

	2020
Interest expense on lease liabilities	59
Expenses relating to short-term leases	560
Total amount recognised in the statement of comprehensive statement	619

Financial Report (continued)

6.2.3 Amounts recognised in the Statement of Cashflows

The following amounts are recognised in the Statement of Cashflows for the year ending 30 June 2020 relating to leases.

	(\$ thousand) 2020
Total cash outflows for leases	1,339

For any new contracts entered into on or after 1 July 2019, MFB considered whether a contract is a lease, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition MFB assessed whether the contract meets three key evaluations:

- Whether the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to MFB and for which the supplier does not have substantive substitution rights;
- Whether MFB had the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and MFB had the right to direct the use of the identified asset throughout the period of use; and
- Whether MFB had the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

Separation of lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, MFB was required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

Recognition and measurement of leases as a lessee (under AASB 16 from 1 July 2019)

Lease Liability – initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or MFB's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable;
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments arising from purchase and termination options reasonably certain to be exercised.

Lease Liability – subsequent measurement

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Short-term leases and leases of low-value assets

MFB had elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Presentation of right-of-use assets and lease liabilities

MFB presented right-of-use assets as 'property plant equipment' unless they meet the definition of investment property, in which case they are disclosed as 'investment property' in the balance sheet. Lease liabilities are presented as 'borrowings' in the balance sheet.

Recognition and measurement of leases (under AASB 117 until 30 June 2019)

In the comparative period, leases of property, plant and equipment were classified as either finance lease or operating leases.

MFB determined whether an arrangement was or contained a lease based on the substance of the arrangement and required an assessment of whether fulfilment of the arrangement is dependent on the use of the specific asset(s); and the arrangement conveyed a right to use the asset(s).

Leases of property, plant and equipment where MFB as a lessee had substantially all of the risks and rewards of ownership were classified as finance leases. Finance leases were initially recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The leased asset is accounted for as a non-financial physical asset and depreciated over the shorter of the estimated useful life of the asset or the term of the lease. Minimum finance lease payments were apportioned between the reduction of the outstanding lease liability and the periodic finance expense, which is calculated using the interest rate implicit in the lease and charged directly to the consolidated comprehensive operating statement.

Contingent rentals associated with finance leases were recognised as an expense in the period in which they are incurred.

Assets held under other leases were classified as operating leases and were not recognised in MFB's balance sheet. Operating lease payments were recognised as an operating expense in the Statement of Comprehensive Income on a straight-line basis over the lease term.

6.3 Cash flow information and balances

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call and those highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short-term cash commitments rather than for investment purposes, and which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

	2020	(\$ thousand) 2019
Total cash and deposits disclosed in the balance sheet	51,129	12,637
Balance as per cash flow statement	51,129	12,637

In accordance with the Financial Management Act 1994, Standing Direction - Central Banking System (CBS), MFB entered arrangements with Westpac Banking Corporation that provide for daily working capital balances in bank accounts to be consolidated under CBS. The arrangement provides substantive benefits to State Government. MFB account balances remain accessible at call.

MFB managed all banking accounts under MFB name, subsequently all receipts and payments are managed through MFB designated bank accounts and investment accounts.

Financial Report (continued)

6.3.1 Reconciliation of net result for the period to cash flow from operating activities

	2020	(\$ thousand) 2019
Net result for the period	(32,609)	(34,275)
Non cash movements:		
Loss on sale or disposal of non financial assets	236	973
(Gain) on revaluation of investment property	(2,186)	(2,471)
Depreciation and amortisation of non current assets	24,509	25,025
Unrealised loss on held for trading investments	2,222	1,067
Net loss on financial instruments	1,956	824
Increase in provision for doubtful debts	487	14
Increase/(decrease) in other non cash movements	31	(186)
Net gain arising from revaluation of leave liabilities	2,800	10,086
Movements in assets and liabilities:		
Decrease/(increase) in operating receivables	11,160	(11,313)
(Decrease) in deferred land sale receivable	-	(9,467)
(Increase) in inventories	(142)	(53)
(Increase) in prepayments	(149)	(2,228)
Increase/(decrease) in payables	1,366	(2,537)
Increase in provisions	14,529	18,702
(Decrease)/increase in other liabilities	(10,035)	9,876
Net cash flows from/(used in) operating activities	14,175	4,037

6.3.2 Financing facilities

MFB had access to an unsecured credit card facility of \$960,000. Invariably at month end and year end reporting periods, only a small portion of the credit card facility is utilised.

6.4 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded below at their nominal value and inclusive of GST. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

From 1 July 2020 with the establishment of Fire Rescue Victoria, a portion of commitments relating to the Country Fire Authority will transfer over to Fire Rescue Victoria.

6.4.1 Total commitments payable

Nominal Amounts 2020	(\$ thousand)			
	Less than 1 year	1 - 5 years	5+ years	Total
Capital expenditure commitments payable	22,206	2,772	-	24,978
Other commitments payable	23,845	5,926	-	29,771
Total commitments (inclusive of GST)	46,051	8,698	-	54,749
Less GST recoverable from the Australian Tax Office	4,186	791	-	4,977
Total commitments (exclusive of GST)	41,865	7,907	-	49,772

Nominal Amounts 2019	(\$ thousand)			
	Less than 1 year	1 - 5 years	5+ years	Total
Capital expenditure commitments payable	7,515	-	-	7,515
Operating expense and lease commitments payable ⁽ⁱ⁾	24,130	13,624	825	38,579
Total commitments (inclusive of GST)	31,645	13,624	825	46,094
Less GST recoverable from the Australian Tax Office	2,877	1,239	75	4,191
Total commitments (exclusive of GST)	28,768	12,385	750	41,903

(i) Operating lease commitments relate to fire station and office facilities with lease terms between 1 and 3 years. These contracts do not allow MFB to purchase the facilities after the lease ends.

6.4.2 Details of commitments

	(\$ thousand)	
	2020 Nominal value (incl GST)	2019 Nominal value (incl GST)
Capital expenditure commitments: plant, equipment and vehicles	22,100	7,515
Intangible asset commitments	2,878	-
Operating lease commitments: temporary station and office	21	6,844
Other operational supplies and services commitments	29,750	31,735
Total commitments	54,749	46,094

Financial Report (continued)

7. Risks, contingencies and valuation judgements

Introduction

MFB was exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for MFB related mainly to fair value determination.

Structure

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7.1 Financial instruments specific disclosures

Introduction

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of MFB's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example taxes, fines and penalties). Such assets and liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

The significant financial instruments are the managed investment portfolios, these investments are to provide for employee entitlements.

Guarantees issued on behalf of MFB were financial instruments because, although authorised under statute, terms and conditions for each financial guarantee may vary and were subject to an agreement.

Categories of financial assets and financial liabilities

Financial assets at amortised cost

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets were held by MFB to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

MFB recognised the following assets in this category:

- cash and deposits;
- receivables (excluding statutory receivables); and
- term deposits.

Financial assets at fair value through net result

Equity instruments that are held for trading as well as derivative instruments are classified as fair value through net result. Other financial assets are required to be measured at fair value through net result unless they are measured at amortised cost or fair value through other comprehensive income as explained above.

However, as an exception to those rules above, MFB may, at initial recognition, irrevocably designate financial assets as measured at fair value through net result if doing so eliminates or significantly reduces a measurement or recognition inconsistency ('accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

MFB recognised listed equity securities as mandatorily measured at fair value through net result and account for all of its managed investment schemes as fair value through net result.

Financial assets and liabilities at fair value through net result are categorised as such at trade date, or if they are classified as held for trading or designated as such upon initial recognition. Financial instrument assets are designated at fair value through net result on the basis that the financial assets form part of a group of financial assets that are managed based on their fair values and have their performance evaluated in accordance with documented risk management and investment strategies. Financial instruments at fair value through net result are initially measured at fair value; attributable transaction costs are expensed as incurred. Subsequently, any changes in fair value are recognised in the net result as other economic flows. MFB recognised certain debt securities in this category.

Financial liabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method. MFB recognised the following liabilities in this category:

- payables (excluding statutory payables); and
- borrowings (including lease liabilities).

Derivative financial instruments are classified as held for trading financial assets and liabilities. They are initially recognised at fair value on the date on which a derivative contract is entered into. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Any gains or losses arising from changes in the fair value of derivatives after initial recognition are recognised in the consolidated comprehensive operating statement as an 'other economic flow' included in the net result.

Offsetting financial instruments: Financial instrument assets and liabilities are offset and the net amount presented in the consolidated balance sheet when, and only when, MFB concerned has a legal right to offset the amounts and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Some master netting arrangements do not result in an offset of balance sheet assets and liabilities. Where MFB does not have a legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as default, insolvency or bankruptcy, they are reported on a gross basis.

Derecognition of financial assets: A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- MFB retained the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- MFB had transferred its rights to receive cash flows from the asset and either:
 - had transferred substantially all the risks and rewards of the asset; or
 - had neither transferred nor retained substantially all the risks and rewards of the asset, but had transferred control of the asset.

Where MFB had neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of MFB's continuing involvement in the asset.

Derecognition of financial liabilities: A financial liability is derecognised when the obligation under the liability is discharged, 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 a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

Reclassification of financial instruments: Subsequent to initial recognition reclassification of financial liabilities is not permitted. Financial assets are required to be reclassified between fair value through net result, fair value through other comprehensive income and amortised cost when and only when MFB's business model for managing its financial assets has changes such that its previous model would no longer apply.

However, MFB was generally unable to change its business model because it is determined by the Performance Management Framework (PMF) and all Victorian government entities are required to apply the PMF under the Standing Directions 2018 under the FMA.

If under rare circumstances a financial asset is reclassified, the reclassification is applied prospectively from the reclassification date and previously recognised gains, losses or interest should not be restated. If the asset is reclassified to fair value, the fair value should be determined at the reclassification date and any gain or loss arising from a difference between the previous carrying amount and fair value is recognised in net result.

Financial Report (continued)

7.1.1 Financial instruments: Categorisation

	(\$ thousand)				
2020	Cash and deposits	Financial assets/liabilities designated at fair value through profit/loss (FVTPL)	Financial assets at amortised cost (AC)	Financial liabilities at amortised cost (AC)	Total
Contractual financial assets					
Cash and deposits	51,129	-	-	-	51,129
Receivables⁽ⁱ⁾					
Sale of goods and services	-	-	5,914	-	5,914
Other receivables	-	-	5,928	-	5,928
Investments and other contractual financial assets					
Employee benefits fund	-	82,049	-	-	82,049
Total contractual financial assets	51,129	82,049	11,842	-	145,020
Contractual financial liabilities					
Payables⁽ⁱ⁾					
Supplies and services	-	-	-	18,541	18,541
Amounts payable to government and agencies	-	-	-	695	695
Accrued employee costs	-	-	-	5,791	5,791
Other payables	-	-	-	1,616	1,616
Borrowings					
State Government loan	-	-	-	714	714
Lease liabilities	-	-	-	5,947	5,947
Total contractual financial liabilities	-	-	-	33,304	33,304

(i) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable and taxes payable).

	(\$ thousand)				
2019	Cash and deposits	Financial assets/liabilities designated at fair value through profit/loss (FVTPL)	Financial assets at amortised cost (AC)	Financial liabilities at amortised cost (AC)	Total
Contractual financial assets					
Cash and deposits	12,637	-	-	-	12,637
Receivables⁽ⁱ⁾					
Sale of goods and services	-	-	28,225	-	28,225
Other receivables	-	-	49	-	49
Investments and other contractual financial assets					
Employee benefits fund	-	126,385	-	-	126,385
Total contractual financial assets	12,637	126,385	28,274	-	167,296
Contractual financial liabilities					
Payables⁽ⁱ⁾					
Supplies and services	-	-	-	18,158	18,158
Amounts payable to government and agencies	-	-	-	667	667
Accrued employee costs	-	-	-	3,901	3,901
Other payables	-	-	-	3,034	3,034
Borrowings					
State Government loan	-	-	-	951	951
Total contractual financial liabilities	-	-	-	26,711	26,711

(i) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable and taxes payable).

Financial Report (continued)

7.1.1 Financial instruments - Net holding gain/(loss) on financial instruments by category

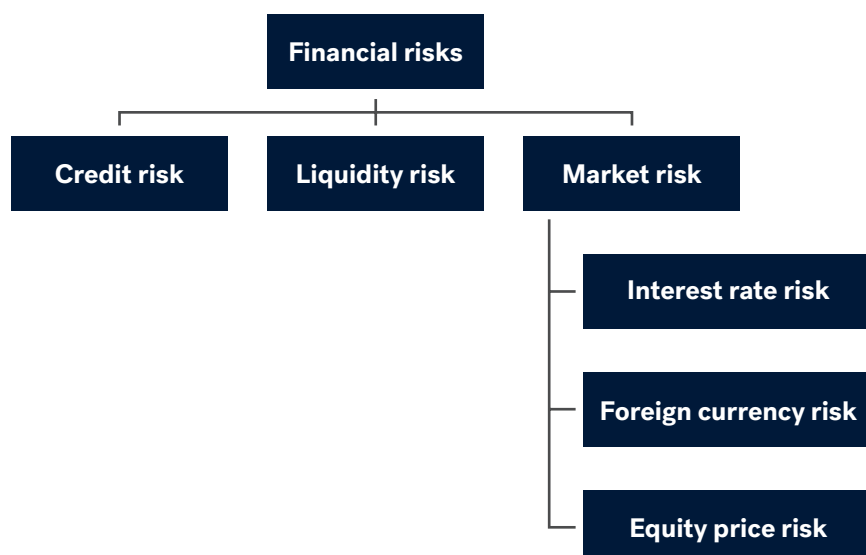
	Net holding gain/(loss)	Total interest income/(expense)	(\$ thousand) Total
2020			
Contractual financial assets			
Investments designated at fair value through profit/loss	669	-	669
Financial assets at amortised cost - other than on derecognition	-	489	489
Total contractual financial assets	669	489	1,158
Total contractual financial liabilities	-	-	-
2019			
Contractual financial assets			
Investments designated at fair value through profit/loss	8,524	-	8,524
Financial assets at amortised cost - other than on derecognition	-	759	759
Total contractual financial assets	8,524	759	9,283
Total contractual financial liabilities	-	-	-

[Note: Amounts disclosed in this table exclude holding gains and losses related to statutory financial assets and liabilities.]

The net holding gains or losses disclosed above are determined as follows:

- for cash and cash equivalents, financial assets at amortised cost and debt instruments that are classified as financial assets at fair value through other comprehensive income, the net gain or loss is calculated by taking the movement in the fair value of the asset, the interest income, plus or minus foreign exchange gains or losses arising from revaluation of the financial assets, and minus any impairment recognised in the net result;
- for financial liabilities measured at amortised cost, the net gain or loss is calculated by taking the interest expense, plus or minus foreign exchange gains or losses arising from the revaluation of financial liabilities measured at amortised cost; and
- for financial asset and liabilities that are mandatorily measured at or designated at fair value through net result, the net gain or loss is calculated by taking the movement in the fair value of the financial asset or liability.

7.1.2 Financial risk management objectives and policies



As a whole, MFB's financial risk management program sought to manage these risks and the associated volatility of its financial performance.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument above are disclosed in Note 7.3 to the financial statements.

The main purpose in holding financial instruments is to prudentially manage MFB's financial risks within the government policy parameters.

MFB's main financial risks included credit risk, liquidity risk, interest rate risk, foreign currency risk and equity price risk. MFB managed these financial risks in accordance with its financial risk management policy.

MFB uses different methods to measure and manage the different risks to which it is exposed. Significantly, MFB Board and executive were briefed and guided on portfolio investment risks by professional fund managers. Primary responsibility for the identification and management of financial risks rests with the Finance department under Corporate Services.

7.1.3 Financial instruments: Credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. MFB's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to MFB. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with MFB's contractual financial assets with State Government entities was minimal. For debtors other than the Government, particularly in relation to statutory charges relating to false alarms, MFB was obligated under certain conditions to charge. Accordingly, MFB had no capacity to minimise credit risk, but utilises approaches such as periodic instalment arrangements to achieve settlement of debtor's accounts.

In addition, MFB did not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash and deposits, which are mainly cash at bank. As with the policy for debtors, MFB's policy is to only deal with banks with high credit ratings.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that MFB will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts that are more than 60 days overdue, and changes in debtor credit ratings.

Contract financial assets are written off against the carrying amount when there is no reasonable expectation of recovery. Bad debt written off by mutual consent is classified as a transaction expense. Bad debt written off following a unilateral decision is recognised as other economic flows in the net result.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represented MFB's maximum exposure to credit risk without taking account of the value of any collateral obtained.

There has been no material change to MFB's credit risk profile in 2019-20.

Financial Report (continued)

7.1.3 Financial instruments: Credit risk (continued)

Credit quality of financial assets

	Financial institutions (double-A credit rating)	Government agencies (triple-A credit rating)	Other (no credit rating)	(\$ thousand) Total
2020				
Financial assets				
Financial assets with loss allowance measured at 12-month expected credit loss				
Cash and deposits	51,129	-	-	51,129
Statutory receivables (no impairment loss recognised)	-	4,407	4,672	9,079
Contractual receivables applying the simplified impairment approach ⁽ⁱ⁾	-	2,478	9,364	11,842
Investments and other financial assets ⁽ⁱⁱ⁾	-	-	82,049	82,049
Total financial assets	51,129	6,885	96,085	154,099
2019				
Financial assets				
Financial assets with loss allowance measured at 12-month expected credit loss				
Cash and deposits	12,637	-	-	12,637
Statutory receivables (no impairment loss recognised)	-	-	121	121
Contractual receivables applying the simplified impairment approach ⁽ⁱ⁾	-	20,399	7,705	28,104
Investments and other financial assets ⁽ⁱⁱ⁾	-	-	126,385	126,385
Total financial assets	12,637	20,399	134,211	167,247

(i) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable).

(ii) Investments relate to the two managed investment portfolios, the funds are invested with recognised fund managers that are analysed in respect of risk, controls, management capacity and long term operating viability amongst other key attributes. But these fund managers are generally not rated by ratings agencies.

Impairment of financial assets under AASB 9

MFB recorded the allowance for expected credit loss for the relevant financial instruments applying AASB 9's Expected Credit Loss approach. Subject to AASB 9 impairment assessment include MFB's contractual receivables, statutory receivables and its investment in debt instruments.

Equity instruments are not subject to impairment under AASB 9. Other financial assets mandatorily measured or designated at fair value through net result are not subject to impairment assessment under AASB 9. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

Contractual receivables at amortised cost

MFB applied AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. MFB has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on MFB's past history, existing market conditions, as well as forward looking estimates at the end of the financial year.

On this basis, MFB determined the opening loss allowance on initial application date of AASB 9 and the closing loss allowance at end of the financial year as follows:

	(\$ thousand)					
1 July 2019	Current	Less than 1 month	1-3 months	3 months -1 year	1-5 years	Total
Expected loss rate	0.1%	0.7%	0.6%	0.1%	51%	
Gross carrying amount of contractual receivables	5,479	2,695	659	144	123	9,100
Loss allowance	6	19	4	2	63	94

30 June 2020

Expected loss rate	1.3%	18.0%	8.1%	24.6%	14.1%	
Gross carrying amount of contractual receivables	8,275	564	1,289	241	1,473	11,842
Loss allowance	109	102	104	59	207	581

Reconciliation of the movement in the loss allowance for contractual receivables is shown as follows:

	(\$ thousand)	
	2020	2019
Balance at beginning of the year	94	119
Opening Loss Allowance	94	119
Increase in provision recognised in the net result	630	35
Reversal of provision of receivables written off during the year as uncollectible	(143)	(60)
Balance at end of the year	581	94

Financial Report (continued)

7.1.3 Financial instruments: Credit risk (continued)

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

In prior years, a provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified. A provision is made for estimated irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. Bad debts considered as written off by mutual consent.

Statutory receivables and debt investments at amortised cost

MFB's non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

Both the statutory receivables and investments in debt instruments are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As the result, the loss allowance recognised for these financial assets during the period was limited to 12 months of expected losses. No loss allowance has been recognised.

Debt investments at fair value through net result

MFB was also exposed to credit risk in relation to debt instruments within managed funds that are designated at fair value through net result. The investments in managed funds will incorporate high grade debt instruments from time to time, though the value of debt instruments is not significant.

7.1.4 Financial instruments: Liquidity risk

Liquidity risk arises from being unable to meet financial obligations as they fall due. MFB operated under the State Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

MFB was exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees. MFB managed its liquidity risk by:

- close monitoring of its short-term and long-term borrowings by senior management, including monthly reviews on current and future borrowing levels and requirements;
- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations;
- holding investments and other contractual financial assets that are readily tradeable in the financial markets;
- careful maturity planning of its financial obligations based on forecasts of future cash flows; and
- a high credit rating for the State of Victoria (Moody's Investor Services and Standard and Poor's triple-A, which assists in accessing debt market at a lower interest rate).

MFB's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. Cash for unexpected events can be sourced from liquidation of financial investments.

The carrying amount detailed in the following table of contractual financial liabilities recorded in the financial statements as loan from State Government (interest free loan) of \$0.714 million (2019: \$0.951 million), represents MFB's maximum exposure to liquidity risk. Also, MFB had issued low value bank guarantees totalling less than \$100,000.

7.1.5 Financial instruments: Market risk

MFB's exposures to market risk were primarily through interest rate risk, foreign currency risk and equity price risk. Objectives, policies and processes used to manage each of these risks are disclosed below.

Sensitivity disclosure analysis and assumptions

MFB's sensitivity to market risk was determined based on the observed range of actual historical data for the preceding five-year period, with all variables other than the primary risk variable held constant. MFB's fund managers cannot be expected to predict movements in market rates and prices. Sensitivity analyses shown are for illustrative purposes only. The following movements are 'reasonably possible' over the next 12 months:

- a movement of 100 basis points up and down (2019: 100 basis points up and down) in market interest rates (AUD);
- MFB exposure to exchange rate fluctuations was limited to the investment and is managed by the fund manager maintaining a currency hedged position (i.e. holding forward currency hedge contracts). Accordingly, currency exposure to MFB financial instruments was negligible.
- a movement of 15 per cent up and down (2019: 15 per cent) for the top ASX 200 index and the equivalent USA and European market Indices.

The tables that follow show the impact on MFB's net result and equity for each category of financial instrument held by MFB at the end of the reporting period, if the above movements were to occur.

Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. MFB held interest bearing investments through the managed investment portfolios and subsequently had exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. MFB had minimal exposure to cash flow interest rate risks through cash and deposits that are at floating rate.

MFB managed this risk by mainly undertaking fixed rate or non-interest bearing financial instruments with relatively even maturity profiles, with only insignificant amounts of financial instruments at floating rate. Management has concluded for cash at bank, as a financial asset that can be left at floating rate without necessarily exposing MFB to significant bad risk, management monitors movement in interest rates on a daily basis.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates and MFB's sensitivity to interest rate risk are set out in the table that follows.

Financial Report (continued)

7.1.6 Financial instruments: Market risk

Interest rate exposure of financial instruments

	Weighted average interest rate (%)	Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing
2020					(\$ thousand)
Financial assets					
Cash and deposits	1.05	51,129	-	51,129	-
Receivables ⁽ⁱ⁾					
Sale of goods and services		5,914	-	-	5,914
Other receivables		5,928	-	-	5,928
Investments and other contractual financial assets					
Managed investments		82,049	21,333	13,128	47,588
Term deposits	0	-	-	-	-
Total financial assets		145,020	21,333	64,257	59,430
Financial liabilities					
Payables ⁽ⁱ⁾					
Supplies and services		18,541	-	-	18,541
Amounts payable to government and agencies		695	-	-	695
Accrued employee costs		5,791	-	-	5,791
Other payables		1,616	-	-	1,616
Borrowings					
Loan from State Government ⁽ⁱⁱ⁾	0	714	-	-	714
Lease liabilities	2.50	5,947	5,947	-	-
Total financial liabilities		33,304	5,947	-	27,357

(i) The carrying amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian government and GST input tax credit recoverable).

(ii) The Loan from State Government is non-interest bearing.

2019	Weighted average interest rate (%)	Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing	(\$ thousand)
Financial assets						
Cash and deposits	1.69	12,637	-	12,637	-	
Receivables ⁽ⁱ⁾						
Sale of goods and services		28,225	-	-	28,225	
Other receivables		49	-	-	49	
Investments and other contractual financial assets						
Managed investments		126,385	32,860	20,222	73,303	
Term deposits	1.94	-	-	-	-	
Total financial assets		167,296	32,860	32,859	101,577	
Financial liabilities						
Payables ⁽ⁱ⁾						
Supplies and services		18,158	-	-	18,158	
Amounts payable to government and agencies		667	-	-	667	
Accrued employee costs		3,901	-	-	3,901	
Other payables		3,034	-	-	3,034	
Borrowings						
Loan from State Government ⁽ⁱⁱ⁾	0	951	-	-	951	
Total financial liabilities		26,711	-	-	26,711	

(i) The carrying amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian government and GST input tax credit recoverable).

(ii) The Loan from State Government is non-interest bearing.

Financial Report (continued)

Interest rate risk sensitivity

		(\$ thousand)	
	Carrying amount	-100 basis points Net result	+100 basis points Net result
2020			
Contractual financial assets			
Cash and deposits	51,129	(511)	511
Investments and other contractual financial assets	34,461	(344)	344
Total impact		(855)	855
2019			
Contractual financial assets			
Cash and deposits	12,637	(126)	126
Investments and other contractual financial assets	53,082	(531)	531
Total impact		(657)	657

Foreign currency risk

MFB was exposed to foreign currency risk primarily due to the two managed investment (balanced and growth) funds and payables relating to purchases of supplies and consumables from overseas. MFB had a limited amount of transactions denominated in foreign currencies and there is a relatively short timeframe between commitment and settlement therefore risk is minimal.

MFB exposures were mainly against the US dollar (USD) and Euro holdings related to the investment portfolios.

The investment fund manager maintains a structured currency hedging program to manage and minimise exposure to exchange rate risk on the two investments held by MFB.

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign monetary items existing at the end of the reporting period are translated at the closing rate at the date of the end of the reporting period. Non-monetary assets carried at fair value that are denominated in foreign currencies are translated to the functional currency at the rates prevailing at the date when the fair value was determined.

Equity price risk

MFB was exposed to equity price risk through its two portfolio investments in listed and unlisted shares and managed investment schemes. Such investments are allocated and traded to match the investment objectives determined by MFB Board. MFB Board determined the investment objectives after detailed consideration of analysis, advice and consultation with the professional fund managers.

The fund manager on behalf of MFB, closely monitors performance and manages the equity price risk through diversification of its investment portfolio.

MFB's sensitivity to equity price risk is set out below.

Other price risk sensitivity

		(\$ thousand)	
	Carrying amount	-15% Net result	+15% Net result
2020			
Contractual financial assets			
Investments and other contractual financial assets ⁽ⁱ⁾	47,588	(7,138)	7,138
Total impact		(7,138)	7,138
2019			
Contractual financial assets			
Investments and other contractual financial assets ⁽ⁱ⁾	73,303	(10,995)	10,995
Total impact		(10,995)	10,995

(i) Investments and other contractual financial assets includes only managed Investment portfolios held by MFB.

7.2 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed below and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

As at balance date, there were no quantifiable or non-quantifiable contingent assets.

Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- present obligations that arise from past events but are not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or
 - the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

As at balance date, there were no quantifiable contingent liabilities.

Non-quantifiable contingent liabilities as at 30 June 2020 are:

As at balance date, there is a contingent liability in respect of per-fluoroalkyl and poly-fluoroalkyl substances (known as PFAS) contamination at specific MFB properties and certain adjoining properties. Action has commenced on the remediation although at the time of this report the cost of the remediation is non-quantifiable.

Legal claims were made during the 2019-20 year against MFB on various matters, which due to confidentiality and legal process are unable to be disclosed. As at 30 June 2020 these cannot be quantified; but are not expected to have a material impact on any amounts disclosed in these financial statements.

7.3 Fair value determination

Significant judgement: Fair value measurements of assets and liabilities

Fair value determination requires judgement and the use of assumptions. This section discloses the most significant assumptions used in determining fair values. Changes to assumptions could have a material impact on the results and financial position of MFB.

This section sets out information on how MFB determined fair value for financial reporting purposes. 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 following assets and liabilities are carried at fair value:

- financial assets and liabilities at fair value through operating result;
- available-for-sale financial assets;
- land, buildings, plant and equipment; and
- investment properties.

In addition, the fair values of other assets and liabilities that are carried at amortised cost, also need to be determined for disclosure purposes.

MFB determined the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

Financial Report (continued)

Fair value hierarchy

In determining fair values, a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

MFB determined whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Valuer General Victoria (VGV) was MFB's independent valuation agency (or) MFB, in conjunction with VGV *[and other external valuers, if applicable]*, monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

How this section is structured

For those assets and liabilities for which fair values are determined, the following disclosures are provided:

- carrying amount and the fair value (which would be the same for those assets measured at fair value);
- which level of the fair value hierarchy was used to determine the fair value; and
- in respect of those assets and liabilities subject to fair value determination using Level 3 inputs:
 - a reconciliation of the movements in fair values from the beginning of the year to the end; and
 - details of significant unobservable inputs used in the fair value determination.

This section is divided between disclosures in connection with fair value determination for financial instruments (refer to Note 7.3.1) and non-financial physical assets (refer to Note 7.3.2).

7.3.1 Fair value determination of financial assets and liabilities

The fair values and net fair values of financial assets and liabilities are determined as follows:

- Level 1 – the fair value of financial instruments with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;
- Level 2 – the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3 – the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

MFB held a range of financial instruments that are recorded in the financial statements where the carrying amounts approximate to fair value, due to their short-term nature or with the expectation that they will be paid in full by the end of the 2019-20 reporting period.

These financial instruments include:

Financial assets	Financial liabilities
Cash and deposits	Payables:
Receivables:	• For supplies and services
• Sale of goods and services	• Amounts payable to government and agencies
• Accrued investment income	• Other payables
• Other receivables	Borrowings:
Investments and other contractual financial assets:	• Loan from State Government
• Term deposits	

Where the fair value of the financial instruments is different from the carrying amounts, the following information has been included to disclose the difference.

Fair value of financial instruments measured at amortised cost

(\$ thousand)

	Carrying amount 2020	Fair value 2019	Carrying amount 2020	Fair value 2019
Financial liabilities				
Loan from State Government ⁽ⁱ⁾	714	714	951	951

(i) Loan from State Government is an interest free 7-year term loan commencing July 2015.

Financial assets measured at fair value

(\$ thousand)

2020	Carrying amount as at 30 June	Fair value measurement at end of reporting period using:		
		Level 1 ⁽ⁱ⁾	Level 2 ⁽ⁱ⁾	Level 3 ⁽ⁱ⁾
Financial assets at fair value through profit or loss				
Managed investments	82,049	-	82,049	-
Total	82,049	-	82,049	-
2019				
Financial assets at fair value through profit or loss				
Managed investments	126,385	-	126,385	-
Total	126,385	-	126,385	-

(i) There is no significant transfer between Level 1 and Level 2 or Level 3.

There have been no transfers between levels during the period.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate fair value.

Listed securities: The listed share assets are valued at fair value with reference to a quoted (unadjusted) market price from an active market. MFB categorised these instruments as Level 1.

Debt securities: In the absence of an active market, the fair value of MFB's debt securities and government bonds are valued using observable inputs, such as recently executed transaction prices in securities of the issuer or comparable issuers and yield curves. Adjustments are made to the valuations when necessary to recognise differences in the instrument's terms. To the extent that the significant inputs are observable, MFB categorised these investments as Level 2.

Unlisted securities: The fair value of unlisted securities is based on the discounted cash flow method. Significant inputs in applying this technique include growth rates applied for future cash flows and discount rates utilised. To the extent that the significant inputs are unobservable, MFB categorised these investments as Level 3.

Managed investment schemes: MFB invested in managed funds, which are not quoted in an active market and which may be subject to restrictions on redemptions such as lock-up periods, redemption gates and side pockets. MFB considered the valuation techniques and inputs used in valuing these funds as part of its due diligence prior to investment, to ensure they are reasonable and appropriate and therefore the net asset value (NAV) of these funds may be used as an input into measuring their fair value. In measuring this fair value, the NAV of the funds is adjusted, as necessary, to reflect restrictions and redemptions, future commitments and other specific factors of the fund. In measuring fair value, consideration is also paid to any transactions in the shares of the fund. Depending on the nature and level of adjustments needed to the NAV and the level of trading of MFB, MFB classified these funds as either Level 2 or Level 3.

The fair value of unlisted investments is based on the underlying market values on equity holdings inherent in the managed portfolios. The values are regularly calculated by the fund management and as at 30 June annually are reflective of fair value of the underlying holdings.

The managed investments are classified as Level 2.

Financial Report (continued)

7.3.2 Fair value determination: Non-financial physical assets

Fair value measurement hierarchy

(\$ thousand)

2020	Carrying amount as at 30 June 2020	Fair value measurement at end of reporting period using:		
		Level 1 ⁽ⁱ⁾	Level 2 ⁽ⁱ⁾	Level 3 ⁽ⁱ⁾
Land at fair value ⁽ⁱⁱ⁾				
Specialised land	329,038	-	-	329,038
Non-specialised land	41,250	-	41,250	-
Total of land at fair value	370,288	-	41,250	329,038
Buildings at fair value				
Specialised buildings	253,530	-	-	253,530
Heritage assets ⁽ⁱⁱⁱ⁾	20,089	-	-	20,089
Total of buildings at fair value	273,619	-	-	273,619
Plant, equipment and vehicles at fair value				
Vehicles ^(iv)	35,400	-	-	35,400
Plant and equipment	11,213	-	-	11,213
Total of plant, equipment and vehicles at fair value	46,613	-	-	46,613

(i) Classified in accordance with the fair value hierarchy, see Note 7.3.2

(ii) An independent valuation of specialised land was performed using the Victorian Valuer-General office as at 30 June 2016. The valuation was performed basis the market approach and adjusted for Community Service Obligations (CSO).

(iii) MFB holds \$20.1 million worth of property listed as heritage assets. These heritage assets cannot be modified nor disposed of without formal ministerial approval.

(iv) Appliance vehicles are categorised as Level 3 assets as MFB uses the depreciated replacement cost in estimating the fair value.

(\$ thousand)

2019	Carrying amount as at 30 June 2019	Fair value measurement at end of reporting period using:		
		Level 1 ⁽ⁱ⁾	Level 2 ⁽ⁱ⁾	Level 3 ⁽ⁱ⁾
Land at fair value ⁽ⁱⁱ⁾				
Specialised land	329,038	-	-	329,038
Non-specialised land	41,250	-	41,250	-
Total of land at fair value	370,288	-	41,250	329,038
Buildings at fair value				
Specialised buildings	263,857	-	-	263,857
Heritage assets ⁽ⁱⁱⁱ⁾	21,426	-	-	21,426
Total of buildings at fair value	285,283	-	-	285,283
Plant, equipment and vehicles at fair value				
Vehicles ^(iv)	38,832	-	-	38,832
Plant and equipment	12,018	-	-	12,018
Total of plant, equipment and vehicles at fair value	50,850	-	-	50,850

(i) Classified in accordance with the fair value hierarchy, see Note 7.3.1

(ii) An independent valuation of specialised land was performed using the Victorian Valuer-General office as at 30 June 2016. The valuation was performed basis the market approach and adjusted for Community Service Obligations (CSO).

(iii) MFB holds \$21.4 million worth of property listed as heritage assets. These heritage assets cannot be modified nor disposed of without formal ministerial approval.

(iv) Appliance vehicles are categorised as Level 3 assets as MFB uses the depreciated replacement cost in estimating the fair value.

Non-specialised land and non-specialised buildings are valued using the market approach, whereby assets are compared to recent comparable sales or sales of comparable assets that are considered to have nominal value.

An independent valuation was performed by Valuer-General Victoria as at 30 June 2016 for all land and buildings to determine fair value using the market approach and adjusting the market value where applicable for specialised land. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From this analysis, an appropriate rate per square metre has been applied to the subject asset.

Land, buildings and the vehicle classes of assets underwent management reviews of valuations as at 30 June 2020, as the book values are representative of the fair value valuations (accounting for depreciated replacement cost values to core buildings). The increase was immaterial by asset class resulting in no revaluations as at 30 June 2020.

To the extent that non-specialised land and non-specialised buildings do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market approach.

Plant and equipment is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the current replacement cost method.

There were no changes in valuation techniques throughout the period to 30 June 2020.

For all assets measured at fair value, the current use is considered the highest and best use.

Vehicles are valued using the current replacement cost method. MFB acquired new vehicles and at times disposed of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers in MFB who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Specialised land and specialised buildings: The market approach is also used for specialised land, although is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible, legally permissible, and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

For the majority of MFB's specialised buildings, the current replacement cost method was used, adjusting for the associated depreciations. As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

The most recent independent valuation of MFB's specialised land and specialised buildings was performed by the Valuer-General Victoria (VGV) as at 30 June 2016. The valuation was performed using the market approach adjusted for CSO.

Specialised land was reviewed by management for changes in fair value based upon VGV indices as at 30 June 2020. As there was no material movement in fair value for this class, no revaluation was required as at 30 June 2020.

Similarly, specialised buildings were analysed for changes in the current Depreciated Replacement Cost, including CSO adjustments. No revaluation was required as at 30 June 2020, as there was no material movement in fair value for this class since June 2016. There were no changes in valuation techniques throughout the period to 30 June 2020.

Heritage assets are valued using the current replacement cost method. This cost generally represents the replacement cost of the building/component after applying depreciation rates on a useful life basis. However, for some heritage and iconic assets, the cost may be the reproduction cost rather than the replacement cost if those assets' service potential could only be replaced by reproducing them with the same materials.

Where it has not been possible to examine hidden works such as structural frames and floors, the use of reasonable materials and methods of construction have been assumed bearing in mind the age and nature of the building. The estimated cost of reconstruction including structure services and finishes, also factors in any heritage classifications as applicable.

Management notes, however, that there are uncertainties inherent in the VGV indices due to the COVID-19 pandemic which may have an adverse impact on property values but cannot be reliably assessed at 30 June 2020.

Financial Report (continued)

7.3.2 Fair value determination: Non-financial physical assets (continued)

Reconciliation of Level 3 fair value movements

	(\$ thousand)				
2020	Specialised land	Specialised buildings	Heritage assets	Vehicles	Plant and equipment
Opening balance	329,038	263,857	21,426	38,832	12,018
Purchases	-	90	-	3,673	2,235
Disposals	-	-	-	(648)	(21)
Transfers in (out) of Level 3	-	-	-	-	-
Transfer to investment property	-	(40)	-	-	-
<i>Gains or losses recognised in net result</i>					
Depreciation	-	(10,377)	(1,337)	(6,457)	(3,019)
Subtotal	329,038	253,530	20,089	35,400	11,213
<i>Gains or losses recognised in other economic flows - other comprehensive income</i>					
Revaluation	-	-	-	-	-
Closing balance	329,038	253,530	20,089	35,400	11,213
Unrealised gains/(losses) on non-financial assets	-	-	-	-	-

	(\$ thousand)				
2019	Specialised land	Specialised buildings	Heritage assets	Vehicles	Plant and equipment
Opening balance	294,498	261,416	22,725	42,104	11,221
Purchases	-	12,529	36	5,561	4,364
Disposals	-	-	-	(1,569)	(217)
Transfers in (out) of Level 3	-	411	-	-	-
Transfer to investment property	-	-	-	-	-
<i>Gains or losses recognised in net result</i>					
Depreciation	-	(10,499)	(1,335)	(7,264)	(3,350)
Subtotal	-	2,441	(1,299)	(3,272)	797
<i>Gains or losses recognised in other economic flows - other comprehensive income</i>					
Revaluation	34,540	-	-	-	-
Closing balance	329,038	263,857	21,426	38,832	12,018
Unrealised gains/(losses) on non-financial assets	-	-	-	-	-

Description of significant unobservable inputs to Level 3 valuations

2019 and 2020	Valuation technique ⁽ⁱ⁾	Significant unobservable inputs ⁽ⁱ⁾
Specialised land	Best Use fair value method, which considers the market value basis best use of the land subject to CSO obligations.	Community service obligation (CSO) adjustment
Specialised buildings	Current replacement cost	Replacement cost of buildings provided by cost consultants Useful life of specialised buildings upon initiation is 40 years
Heritage assets	Current replacement cost ⁽ⁱⁱ⁾	Replacement cost provided by cost consultants
Vehicles	Current replacement cost	Replacement cost per appliance/vehicle Useful life of vehicles is 15 years for appliances and 3 years for passenger vehicles.
Plant and equipment	Current replacement cost	Cost per unit is considered for key items of plant and equipment. Other general plant and equipment is considered reflective of DRC value as asset remaining lives primarily are in the range 3-7 years. Useful life of the majority of plant and equipment is 3-15 years and some assets have lives up to 40 years.

(i) CSO adjustments ranging from 20 per cent to 30 per cent were applied to reduce the best use fair value market approach for MFB's specialised land.

(ii) For some heritage assets, cost may be the reproduction cost of the asset rather than the replacement cost if their service potential could only be replaced by reproducing them with the same materials.

Significant unobservable inputs have remained unchanged since June 2019.

Investment properties measured at fair value and their categorisation in the fair value hierarchy

2020	Carrying amount	Fair value measurement at end of reporting period using:		
		Level 1 ⁽ⁱ⁾	Level 2 ⁽ⁱ⁾	Level 3 ⁽ⁱ⁾
Investment properties	41,418	-	41,418	-
2019				
Investment properties	39,192	-	39,192	-

(i) Classified in accordance with the fair value hierarchy.

There have been no transfers between levels during the period. There were no changes in valuation techniques throughout the period to 30 June 2020.

For investment properties measured at fair value, the current use of the asset is considered the highest and best use.

The fair value of MFB's investment property at 30 June 2020 have been arrived at on the basis of a management revaluation utilising the independent valuations determined as at 30 June 2016 and applying the published Victorian Valuer-General's market indices which represent the movement in land and building valuations since 30 June 2016 to reflect fair value as at 30 June 2020.

Financial Report (continued)

8. Other disclosures

Introduction

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

Structure

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8.1 Ex gratia expenses

Ex gratia expenses are the voluntary payments of money or other non-monetary benefit (e.g. a write-off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability of or claim against the entity.

	(\$ thousand)	
	2020	2019
Forgiveness or waiver of debt ⁽ⁱ⁾	55	378
Compensation for economic loss ⁽ⁱⁱⁱ⁾	14	31
Total ex gratia expenses	69	409

(i) Includes ex gratia expenses for both individual items and in aggregate that are greater than or equal to \$5 000.

(ii) Forgiveness of receivables basis hardship applications and waiver of salary adjustments as considered by MFB.

(iii) Compensation for economic loss are payments to individuals to resolve possible claims and for claims of loss incurred relative to disputes regarding employment. These payments are reflected in salaries and wages expenses - refer to Note 3.1.1.

8.2 Other economic flows included in net result

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. Other gains/ (losses) from other economic flows include the gains or losses from:

- the revaluation of the present value of the long service leave liability due to changes in the bond interest rates; and
- reclassified amounts relating to available-for-sale financial instruments from the reserves to net result due to a disposal or derecognition of the financial instrument. This does not include reclassification between equity accounts due to machinery of government changes or 'other transfers' of assets.

Non-financial assets, including items of property, plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired.

The assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as an 'other economic flow', except to the extent that it can be debited to an asset revaluation surplus amount applicable to that class of asset.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However, this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

	2020	2019
	(\$ thousand)	
Net gain/(loss) on non financial assets		
Amortisation of non produced intangible assets ⁽ⁱ⁾	(687)	(855)
Revaluation of investment property	2,186	2,471
Net (loss) on disposal of property plant and equipment (including intangible assets)	(236)	(973)
Total net gain/(loss) on non financial assets	1,263	643
Net gain/(loss) on financial instruments		
Impairment of:		
Loans and receivables ⁽ⁱⁱ⁾	(626)	(71)
Net (loss) arising from revaluation of financial assets at fair value – market risk	(2,222)	(1,067)
Total net gain/(loss) on financial instruments	(2,848)	(1,138)
Other gain/(loss) from other economic flows		
Net gain/(loss) arising from revaluation of leave liabilities	(2,800)	(10,086)
Total other gain/(loss) from other economic flows	(2,800)	(10,086)

(i) This is amortisation of non produced intangible assets with finite useful lives.

(ii) Including increase/(decrease) in provision for doubtful debts and bad debts from other economic flows.

Financial Report (continued)

8.3 Responsible persons

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the *Financial Management Act 1994* (FMA), the following disclosures are made regarding responsible persons for the reporting period.

8.3.1 Names of Responsible Persons**

The persons who held the positions of Accountable Officers in MFB, including the portfolio Minister and board members are as follows:

Minister for Police and Emergency Services	The Hon. Lisa Neville MP	1 July 2019 to 30 June 2020
Acting Minister for Police and Emergency Services	The Hon. Benjamin Carroll MP	20 July 2019 to 20 July 2019
Acting Minister for Police and Emergency Services	The Hon. Jill Hennessy MP	21 July 2019 to 31 July 2019
Acting Minister for Police and Emergency Services	The Hon. Gavin Jennings MP	1 August 2019 to 3 August 2019
Acting Minister for Police and Emergency Services	The Hon. Jill Hennessy MP	29 September 2019 to 13 October 2019
Acting Minister for Police and Emergency Services	The Hon. Jill Hennessy MP	14 October 2019 to 20 October 2019
Board Member	J Doak, President	1 July 2019 to 30 June 2020
Board Member	K Hall	1 July 2019 to 30 June 2020
Board Member	F Chamberlain	1 July 2019 to 8 July 2019
Board Member	G Sword	1 July 2019 to 30 June 2020
Board Member	P Duncan	1 July 2019 to 30 June 2020
Board Member	G Fittipaldi	1 July 2019 to 30 June 2020
Board Member	F Diver	1 July 2019 to 30 June 2020
Board Member	P White	19 November 2019 to 30 June 2020
Acting Chief Officer/ Chief Executive Officer	D Bruce	4 October 2019 to 30 June 2020
Acting Chief Officer/ Chief Executive Officer	G Leach	12 July 2019 to 4 October 2019*
Chief Officer / Chief Executive Officer	D Stephens	1 July 2019 to 12 July 2019

* G Leach was acting in the Chief Officer/ Chief Executive Officer role while D Stephens was on leave until resignation effective date of 12 July and continued in this role until his own resignation on 11 October 2019.

** From 1 July 2020 with the establishment of Fire Rescue Victoria, the roles of Chief Officer/Chief Executive Officer and the Board will be abolished and replaced with Fire Rescue Commissioner and Deputy Fire Rescue Commissioners. A Strategic Advisory Committee will be established to advise the Fire Rescue Commissioner.

8.3.2 Remuneration – Responsible Persons

Remuneration band:	No. of responsible persons:	
	2020	2019
\$0 - \$9,999	2	4
\$20,000 - \$29,999	1	4
\$40,000 - \$49,999	4	-
\$60,000 - \$69,999	-	1
\$80,000 - \$89,999	1	-
\$150,000 - \$159,999	1	-
\$320,000 - \$329,999	1	-
\$540,000 - \$549,999	-	1
\$1,140,000 - \$1,149,999	1	-
Total	11	10
Total Remuneration of Responsible Persons (\$ thousands)⁽ⁱ⁾	1,726	703

(i) Remuneration includes any termination benefits upon resignation or retirement.

8.4 Remuneration of executives

The number of executive officers, other than Ministers and accountable officers, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provides a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits (as defined in AASB 119 *Employee Benefits*) in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered. Accordingly, remuneration is determined on an accrual basis, and is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long service leave, other long service benefit or deferred compensation.

Termination benefits include termination of employment payments, such as severance packages.

Several factors affected total remuneration payable to executives over the year. A number of employment contracts were completed and renegotiated and a number of executive officers retired or resigned in the past year. This has had an impact on remuneration figures for the termination benefits category.

Financial Report (continued)

8.4 Remuneration of executives (continued)

	(\$ thousand)	
	Total remuneration	
Remuneration of executive officers (including Key Management Personnel disclosed in Note 8.5.1)	2020	2019
Short-term employee benefits	7,550	7,201
Post-employment benefits	490	663
Other long-term benefits (including long service leave)	152	150
Termination benefits	-	73
Total remuneration	8,192	8,087
Total number of executives	31	34
Total annualised employee equivalents⁽ⁱ⁾	27.1	29.7

(i) Annualised employee equivalent is based on paid working hours of 38 ordinary hours per week over the 52 weeks for a reporting period.

8.5 Related parties

MFB is a statutory authority and is recognised for the purposes of financial reporting, as wholly owned and controlled entity of the State of Victoria. Related parties of MFB include:

- MFB Board members, the Chief Officer / Chief Executive Officer and their close family members;
- The Minister for Police and Emergency Services and her close family members; and
- all public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into on an arm's-length basis.

8.5.1 Significant transactions with government-related entities

The main source of funding was from State Government grants that are allocated to the Department of Justice and Community Safety for distribution to MFB on a quarterly basis. Grant funding received in the reporting period 2019-20 was \$461.727 million (2018-19 \$418.157 million).

MFB regularly transacted with other emergency services. Significant interactions with other State Government entities include the following:

- recruit training activity jointly provided with the Country Fire Authority (CFA) provided at the Victorian Emergency Management Training Centre, as well as ICT support and operational support activity. In the current reporting period, services invoiced to CFA total \$3.664 million (2018-19 \$4.931 million).
- ICT support services invoiced to Victoria State Emergency Service (SES) of \$0.578 million (2018-19 \$0.141 million).
- IT hosting services were provided to Ambulance Victoria of \$0.067 million (2018-19 \$0.066 million).
- services for inspection of high risk resource recovery facilities was provided to Department of Environment, Land, Water and Planning of \$0.158 million (2018-19 \$0.078 million)
- ESTA in respect to call taking and dispatch and related activity with expenditure incurred of \$10.932 million (2018-19 \$10.595 million).
- expenditure of \$13.077 million (2018-19 \$12.520 million) incurred with the Department of Justice and Community Safety in

respect of Emergency Management Victoria (EMV) and the departments governance and support services provided to MFB.

- insurance paid to Victorian Managed Insurance Authority of \$2.467 million (\$1.401 million re-imburement of previous insurance claim paid but recovered during the year and \$1.066 million annual insurance premium) in 2019-20 (2018-19 \$0.977 million).
- water usage concessional charges with Yarra Valley Water for training purposes; the expense is immaterial. Similarly, MFB incurred utilities service charges from other state utility entities that are not material.
- term deposit investments with Treasury Corporation Victoria with interest earnings of \$0 million in 2019-20 (2018-19 \$0.405 million).
- managed investments with Victorian Funds Management Corporation for which management fees are included in the unit pricing, these fees are not significant.

Key management personnel (KMP) of MFB include the Portfolio Minister- the Minister for Police and Emergency Services, MFB Board members, the Chief Officer / Chief Executive Officer. The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* is reported within the Department of Parliamentary Services' Financial Report.

	(\$ thousand)	
Compensation of KMPs	2020	2019
Short-term employee benefits	815	658
Post-employment benefits	52	34
Other long-term benefits	8	11
Termination benefits	851	-
Total	1,726	703

Transactions with key management personnel and other related parties

Given the breadth and depth of State Government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

Outside of normal citizen type transactions with MFB, and based upon management review, there were no related party transactions that involved key management personnel and their close family members. Several MFB board members during the reporting period were board or committee members to State Government entities and transactions with those entities were at 'arms length' and are reported in Note 8.5.1. No provision has been required, nor any expense recognised, for impairment of receivables from related parties. Other transactions regularly occur with State Government entities under normal business conditions but they are not significant in comparative value, these transactions include fire suppression services and maintenance service charges and charges by MFB for false alarm call outs that meet certain criteria.

Financial Report (continued)

8.6 Remuneration of auditors

	(\$ thousand)	
	2020	2019
Victorian Auditor-General's Office		
Audit or review of the financial statements	184	175
Total remuneration of auditors	184	175

8.7 Investment properties

The following non-financial physical assets exist at the reporting date; these assets are non-core assets in respect to emergency service provision:

	(\$ thousand)	
	2020	2019
Freehold land ⁽ⁱ⁾	41,017	38,652
Freehold buildings ⁽ⁱ⁾	401	540
Total	41,418	39,192

(i) MFB holds freehold land that is no longer strategic nor core to MFB operations, these land parcels consist of vacant land and land with un-utilised premises. There is no active marketing land to sell these parcels of land presently, and as such, they are determined as investment property that will eventually be sold in accordance with our budget planning process in coming years.

Measurement of investment property: non-financial physical assets deemed as Investment Property are valued annually on the basis of fair value considering the asset's highest and best use.

8.8 Reserves

	(\$ thousand)	
	2020	2019
Physical asset revaluation surplus:⁽ⁱ⁾		
Balance at beginning of financial year	461,360	423,120
Revaluation increments	-	38,240
Balance at end of financial year	461,360	461,360

(i) The physical assets revaluation surplus arises on the revaluation of land, buildings and vehicles.

8.9 Subsequent events

Fire Rescue Victoria (FRV) commenced operations on 1 July 2020 (refer to Note 1).

The delay in the 2020/21 State Budget and the impacts of COVID-19 necessitated the introduction of the Appropriation (Interim) Act 2020 providing funding supply for FRV from 1 July 2020 until 31 December 2020. This provides interim funding of \$356.896 million in output and \$4.805 million in asset funding.

In accordance with the Financial Reporting Direction (FRD) 119A Transfers through Contributed Capital', the Minister for Police and Emergency Services considers and approves Allocation Statements which detail assets, liabilities and associated rights and obligations that are accounted for as redemption of capital from the Country Fire Authority (CFA) and a corresponding contribution by owners to FRV.

The first Allocation Statement totalling \$213.628 million representing the transfer of the fair value of land (\$58.358 million), stations (\$122.077 million), lease right of use assets (\$0.041 million) and corresponding lease liability (\$0.043 million) and emergency fire appliances (\$33.195 million) was approved by the Minister for Police and Emergency Services on 1 September 2020.

Accordingly, these assets were recorded in FRV's financial accounts in September 2020 with a corresponding credit to Contributed Capital.

Additional Allocation Statements are under consideration as at the date of this report. These future allocation statements are expected to include transfers to FRV of employee entitlement provisions, light fleet vehicles, 'in-flight' capital and specific operating expenditure projects and other fire fighting and operational plant and equipment.

Subsequent to balance date, it became evident that, a number of claims for wages, allowances and other entitlements potentially payable to former employees of CFA who have since transferred to FRV were afoot. As the employer of these individuals from 1 July 2020, FRV may become liable to settle these matters the quantum of which is uncertain.

COVID-19

The impact of the coronavirus (COVID-19) pandemic is ongoing and while it did not have any significant impact for MFB up to 30 June 2020, it is noted that COVID-19 induced volatility in financial markets, the economic downturn and changing work practices may have an adverse impact on property values which creates uncertainty as to the fair valuation of property, plant and equipment in the financial statements.

8.10 Change in accounting policies

8.10.1 Leases

This note explains the impact of the adoption of AASB 16 *Leases* on MFB's financial statements.

MFB had applied AASB 16 with a date of initial application of 1 July 2019.

MFB had elected to apply AASB 16 using the modified retrospective approach, as per the transitional provisions of AASB 16 for all leases for which it is a lessee. The cumulative effect of the initial application was immaterial and accordingly was not adjusted in retained earnings as at 1 July 2019. Accordingly, the comparative information presented is not restated and is reported under AASB 117 and related interpretations.

Previously, MFB determined at contract inception whether an arrangement is or contains a lease under AASB 117 and Interpretation 4 determining whether an arrangement contains a lease. Under AASB 16, MFB assessed whether a contract is or contains a lease based on the definition of a lease as explained in note 6.2.

On transition to AASB 16, MFB had elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied AASB 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under AASB 117 and Interpretation 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under AASB 16 was applied to contracts entered into or changed on or after 1 July 2019.

Leases classified as operating leases under AASB 117

As a lessee, MFB previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to MFB. Under AASB 16, MFB recognised right-of-use assets and lease liabilities for all leases except where exemption is availed in respect of short-term and low-value leases.

On adoption of AASB 16, MFB recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of AASB 117. These liabilities were measured at the present value of the remaining lease payments, discounted using the MFB's incremental borrowing rate as of 1 July 2019. On transition, right-of-use assets are measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 30 June 2019.

Financial Report (continued)

8.10.1 Leases (continued)

MFB had elected to apply the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117:

- Applied a single discount rate to a portfolio of leases with similar characteristics;
- Adjusted the right-of-use assets by the amount of AASB 137 onerous contracts provision immediately before the date of initial application, as an alternative to an impairment review. There are no contracts with onerous provisions applicable to MFB;
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term;
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application; and
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

For leases that were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and lease liability at 1 July 2019 are determined as the carrying amount of the lease asset and lease liability under AASB 117 immediately before that date.

Leases as a Lessor

MFB was not required to make any adjustments on transition to AASB 16 for leases in which it acts as a lessor. MFB accounted for its leases in accordance with AASB 16 from the date of initial application. MFB as lessor had a small number of leases that cumulatively were of immaterial value.

Impacts on financial statements

On transition to AASB 16, MFB recognised \$0.6 million of right-of-use assets and \$0.6 million of lease liabilities.

When measuring lease liabilities, MFB discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted average rate applied is 2.50 per cent.

	(\$ thousand) 1 July 2019
Total operating lease commitments disclosed at 30 June 2019 (exclusive of GST)	6,222
Less:	
Lease options/changes in annual rent recognised on transition at 1 July 2019	(23)
Lease liabilities to be recognised post transition date of 1 July 2019	(5,236)
Discounted using the incremental borrowing rate at 1 July 2019	(10)
Finance lease liabilities as at 30 June 2019	
Recognition exemption for:	
Short-term leases	(314)
Lease liabilities recognised at 1 July 2019	639

8.10.2 Revenue from Contracts with Customers

In accordance with FRD 121 requirements, MFB had applied the transitional provisions of AASB 15, under modified retrospective method with the cumulative effect of initially applying this standard against the opening retained earnings at 1 July 2019. Under this transition method, MFB applied this standard retrospectively only to contracts that are not 'completed contracts' at the date of initial application.

Comparative information has not been restated.

Note 2.3.1 *Sales of goods and services* includes details about the transitional application of AASB 15 and how the standard has been applied to revenue transactions.

8.10.3 Income of Not-for-Profit Entities

In accordance with FRD 122 requirements, MFB had applied the transitional provision of AASB 1058, under modified retrospective method with the cumulative effect of initially applying this standard against the opening retained earnings at 1 July 2019. Under this transition method, MFB applied this standard retrospectively only to contracts and transactions that are not completed contracts at the date of initial application. MFB has not applied the fair value measurement requirements for right-of-use assets arising from leases with significantly below-market terms and conditions principally to enable the entity to further its objectives as allowed under temporary option under AASB 16 and as mandated by FRD 122.

Comparative information has not been restated.

Note 2.2 Grants includes details about the transitional application of AASB 1058 and how the standard has been applied to revenue transactions.

The adoption of AASB 1058 did not have an impact on Other Comprehensive Income and the Statement of Cash flows for the financial year.

8.10.4 Transition impact on financial statements

This note explains the impact of the adoption of the following new accounting standards for the first time, from 1 July 2019:

- AASB 15 *Revenue from Contracts with Customers*;
- AASB 1058 *Income of Not-for-Profit Entities*; and
- AASB 16 *Leases*

Impact on balance sheet due to the adoption of AASB 15, AASB 1058 and AASB 16 is illustrated with the following reconciliation between the restated carrying amounts at 30 June 2019 and the balances reported under the new accounting standards at 1 July 2019:

Balance sheet

		Before new accounting standards Opening 1 July 2019	Impact of new accounting standards – AASB 16, 15 and 1058	(\$ thousand) After new accounting standards Opening 1 July 2019
Total financial assets		171,010	-	171,010
Total non-financial assets	8.10	775,532	639	776,171
Total assets		946,542	639	947,181
Payables	5.2	29,273	-	29,273
Borrowings	6.1	951	639	1,590
Other liabilities		171,347	-	171,347
Total liabilities		201,571	639	202,210
Accumulated surplus		158,252	-	158,252
Physical revaluation surplus	8.8	461,360	-	461,360
Contributed capital		125,359	-	125,359
Total equity		744,971	-	744,971

Financial Report (continued)

8.11 Australian Accounting Standards issued that are not yet effective

Certain new and revised accounting standards have been issued but are not effective for the 2019-20 reporting period. These accounting standards have not been applied to the Model Financial Statements. The State is reviewing its existing policies and assessing the potential implications of these accounting standards which includes:

- AASB 2018-7 *Amendments to Australian Accounting Standards – Definition of Material*
- This Standard principally amends AASB 101 *Presentation of Financial Statements* and AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. It applies to reporting periods beginning on or after 1 January 2020 with earlier application permitted. MFB had not earlier adopted the Standard.

The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.

MFB was in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.

- AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non Current*
- This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It initially applied to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted however the AASB has recently issued ED 301 *Classification of Liabilities as Current or Non-Current – Deferral of Effective Date* with the intention to defer the application by one year to periods beginning on or after 1 January 2023. MFB will not early adopt the Standard.

MFB was in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.

8.12 Glossary of technical terms

The following is a summary of the major technical terms used in this report.

Amortisation is the expense that results from the consumption, extraction or use over time of a non-produced physical or intangible asset. This expense is classified as an 'other economic flow'.

Borrowings refers to interest-bearing liabilities mainly raised from public borrowings raised through the Treasury Corporation of Victoria, leases liabilities and other interest-bearing arrangements. Borrowings also include non- interest-bearing advances from government that are acquired for policy purposes.

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

Comprehensive result is the amount included in the operating statement representing total change in net worth other than transactions with owners as owners.

Controlled item generally refers to the capacity of MFB to benefit from that item in the pursuit of the entity's objectives and to deny or regulate the access of others to that benefit.

Current grants are amounts payable or receivable for current purposes for which no economic benefits of equal value are receivable or payable in return.

Depreciation is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense is classified as a 'transaction' and so reduces the 'net result from transaction'.

Effective interest method is the method used to calculate the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, where appropriate, a shorter period.

Employee benefits expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments, defined benefits superannuation plans, and defined contribution superannuation plans.

Ex gratia expenses mean the voluntary payment of money or other non-monetary benefit (e.g. a write-off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability or claim against the entity.

Finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset.

Financial asset is any asset that is:

- (a) cash;
- (b) an equity instrument of another entity;
- (c) a contractual right:
 - to receive cash or another financial asset from another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
- (d) a contract that will or may be settled in the entity's own equity instruments and is:
 - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial liability is any liability that is:

- (a) a contractual obligation:
 - to deliver cash or another financial asset to another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
- (b) a contract that will or may be settled in the entity's own equity instruments and is:
 - a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

Financial statements comprises:

- (a) a balance sheet as at the end of the period;
- (b) a comprehensive operating statement for the period;
- (c) a statement of changes in equity for the period;
- (d) a cash flow statement for the period;
- (e) notes, comprising a summary of significant accounting policies and other explanatory information;
- (f) comparative information in respect of the preceding period as specified in paragraph 38 of AASB 101 *Presentation of Financial Statements*; and
- (g) a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 41 of AASB 101.

General government sector comprises all government departments, offices and other bodies engaged in providing services free of charge or at prices significantly below their cost of production. General government services include those which are mainly non-market in nature, those that are largely for collective consumption by the community and those that involve the transfer or redistribution of income. These services are financed mainly through taxes, or other compulsory levies and user charges.

Interest expense represents costs incurred in connection with borrowings. It includes interest on advances, loans, overdrafts, bonds and bills, deposits, interest components of lease repayments, and amortisation of discounts or premiums in relation to borrowings.

Financial Report (continued)

Interest income includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

Investment properties are properties held to earn rentals or for capital appreciation or both. Investment properties exclude properties held to meet service delivery objectives of the State of Victoria.

Leases are rights conveyed in a contract, or part of a contract, the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

Net acquisition of non-financial assets (from transactions) are purchases (and other acquisitions) of non-financial assets less sales (or disposals) of non-financial assets less depreciation plus changes in inventories and other movements in non-financial assets. Includes only those increases or decreases in non-financial assets resulting from transactions and therefore excludes write-offs, impairment write-downs and revaluations.

Net operating balance or net result from transactions is a key fiscal aggregate and is revenue from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

Net result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those classified as 'other non-owner movements in equity'.

Net worth is calculated as assets less liabilities, which is an economic measure of wealth.

Non-financial assets are all assets that are not financial assets. It includes inventories, land, buildings, infrastructure, road networks, land under roads, plant and equipment, cultural and heritage assets, intangibles and biological assets such as commercial forests.

Non-produced assets are assets needed for production that have not themselves been produced. They include land, subsoil assets, and certain intangible assets. Non-produced intangibles are intangible assets needed for production that have not themselves been produced. They include constructs of society such as patents.

Operating result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other non-owner movements in equity'. Refer also 'net result'.

Other economic flows included in net result are changes in the volume or value of an asset or liability that do not result from transactions. In simple terms, other economic flows are changes arising from market re-measurements. They include gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets; fair value changes of financial instruments and agricultural assets; and depletion of natural assets (non-produced) from their use or removal.

Other economic flows – other comprehensive income comprises items (including reclassification adjustments) that are not recognised in net result as required or permitted by other Australian Accounting Standards. They include changes in physical asset revaluation surplus; share of net movement in revaluation surplus of associates and joint ventures; and gains and losses on remeasuring available-for-sale financial assets.

Payables includes short and long-term trade debt and accounts payable, grants, taxes and interest payable.

Produced assets include buildings, plant and equipment, inventories, and certain intangible assets. Intangible produced assets may include computer software, motion picture films and research and development costs (which does not include the start-up costs associated with capital projects).

Receivables include amounts owing from government through appropriation receivable, short and long-term trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

Sales of goods and services refers to income from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services and work done as an agent for private enterprises. It also includes rental income under operating leases and on produced assets such as buildings and entertainment, but excludes rent income from the use of non-produced assets such as land. User charges includes sale of goods and services income.

Service concession arrangement is a contract effective during the reporting period between a grantor and an operator in which:

- (a) the operator has the right of access to the service concession asset (or assets) to provide public services on behalf of the grantor for a specified period of time;
- (b) the operator is responsible for at least some of the management of the public services provided through the asset and does not act merely as an agent on behalf of the grantor; and
- (c) the operator is compensated for its services over the period of the service concession arrangement.

Supplies and services generally represent cost of goods sold and the day to day running costs, including maintenance costs, incurred in the normal operations of MFB.

Taxation income represents income received from the State's taxpayers and includes:

- payroll tax, land tax and duties levied principally on conveyances and land transfers;
- gambling taxes levied mainly on private lotteries, electronic gaming machines, casino operations and racing;
- insurance duty relating to compulsory third party, life and non-life policies;
- insurance company contributions to fire brigades;
- motor vehicle taxes, including registration fees and duty on registrations and transfers;
- levies (including the environmental levy) on statutory corporations in other sectors of government; and
- other taxes, including landfill levies, licence and concession fees.

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows into an entity such as depreciation, where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the Government.

8.13 Style conventions

Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

The notation used in the tables is as follows:

-	zero, or rounded to zero
(xxx)	negative numbers
200x	year period
200x 0x	year period

The financial statements and notes are presented based on the illustration for a government department in the 2019-20 *Model Report for Victorian Government Departments*. The presentation of other disclosures is generally consistent with the other disclosures made in earlier publications of MFB's annual reports.

Financial Report (continued)



Victorian Auditor-General's Office

Independent Auditor's Report

To the Commissioner of Fire Rescue Victoria

Opinion	<p>I have audited the financial report of the Metropolitan Fire and Emergency Services Board (the Board) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2020• comprehensive operating statement for the year then ended• statement of changes in equity for the year then ended• cash flow statement for the year then ended• notes to the financial statements, including significant accounting policies• declaration by the Fire Rescue Commissioner and the Executive Director, Corporate Services. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the Board as at 30 June 2020 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the Board in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Management's responsibilities for the financial report	<p>Management of the Board is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with management and those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
30 November 2020



Janaka Kumara
as delegate for the Auditor-General of Victoria



MFB Headquarters

456 Albert Street

East Melbourne

Victoria 3002 Australia

T +61 3 9662 2311

F +61 3 9665 4244

www.mfb.vic.gov.au

