

Annual Report 2013/14

**Ministry for Police & Emergency Services**





# Contents

<b>Executive summary .....</b>	<b>2</b>
Minister for Police and Emergency Services .....	3
<b>Ministry Profile.....</b>	<b>4</b>
Aims and objectives.....	4
Legislation administered.....	5
<b>Ministry Structure and Performance .....</b>	<b>7</b>
Policy and Finance Division.....	8
Policy Branch.....	9
Finance and Corporate Governance Branches.....	16
Counter Terrorism and Disaster Resilience Division.....	18
Resilience and Planning Branch .....	19
Response and Recovery Branch.....	22
Disaster Welfare Branch.....	26
Counter Terrorism Branch .....	30
Boards and Committees Branch .....	33
<b>Human Resources .....</b>	<b>36</b>
Organisational structure .....	36
Senior Staff Profiles.....	37
Staff Overview .....	38
<b>Organisational Management .....</b>	<b>41</b>
<b>Financial Management .....</b>	<b>44</b>
<b>Appendices.....</b>	<b>46</b>
A. Attestation .....	46
B. Executive performance .....	46
C. Ministerial Grants 2013-14.....	46
D. Account payment performance.....	46
E. <i>Government Information (Public Access) Act 2009</i> .....	46
F. Financial reports.....	46
<b>A. Attestation .....</b>	<b>47</b>
<b>B. Executive Performance .....</b>	<b>48</b>
<b>C. Ministerial Grants 2013-14.....</b>	<b>50</b>
<b>D. Account Payment Performance .....</b>	<b>52</b>
<b>E. <i>Government Information (Public Access) Act 2009</i> .....</b>	<b>53</b>
<b>F. Financial Reports.....</b>	<b>57</b>
Financial Statements for the Year Ended 30 June 2014 .....	59
<b>Contacts.....</b>	<b>87</b>

The Hon Stuart Ayres MP  
Minister for Police and Emergency Services  
52 Martin Place  
SYDNEY NSW 2000

Dear Minister

I am pleased to submit the Ministry for Police and Emergency Services Annual Report 2013-14 in accordance with the *Annual Reports (Departments) Act 1985* for presentation to the NSW Parliament.

The report complies with the provisions of the *Annual Reports (Departments) Regulation 2010*.

Yours sincerely

A handwritten signature in black ink, appearing to read 'V. D'Adam', with a long horizontal flourish extending to the right.

Vicki D'Adam  
**Chief Executive Officer**

## Executive summary

In 2013-2014 the NSW Ministry for Police and Emergency Services continued its role as the lead agency to ensure NSW remains ready to deal with major emergencies and natural disasters as outlined in the NSW 2021 Plan.

Throughout the year the Ministry provided consistently high level services to the Government and two Ministers that held the Police and Emergency Services portfolio. It ensured strategic coordination for the law enforcement and emergency service portfolios, and support for the Ministers to undertake their Executive and Parliamentary responsibilities effectively.

The Ministry performed operational responses to natural and non-natural disasters that affected large parts of the State, implemented legislation to support law enforcement and developed projects and policies to progress prevention, preparedness, response and recovery initiatives to support emergencies and counter terrorism.

2013-2014 experienced the largest bushfires in NSW in over a decade when the fires that originated in Lithgow and Springwood in October extensively damaged over 300 homes. The Ministry's operational response lasted approximately five months before handover to the Blue Mountains City Council for longer term recovery.

In supporting the needs of individuals and communities in this and other natural and non-natural events, the Ministry analysed impact data provided by multiple agencies to form recommendations about Natural Disaster Declarations and/or to seek Commonwealth agreement to Category C declarations under the Natural Disaster Relief and Recovery Arrangements.

The Ministry was also a key driver of a number of Government's major reforms. These included enhancing child protection laws, streamlining police powers, developing a package of legislative reforms with improved powers for police to enforce Firearms Prohibition Orders and search criminal gang premises, and responding to concerns about violence in public places fuelled by alcohol and illicit drugs. The Ministry also assisted in developing and rolling out the Sydney Central Business District Plan of Management and in delivering the largest overhaul of NSW's bail laws in the State's history.

And once again through the Counter Terrorism Branch, the Ministry diligently provided whole-of-government facilitation and support to the NSW Police Force and other relevant agencies to continue refining counter terrorism arrangements. Key initiatives included completing a strategic review of NSW's counter terrorism capability, identifying priority areas, reviewing and updating the NSW Counter Terrorism Plan and Critical Infrastructure Protection Management Framework, and developing policy and programs to counter violent extremism. This was particularly important as the impact of Australians being involved in overseas conflicts began to emerge.

## **Minister for Police and Emergency Services**

The Honourable Michael Gallacher MLC was the Minister for Police and Emergency Services for the first part of the reporting period until 7 May 2014.

The Honourable Stuart Ayres MP was the Minister for Police and Emergency Services from 7 May 2014 until the end of the reporting period.

The Parliamentary Secretary assisting both Ministers was Mr Geoff Provest MP.

# Ministry Profile

## Aims and objectives

The role of the Ministry is to support and assist the Minister for Police and Emergency Services to achieve the best law enforcement and emergency management outcomes and to promote public safety for the people of NSW.

The Ministry is a single source of independent advice and coordination in the Police and Emergency Services portfolio. It is responsible for the development and coordination of law enforcement and emergency management legislation policy and advice, as well as providing strategic coordination across the portfolio.

To achieve this, the Ministry works in partnership with other agencies to ensure that the portfolio and other agencies have an appropriate legislative framework in which to operate and meet government priorities.

Key functions and responsibilities include:

- providing independent advice on issues affecting the portfolio including reviewing policy proposals to ensure they are in line with government priorities and stakeholder needs
- developing policy proposals for the Minister's and cabinet's consideration
- supporting the Minister in Parliament and in Ministerial roles
- liaises and coordinates with external agencies on behalf of the portfolio agencies
- developing emergency management policies and plans to deliver disaster recovery and welfare services during major disasters
- supporting the State Emergency Management Committee and State Rescue Board
- providing support to the Chief Executive, in her capacity as the State Emergency Recovery Controller
- maintaining the State Crisis Centre
- promoting counter terrorism policies and plans.

The Ministry's role also encompasses operational and planning issues that affect the economic, environmental and social wellbeing of the State. This is by providing the framework to prepare for, and recover from, disasters caused by natural and non natural means or a terrorist incident.

The Ministry is also responsible for the coordination of recovery functions and the provision of disaster welfare services when disasters impact the state.

## Legislation administered

The Minister for Police and Emergency Services administered the following Acts and their Regulations:

- *Australian Crime Commission (New South Wales) Act 2003*
- *Child Protection (Offenders Prohibition Orders) Act 2004* (jointly with the Attorney General)
- *Child Protection (Offenders Registration) Act 2000*
- *Commercial Agents and Private Inquiry Agents Act 2004*
- *Community Welfare Act 1987 No 52, Part 5* and any other provisions of that Act so far as they relate to functions under Part 5 (remainder, jointly the Minister for Disability Services and the Minister for Family and Community Services and part, the Minister for Education)
- *Crime Commission Act 2012*
- *Criminal Assets Recovery Act 1990*
- *Drug Misuse and Trafficking Act 1985, Part 2A* (jointly with the Minister for Health, remainder the Attorney General)
- *Firearms Act 1996*
- *Fire Brigades Act 1989*
- *Fire Services Joint Standing Committee Act 1998*
- *Intoxicated Persons (Sobering Up Centres Trial) Act 2013* (jointly with the Minister for Family and Community Services)
- *Law Enforcement and National Security (Assumed Identities) Act 2010*
- *Law Enforcement (Controlled Operations) Act 1997*
- *Police Act 1990*
- *Police (Special Provisions) Act 1901, Part 4* (remainder, the Attorney General)
- *Road Obstructions (Special Provisions) Act 1979*
- *Rural Fires Act 1997*
- *Security Industry Act 1997*
- *Sporting Venues (Invasions) Act 2003*
- *State Emergency and Rescue Management Act 1989*
- *State Emergency Service Act 1989*
- *Tattoo Parlours Act 2012* (jointly with the Minister for Fair Trading)
- *Weapons Prohibition Act 1998*
- *Witness Protection Act 1995*
- *Wool, Hide and Skin Dealers Act 2004.*

The following Acts and Regulations were made or amended in the reporting period (not all administered by the Minister for Police and Emergency Services):

- *Criminal Assets Recovery Act 1990* was amended by *Criminal Assets Recovery Amendment Act 2014*
- *Firearms Act 1996* was amended by the *Firearms and Criminal Groups Legislation Amendment Act 2013* and the *Security Industry Amendment (Licences) Act 2013*
- *Security Industry Act 1997* was amended by the *Security Industry Amendment (Licences) Act 2013*
- *Restricted Premises Act 1943* and *Crime Commission Act 2012* was amended by the *Firearms and Criminal Groups Legislation Amendment Act 2013*

- *Drug Misuse and Trafficking Act 1985 and Poisons and Therapeutic Goods Act 1966* was amended by *Drugs and Poisons Legislation Amendment (New Psychoactive and Other Substances) Act 2013*
- *Child Protection (Offenders Prohibition Orders) Act 2004* was amended by the *(Child Protection Legislation Amendment (Offenders Registration and Prohibition Orders) Act 2013*.
- *Crimes Act 1900, the Law Enforcement (Powers and Responsibilities) Act 2002, the Crimes (Sentencing Procedure) Act 1999* were amended by *Crimes and Other Legislation Amendment (Assault and Intoxication) Act 2014*
- *Liquor Act 2007 and the Liquor Regulation 2008* were amended by *Liquor Amendment Act 2014*
- *Rural Fires Act 1997* amended by the *Rural Fires Amendment Act 2013 and the Rural Fires (Vegetation Clearing) Act 2014*
- *Road Transport Act 2013*, amended by the *Road Transport Amendment (Electronic Traffic Infringement Notices Trial) Act 2013*
- *Crimes (Domestic and Personal Violence) Act 2007*, amended by the *Crimes (Domestic and Personal Violence) Amendment Act 2013*
- *Law Enforcement (Powers and Responsibilities) Act 2002*, amended by the *Law Enforcement (Powers and Responsibilities) Amendment (Arrest without Warrant) Act 2013* and the *Crimes and Other Legislation Amendment (Assault and Intoxication) Bill 2014*
- *Law Enforcement (Powers and Responsibilities) Act 2002*, amended by the *Law Enforcement (Powers and Responsibilities) Amendment Act 2014*
- *Law Enforcement and National Security (Assumed Identities) Act 2010*, amended by the *Law Enforcement and National Security (Assumed Identities) Amendment Act 2013*
- *Surveillance Devices Act 2007*, amended by the *Surveillance Devices Amendment (Mutual Recognition) Act 2013*
- *Surveillance Devices Regulation 2014* [made]
- *Bail Act 2013* was amended by the *Bail (Consequential Amendments) Act 2014*
- *Combat Sports Act 2008* remade as *Combat Sports Act 2013*
- *Police Regulation 2008* amended by the *Police Act 1990 – Police Amendment (Total and Permanent Disability Scale) Regulation 2013, Police Amendment (Interference with Test Results) Regulation 2013* and *Police Amendment (Employment) Regulation on 2013 and Police Amendment (Police Promotions) Regulation 2014*.
- *Rural Fires Regulation 2008* was replaced by the *Rural Fires Regulation 2013* and subsequently amended by the *Rural Fires Amendment (Bush Fire Safety Authorities) Regulation 2014*
- *Security Industry Regulation 2007* was amended by *Security Industry Amendment (Exempt persons) Regulation 2013, the Security Industry Amendment (Consequential Amendments) Regulation 2013* and the *Security Industry Amendment (Apprentices and Trainees Exemption) Regulation 2014* and the *Security Industry Amendment (Exempt Persons) Regulation (No 2) 2013*

# Ministry Structure and Performance

The Ministry for Police and Emergency Services consists of the following two divisions:

- Policy and Finance Division is responsible for policy and legislative development, parliamentary support, finance and corporate governance
- Counter Terrorism and Disaster Resilience Division is responsible for emergency management policy, including counter terrorism and operational functions relating to disaster welfare and response and recovery.

## Policy and Finance Division

### Service description

This service group is comprised of the Ministerial and Parliamentary Support, Policy, Corporate Governance and Finance branches.

It provides independent policy advice on issues affecting the Police and Emergency Services Portfolio; support for the Ministerial and Parliamentary functions of the Minister for Police and Emergency Services; and finance and corporate governance support for the Ministry.

The Branch also liaises and coordinates across the portfolio and with external agencies.

The Policy and Finance Division contributes to the provision of independent policy advice and strategic coordination by:

- ensuring that a whole-of-portfolio perspective is considered
- working with Government to deliver, and report on, its *NSW 2021* Goals, election commitments and other policy priorities
- facilitating information flow between portfolio agencies and other stakeholders
- assisting portfolio agencies to operate in line with whole-of-government objectives and requirements.

### Service measure statistics for the full financial year of 2013-2014

Cabinet minutes developed: 32

Replies to Parliamentary Questions: 309

Ministerial correspondence actioned: 8,374

Letters responded to within the required timeframe: 95%

## Policy Branch

### Objectives

- Support for the Minister's legislative program.
- An appropriate legislative framework in which portfolio agencies can operate.
- Portfolio agencies are able to meet government priorities.

### Overview

The Policy Branch responds to specific policy directions given by the Minister by developing policy for the Police and Emergency Services portfolio within the context of the wider NSW Government policy agenda.

The Branch has developed a number of legislative and regulatory amendments to ensure that portfolio agencies have the necessary powers to effectively carry out their duties and to support the operations of other agencies. The most significant are reported in the Outcomes section below.

The Branch provides the Minister for Police and Emergency Services with independent information and analysis on matters relevant to the portfolio. Briefings and information are given throughout the year on a wide range of high level policy and budget issues, as well as more routine matters. The Ministry assists the portfolio agencies to meet Government objectives.

It liaises with other jurisdictions to monitor changes in policy and legislation and to contribute to the development of consistent, cooperative approaches to national and inter-jurisdictional crime and emergency management.

### Outcomes

#### [NSW contribution to law enforcement and emergency management matters of national significance](#)

The Policy Branch contributed to national discussions, working groups and meetings to continue developing responses to matters of national significance. The Branch also supports the Minister as a NSW representative on Ministerial Councils established by the Council of Australian Governments.

This included the former Standing Council of Police and Emergency Management which sets the agenda for the development of nationally agreed or consistent policies and strategies, and the Inter-Governmental Committee on the Australian Crime Commission. The former Minister was comprehensively briefed for the Standing Council of Police Emergency Management meetings in July and November 2013 which considered over 30 agenda items relating to police and emergency service matters as well as administrative matters. Key items related to national responses to firearms crime, cyber crime, new psychoactive substances and disaster resilience.

In December 2013, the Council of Australian Governments agreed to merge the former Standing Council of Police and Emergency Management with the former Standing Council for

Law and Justice to create the Law, Crime and Community Safety Council. The Law, Crime and Community Safety Council will assist the Council of Australian Governments by developing a national focus on fighting crime and promote the best practice in law, criminal justice and community safety, including policy, operations and service provision. The Law, Crime and Community Safety Council first met in 2014-15.

The Chief Executive Officer also represented NSW on the former National Policing Senior Officer Group and the National Justice and Policing Senior Officers Group; the Australian New Zealand Emergency Management Council and the Australia New Zealand Policing Advisory Agency. These groups hold meetings in conjunction with Standing Council of Police and Emergency Management to consider critical, nationally significant issues. Due to a governance restructure, the Ministry is no longer a member of the Australia New Zealand Policing Advisory Agency.

The National Policing Senior Officer Group and Australia New Zealand Policing Advisory Agency were held in September and November 2013. The National Justice and Policing Senior Officers Group met in April and June 2014. The Chief Executive Officer contributed to discussions on serious and organised crime, unexplained wealth and responding to alcohol-fuelled violence.

The Branch also participated in nationally important groups established by Ministerial Councils including the Cybercrime Working Group, the Working Group on Firearms and the Social Media and Law Enforcement Working Group.

#### Contribution to legislation to reduce violence fuelled by alcohol and illicit drugs

The Policy Branch was a key driver in the Government's major reforms in January and February 2014 responding to concerns about violence in public places fuelled by alcohol and illicit drugs.

This work involved both major legislative reform (including the new 'one punch' offence and abolition of intoxication as a mitigating factor in sentencing) and assisting with the development and roll out of the Sydney Central Business District Plan of Management.

In response to the tragic death of a teenager from consumption of a legal synthetic drug, the Branch worked with Health and other Justice agencies to quickly develop a legislative response that introduced a complete prohibition on the sale, distribution and promotion of psychoactive substances.

Major reforms were also undertaken into the way illicit drug exhibits are sampled and tested. The Government has adopted these proposals and legislation will follow shortly. The reforms will mean that police are no longer required to retain dangerous bulk quantities of seized drugs.

The Policy Branch also assisted with the independent evaluation of the Sobering Up Centres trial, leading to a two year extension in the operation of the Sydney City Centre.

#### Bail

In conjunction with the NSW Police Force and justice agencies, the Policy Branch helped deliver the largest overhaul of NSW's bail laws in the State's history. The new Bail Act started

on 20 May 2014. The new laws aim to deliver a simple, consistent approach to bail, with a renewed focus on managing risk and protecting the community.

### Modernising frontline police

The Policy Branch helped develop legislation to allow police to trial serving electronic infringement notices via mobile devices. During the trial, persons could elect to receive their infringement notices via email or multimedia message. The trial demonstrated significant productivity savings for the NSW Police Force. Further trials will continue throughout 2014-15.

### Combating violence

The Policy Branch developed a package of legislative reforms targeting gun and organised crime with improved powers for police to enforce Firearms Prohibition Orders and search criminal gang premises.

Reforms to domestic violence laws were undertaken to allow Sergeants to issue provisional Apprehended Domestic Violence Orders so that the immediate safety of victims is ensured.

### Police Citizens Youth Clubs

The Branch continued to provide secretariat support to a Steering Committee established to oversee the provision of an additional \$20.25 million over four years from the Government to Police Citizens Youth Clubs. In 2013-2014, the work of the Steering Committee resulted in Government announcing \$500,000 in allocated funding to the Walgett and Wingecarribee Local Governments for new Police Citizens Youth Clubs.

### Youth

The Branch assisted programs aimed at youth by:

- reforming the monitoring of people on the Child Protection Register with legislation expected to come into effect in 2014-15
- continuing to support the work of the Royal Commission into Institutional Responses to Child Sexual Abuse
- contributing to the review of the *Young Offenders Act 1997* and the *Children (Criminal Proceedings) Act 1987* participating in the Youth on Track Implementation Committee
- contributing to the NSW Government submission to the Joint Inquiry on Sentencing of Child Sexual Offenders
- contributing to whole of government work on prevention and early intervention.

### Streamlining police powers

Major changes to the *Law Enforcement (Powers and Responsibilities) Act 2002* were made which simplify police powers related to arrests, investigations and questioning.

## Rural Crime Advisory Group

The Policy Branch supports the Parliamentary Secretary for Police and Emergency Services in his role as Chair of the Rural Crime Advisory Group, which includes representatives from key groups such as Farmers NSW, Local Land Services, Department of Primary Industries, Australian Livestock and Property Agents and NSW Police Force. Meetings are held in rural centres approximately three times a year.

### *Amendments to the Child Protection (Offenders Prohibition Orders) Act 2004*

The Ministry jointly undertook a statutory review with the Department of Justice, of the *Child Protection (Offenders Prohibition Orders) Act 2004*. In 2013-14 the *Child Protection Legislation Amendment (Offenders Registration and Prohibition Orders) Bill 2013* was passed by NSW Parliament to amend the Act to implement the findings of the review.

A number of legislative amendments were made to improve the operation of the Act and further protect children from harm. These changes included giving police the power to enter and inspect the residential premises of a person on the child protection register, to verify the personal information they are required to report.

### *Amendments to the Child Protection (Offenders Registration) Act 2000*

The Ministry conducted a statutory review of the *Child Protection (Offenders Registration) Act 2000* in 2013. The *Child Protection (Offenders Registration) Amendment (Statutory Review) Bill 2014* was drafted to amend the Act to implement the findings of the review. It proposes a number of legislative amendments to improve the operation of the Act by creating additional registrable offences, clarifying reporting requirements and streamlining timeframes for reporting. The Bill is being introduced into the NSW Parliament in 2014-15.

### *Amendments to the Criminal Assets Recovery Act 1990*

In response to the Independent Commission Against Corruption's Acacia Investigation, the Policy Branch worked with the Department of Premier and Cabinet to develop amendments to the *Criminal Assets Recovery Act 1990* to expand the reach of the civil forfeiture regime.

## Industrial Awards

The Policy Branch provided the Minister with independent advice on a number of Industrial Awards in 2013-14, including those relating to police officer and fire fighter wages and death and disability benefits for fire fighters. The Branch also worked with the NSW Police Force and other Government agencies on renewing the insurance contract for the Police Death and Disability Scheme, with new benefit standards rolled out in 2013-14.

## Portfolio agency budgets

The Policy Branch assists with coordinating the development of portfolio agency budgets. In 2013-14 it provided strategic advice to the Minister on agencies' budget performance; provided a forum for Commissioners to consider strategies to meet stated budget targets without any risk to operational requirements; and general support to the Minister in relation to

funding issues. The Policy Branch also led the coordination and preparation of supporting materials for the 2013-14 Budget Estimates hearing.

### Water safety

The Policy Branch provided policy and secretariat support to the NSW Water Safety Advisory Council, which assists the Minister to allocate the Water Safety Black Spots Fund and provides expert advice to the Minister on water safety issues. In 2013-14, the Water Safety Black Spots Fund contributed towards the continuation of the project undertaking public risk safety assessments of every accessible beach and rock platform in NSW. Details on all projects funded under the Water Safety Black Spots Fund are available at [www.watersafety.nsw.gov.au](http://www.watersafety.nsw.gov.au).

The Branch led the implementation of the NSW Water Safety Strategy 2013-15, with a focus on initiatives that contribute to the national target of reducing drowning deaths by 50% by 2020.

The Branch also facilitated the provision of funding grants to Surf Life saving NSW and the Westpac Life Saver Rescue Helicopter (Southern Region).

## Ministerial and Parliamentary Support Branch

### Objectives

- Provide direct support to the Minister in his statutory, Parliamentary, Cabinet and other portfolio responsibilities.
- Prepare Ministerial correspondence, briefings and Parliamentary documentation.

### Overview

The Ministerial and Parliamentary Support Branch supports the Minister in his Parliamentary responsibilities and prepares correspondence and briefings for the Minister to carry out his Ministerial duties.

The Ministerial and Parliamentary Support Branch is responsible for ensuring that Ministerial correspondence and briefings are of high quality, submitted in a timely manner, are accurate, and comply with Government directions. To meet these goals, regular liaison is maintained with the Minister's Office and portfolio agencies.

The Branch administers Ministerial grant disbursements made by the Minister. These are made to provide financial assistance to community groups and other organisations working to reduce crime, improve community safety and support emergency services.

### Outcomes

#### Ministerial correspondence

The Ministerial and Parliamentary Support Branch co-ordinates and prepares correspondence for the Minister for Police and Emergency Services. It also prepares briefings for various functions and other purposes, including visits by the Minister and the Premier to regional and metropolitan centres in NSW.

The Branch processed 8,374 items of Ministerial correspondence for the reporting period.

#### Parliament

The Branch monitors Parliamentary Questions and speeches relevant to the Police and Emergency Services portfolio and provides responses as required.

In consultation with relevant policy officers and agency staff, the Branch coordinated and drafted Legislative Assembly and Legislative Council Questions on Notice, Questions without Notice, and Budget Estimates responses.

The Branch also monitored and recorded Private Members' Statements and Adjournment Debates. For the reporting period these included:

<b>Legislative Assembly</b>	<b>Question on Notice</b>	<b>Question Without Notice</b>	<b>Private Members Statement/Adjournment Debates</b>
	107	4	42
<b>Legislative Council</b>	<b>QON</b>	<b>QWN</b>	<b>PMS</b>
	43	368	14
<b>Totals</b>	<b>150</b>	<b>372</b>	<b>56</b>

During the reporting period, Parliamentary briefings were also prepared to provide regular updates for the Minister during the reporting period.

#### Portfolio overseas travel

The Minister for Police and Emergency Services must approve all overseas travel applications within the portfolio. The Branch processed portfolio applications for overseas travel and provided briefings to the Minister on travel requests. No overseas travel by Ministry staff was undertaken in this period.

#### Ministerial grants program

The Branch administered the Ministerial grants program which included assessing grant proposals against established criteria.

The total allocation of grants for the reporting period was \$323,755. The details of the recipient organisations and other grants for the full financial year are included in Appendix B – Ministerial Grants 2013-14.

## Finance and Corporate Governance Branches

### Objectives

- To support the work of the Ministry by providing a broad range of finance and corporate services.
- To support the work of Fire & Rescue NSW, the NSW Rural Fire Service and NSW State Emergency Service by collecting funding contributions.

### Overview

The Finance Branch and Corporate Governance Branch support the work of the Ministry by providing a broad range of corporate services. These services include administrative, finance, human resources, risk management and information and communications technology support.

The Finance Branch also supports Fire & Rescue NSW, the NSW Rural Fire Service and the NSW State Emergency Service by collecting funding contributions from the insurance industry and local councils.

### Outcomes

#### Corporate systems, policies and procedures

The Corporate Governance Branch continued to develop and support the Ministry's corporate systems, procedures and policies by implementing and/or revising the following policies:

- Code of Conduct
- Corporate Plan
- Fatigue Management Framework
- Overtime Policy
- Mobile Telecommunications Device Policy
- Social Media Policy
- Information Classification Guidelines
- Digital Information Security Policy
- Staff performance planning system.

#### Financial management

The Finance Branch developed and supported the Ministry's financial management by implementing a range of financial policies. These included:

- Internal Controls Certification signed by the Executive Directors, Directors and Senior Managers
- Engagement and Use of Consultants Finance Circular Catering for Meeting Finance Circular
- Dual Purpose Travel Finance Circular
- Budget Process Guidelines Finance Circular (revised).

## Strategic initiatives

During the reporting period both branches worked to support strategic initiatives to enhance the Ministry's operations. These included the commencement of the *Government Sector Employment Act 2013*, training for the majority of staff members in 'Plain English' writing, and project managing the relocation of the Ministry's three existing offices to a single office, which will occur in 2014-15.

## Audit and risk

The Audit and Risk Committee held four meetings during the year. The Ministry's organisational risk assessment was updated and the internal audit program included audits and reviews of the following in 2013-14:

- Grants Management
- Governance Health Check
- Human Resources Health Check
- Information and Communication Technology Environment Controls
- Procurement & Expenditure
- Emergency Services Contributions.

The Ministry collected \$830 million in contributions from the insurance industry and local councils on behalf of Fire & Rescue NSW, the NSW Rural Fire Service and the NSW State Emergency Service.

The Ministry implemented SAP for contribution schemes during the reporting period, which has led to significant improvements in accounting processes and reporting to the client agencies.

The improvements made by the Ministry in Financial Reporting and Compliance over the past two years have resulted in an unqualified audit report from the Audit Office with no issues raised for the reporting period.

## **Counter Terrorism and Disaster Resilience Division**

### **Service description**

The Counter Terrorism and Disaster Resilience Division initiates and develops prevention, preparedness, response and recovery policies and strategies to improve the delivery of emergency management services across the State. The Division also provides executive and operational support to the State Emergency Operations Controller and the State Emergency Recovery Controller.

The Division is comprised of the following branches: Resilience and Planning; Response and Recovery; Disaster Welfare; Counter Terrorism and Boards and Committees.

### **Service measures for the full financial year of 2013-14**

Disaster Resilience Grants Projects administered: 198

State Emergency Management Committee and State Rescue Board meetings supported: 8

Support to emergency management operations: 100%

Training courses, workshops and exercises delivered: 140

## Resilience and Planning Branch

### Objectives

- Promote an all-hazards, all-agencies approach to emergency management arrangements in NSW
- Enhance the capability of the emergency management sector through training and exercises and grant funding
- Promote disaster resilient communities through mitigation funding and activities.

### Overview

The Resilience and Planning Branch develops and implements policies, programs and strategies that support and build the capability of the emergency management sector and promote disaster resilient communities. This is achieved by:

- building a better understanding of emergency risk management across the emergency management sector
- administering the Natural Disaster Resilience Program and other grant programs to support mitigation works and enhance emergency management capability
- coordinating the delivery of multi agency emergency management training courses to agencies with a role in NSW emergency management arrangements
- representing the NSW Government at national meetings and forums.

### Outcomes

#### New emergency management training modules and increased student participation

The Resilience and Planning Branch continued to fund and coordinate the development and delivery of multi agency emergency management training to NSW Government and non government agencies with a role in emergency management.

A strategic training review has resulted in the reconsideration of the emergency management multi agency training program. A new eLearning strategy was launched in October 2013; Emergency Management Overview was accessed by over 100 students per month which resulted in a total of 1150 participants accessing on-line training. A further 1258 participants attended 72 face-to-face training programs including two new face-to-face courses; Introduction to Emergency Management and Emergency Operations Centre Concepts.

In total, 2408 participants from across government and non-government organisations, with a role in NSW emergency management arrangements undertook multi agency emergency management training. This was a 40 per cent increase from the previous year.

The Resilience and Planning Branch also funded four metropolitan and two non-metro local level multi agency exercises to test emergency management arrangements, with over 300 participants attending.

### National Partnership Agreement on Natural Disaster Resilience

The new, two-year National Partnership Agreement on Natural Disaster Resilience was signed by the Prime Minister and Premier in June 2014. \$27.1 million of joint NSW/Commonwealth funding will finance the NSW Natural Disaster Resilience Program.

### NSW Natural Disaster Resilience Program

In NSW the Natural Disaster Resilience Program, administered by the Resilience and Planning Branch, funds mitigation and resilience projects relating to all types of natural disaster hazards.

Under the Natural Disaster Resilience Program there are dedicated initiatives that support the management of significant risks from specific hazards. For example, in the case of floods, the Floodplain Risk Management Grants Scheme is available, and for bush fires, the Bush Fire Risk Management Grants Scheme is provided.

Funding is also allocated for significant State level natural disaster resilience projects referred to as State Emergency Management Projects. For projects that support recruitment, retention and training of emergency management volunteers, the Emergency Volunteer Support Scheme also allocates funding. A new program, the Community Resilience Innovation Program, was developed and implemented to build disaster resilience within communities through activities that identify community needs, mobilise partners and create innovative solutions that can be grown, sustained and replicated throughout New South Wales.

During 2013-14, \$7.4 million was expended on mitigation and resilience projects. Examples of such projects include the development of flood studies and flood management plans, maintenance of fire trails and fire towers, guidelines for evacuating aged care facilities, strategies to engage Aboriginal communities in bush fire preparedness, and recruitment and training of emergency volunteers. Details on all projects funded under the Natural Disaster Resilience Program are available at:

<http://www.mpes.nsw.gov.au/ndrp>

Due to the delay in the signing National Partnership Agreement on Natural Disaster Resilience 2013-15, successful projects from the 2013 -14 funding round will commence in 2014-15.

### Water Safety Black Spots Fund

The Water Safety Black Spots Fund aims to reduce the rate of drowning deaths in NSW by providing funding for water safety initiatives that focus on known black spots including high risk geographic locations, population groups or activities associated with drowning or near drowning. Funding of up to \$2 million each year is available for 2011-2015.

In 2013-14, the Minister approved \$2 million for 16 projects.

Funded activities included: training of Aboriginal swim teachers to provide swimming lessons for Aboriginal communities in rural NSW, swim instruction and surf awareness for culturally

and linguistically diverse communities in Sydney and regional NSW, boating safety lessons for young people, a campaign for young people to raise awareness of the dangers of water and alcohol, and a review of boating safety radio communication infrastructure. An additional \$1 million was also made available to Surf Life Saving NSW to enhance their rescue capabilities. Details on all projects funded under the Water Safety Black Spots fund are available at [www.watersafety.nsw.gov.au](http://www.watersafety.nsw.gov.au).

#### Community Engagement Stakeholder Group

The Resilience and Planning Branch continued to convene the Community Engagement Stakeholder Group comprising senior representative from Emergency Services agencies, NSW Police Force, NSW Health, Red Cross, NSW Department of Primary Industries and Local Government NSW. The group functions as an expert panel on community resilience and engagement, informs the development of policy, programs and tools and provides advice on State and national resilience and community engagement matters.

#### Resilient Australia Awards

The Resilient Australia Awards are sponsored by the Commonwealth Attorney-General's Department in conjunction with State and Territory Governments. The Awards recognise innovative practices and achievements that are making our communities safer, stronger, more resilient and better prepared to manage any emergency situation. The Resilience and Planning Branch coordinates the NSW component of the Awards which were held in December 2013.

## Response and Recovery Branch

### Objectives

- Support and empower local and regional community engagement activities to strengthen recovery from natural disasters in line with the NSW State Recovery Plan.
- Lead and support a strategic approach to response and recovery activities across NSW through engagement of key agency members of the NSW State Disaster Recovery Advisory Group and the NSW Recovery Funding Group.
- Provide grants assistance for recovery through the administration of the NSW Disaster Assistance Guidelines and the Natural Disaster Relief and Recovery Arrangements in partnership with the Commonwealth and other key stakeholders at the State, regional and local level.
- Manage the State Emergency Operations Centre.

### Overview

Specifically, the Branch:

- provides operational support to the State Emergency Recovery Controller and Deputy State Emergency Recovery Controller
- develops and maintains recovery policies, plans and procedures
- manages the State Emergency Operations Centre
- provides high level advice on emergency response and disaster recovery matters to the Minister for Police and Emergency Services, the Ministry's Chief Executive Officer, the State Emergency Recovery Controller, the State Emergency Operations Controller and the Deputy State Emergency Operations Controller
- provides executive support to the State Disaster Recovery Advisory Group
- supports the NSW State Emergency Management Committee including Functional Area Committees and working groups
- represents NSW at national, State, district and local level forums as required
- contributes to the development and delivery of training and exercises
- contributes to developing and maintaining emergency plans.

## Outcomes

### Blue Mountains bush fire recovery

The Response and Recovery Branch undertook a major role in the NSW Government's relief and recovery operation of the Blue Mountains bushfires where 197 properties were destroyed and 110 properties partially damaged.

The scale, duration and complexity of this natural disaster, the largest experienced in NSW in over a decade, was matched by the scale and duration of the NSW Government's relief and recovery operation. The Response and Recovery Branch's operational role alone commenced in October 2013 and lasted approximately 5 months before handover to the Blue Mountains City Council for the longer term recovery.

\$13.6 million in funding was provided by the Commonwealth and NSW Governments under the Natural Disaster Relief and Recovery Arrangements, and was for a range of packages for people directly affected by the fires for clean up, disposal operation and support for the community's ongoing recovery.

The Government provided support through the establishment of Evacuation Centres, a Recovery Centre, a Mobile Recovery Service and a Bushfire Information and Support Centre which operated until 18 March. Other operations included the removal of asbestos, concrete slabs and dangerous trees on fire affected properties. The Commonwealth Government also made available the Australian Government Disaster relief Payments for residents whose homes were destroyed or sustained major damage.

In the clean-up process the Government ensured that:

- there were no charges for water used by Blue Mountains residents to defend their homes during the bushfires
- fees to replace documents such as birth certificates and driver's licences were waived
- levies for people taking bushfire waste to the tip were waived
- low income earners were able to access disaster relief grants for essential household contents and for structural repairs.

The Government continues to work with the Blue Mountains community as it recovers from the fires. A Local Recovery Committee has been established and is represented by a range of Government agencies and chaired by the Council's Mayor.

The Blue Mountains Bush Fire Grants program was launched on 7 May 2014. Under this program organisations apply to various Government agencies, including the Ministry, for funding to implement innovative social or economic projects that will benefit the bush-fire-affected Blue Mountains community.

This program is designed to aid social recovery, drive economic growth and build community preparedness for the future. It is primarily funded by the NSW and Commonwealth Governments under the Natural Disaster Relief and Recovery Arrangements and is part of the \$1.8 million Community Recovery Package for the Blue Mountains, announced on 14 February 2014.

### NSW recovery strategy

The Response and Recovery Branch implemented a range of activities in 2013-2014 aimed at strengthening NSW recovery arrangements.

A State Recovery Operations Manual has been drafted and Recovery Centre Guidelines have been produced. A State Recovery Plan is under development.

A Local Government Recovery Toolkit was developed to assist Local Councils provide effective emergency recovery operations.

### State recovery exercise

During the reporting period, planning commenced for a State Recovery Exercise, which was being planned for September 2014, to test recovery arrangements using the scenario of Hawkesbury-Nepean flooding.

### Inter-agency recovery coordination at local level

To assist in building the Ministry's operational capacity and capability the Response and Recovery Branch developed:

- an internal Recovery Deployment Manual and Deployment Kit
- the Recovery Surge Training package for staff seconded to recovery operations.

A Recovery Surge e-learning package was also developed in collaboration with the Training and Capability Branch.

### Interagency impact assessments

The NSW Impact Assessment Project was undertaken by the Response and Recovery Branch to establish a multi-agency integrated, whole-of-government approach to data collection during emergencies.

The outcome of this project is the development of the draft Impact Assessment Data Management Framework which is due to be finalised in late 2014.

### Disaster Assistance Guidelines

A review of the Disaster Assistance Guidelines was undertaken during the reporting period to assist improving the communication and understanding of assistance available across local councils and other key stakeholders.

The purpose of the review was to:

- implement the recommendations from the NSW Natural Disaster Expenditure and Governance Review, for which work is underway
- align the Disaster Assistance Guidelines with Commonwealth Government policy
- reflect the changes contained in the National Disaster Relief and Recovery Arrangements
- present the Disaster Assistance Guidelines in a more 'user friendly' way.

### Natural disaster declarations and grant applications

The Response and Recovery Branch is responsible for the high level coordination of the NSW Disaster Assistance Arrangements, including Natural Disaster Declarations and the activation of disaster assistance. The Branch continued to act as the single point of contact with the Commonwealth Government in relation to disaster assistance policy, ensuring that processing was timely and efficient.

### State Emergency Operations Centre maintains a state of readiness

The Response and Recovery Branch continued to manage the State Emergency Operations Centre to ensure a state of readiness and so that the State Emergency Operations Controller can discharge their functions under the *State Emergency and Rescue Management Act 1989* (as amended).

Key responsibilities included:

- monitoring actual or potential emergencies impacting on NSW or that may require NSW resources
- coordinating requests for support to and/or from other states, territories and/or the Commonwealth Government
- maintaining State Emergency Operations Centre procedures, plans and arrangements
- training State Emergency Operations Centre After Hours Duty Officer personnel and liaison officers
- maintaining 24/7 operational capabilities
- developing, maintaining and managing the State Emergency Operational Centre Operational Information System on a daily basis
- supporting the recovery function in NSW.

## Disaster Welfare Branch

### Objectives

To coordinate the Welfare Services Functional Area and ensure the prompt delivery of welfare services to people affected by disasters across NSW.

### Overview

The Ministry for Police and Emergency Services is the coordinating agency responsible for the Welfare Services Functional Area. The Disaster Welfare Branch undertakes overarching management of disaster welfare preparedness activities including training and operational responses to disaster events.

The disaster welfare response is delivered at the local level by NSW Department of Family and Community Services staff by establishing evacuation centres and conducting community outreach visits. Non-government agencies in the Welfare Services Functional Areas provide specific services to people affected by disasters. These community partner agencies are the Australian Red Cross for personal support and outreach; Adventist Development and Relief Agency for emergency accommodation; the Salvation Army for catering; and Anglicare for material aid and general support.

The Disaster Welfare Branch administers the Personal Hardship and Distress component of the NSW Disaster Relief Scheme and assesses and determines grants for essential home contents and structural repairs. This service is delivered by Disaster Welfare Alumni in Recovery Centres or other venues within impacted communities. The Branch also operates the 1800 Disaster Welfare Assistance Line throughout the year.

### Outcomes

#### Response to disaster events

##### *Number and Type of Disaster Welfare Services*

Type of Disaster	2011-12	2012-13	2013-14
Natural	19	20	19
Other	9	4	4
<b>Total</b>	<b>28</b>	<b>24</b>	<b>23</b>

During the 2013-14 financial year, the Disaster Welfare Branch responded to 23 discrete events. These were 15 bushfires, four storms and four non-natural events. Evacuation centres were required at thirteen of the bushfires. The largest deployment for the year was from 16-23 October 2013 when the Welfare Services Functional Area responded to bushfires that originated in Lithgow and Springwood causing major destruction and damage to over 300 homes.

Due to a range of bushfires evacuation centres were opened in 18 locations with 3,458 people registered. 249 people were accommodated onsite and another 292 accommodated by commercial providers. Outreach visits were also conducted to 5,132 homes in the greater Blue Mountains area.

Significant staff resources were deployed including (FTE):

- 201 Family and Community Services staff
- 22 Ministry for Police and Emergency Services staff
- 59 Ministry for Police and Emergency Services Disaster Welfare Alumni staff
- 83 staff from other government departments (State and Commonwealth)
- 528 Welfare Services Functional Area staff and volunteers.

During the Blue Mountains operation there were 288 requests for disaster welfare assistance at the Springwood Recovery Centre and six in the Hunter. 21 applications for Disaster Relief Grants were received. This number was considered low as most of the damaged and destroyed homes were insured, at least to some extent. One application was for a total rebuild and has been approved.

On 8 November 2013, the Disaster Welfare Branch set up the Step by Step Blue Mountains Bushfire Support Service in Blaxland in conjunction with Gateway Family Services, a service of the Uniting Church of Australia. This service was established in close consultation with Family and Community Services, NSW Treasury and the Blue Mountains Recovery Committee and was funded by the NSW and Commonwealth Governments through the Ministry for Police and Emergency Services under the terms of the Natural Disaster Relief and Recovery Arrangements.

At the peak of the Step by Step operations, a team of eight staff, mostly part time, were engaged. They continued working on the active caseloads that had previously been managed by the Alumni staff as their deployments finished.

As at 30 June 2014, 523 households had received assistance from Step by Step. The main referral sources to the service came from local neighbourhood centres, local council, Red Cross, Habitat for Humanity, school counsellors and self referrals. Key services provided were crisis counselling, information and advocacy, material assistance, financial support, family counselling and liaison with the local council.

Referrals to external agencies focused on grants from non-government agencies and the local council, psychological services from the local Medicare, generalist counselling services, and material assistance from service clubs. Clients accessed these services via telephone, face-to-face conversations in offices/homes/community settings, community meetings and activities, email, and/or Facebook.

*Client statistics as at 30 June 2014 (Source: Step by Step Progress Report, June 2014)*

Number of <i>current</i> active client households	405
Number of <i>current</i> closed client households	109
Total number of referrals made	5,387
Number of "no follow up" client contacts	198
Total number of client contacts	5,766
<b>TOTAL No OF CLIENT HOUSEHOLDS</b>	<b>523</b>

The University of Newcastle Centre for Rural and Remote Mental Health has commenced an evaluation of this service.

### Non-Government partner agency funding

Welfare Services Functional Area Community Partner agencies received \$200,000 of allocated funding to train their volunteers to ensure that their capability to provide core services could be maintained. These organisations also accessed other grants programs to implement projects that further enhanced the quality of their services, such as the inter-agency evacuation centre exercise project that was held across nine sites in New South Wales.

A Memorandum of Understanding between each of the four Community Partner agencies the Ministry for Police and Emergency Services Disaster Welfare Services was developed collaboratively.

### Training – staff and volunteers

Disaster Welfare Services delivered 41 training courses to approximately 550 Welfare Services Functional Area agency staff and volunteers.

A strategic objective of the overall training program was to focus on Family and Community Services staff who were new to Disaster Welfare operations. Central Office policy staff were also trained to ensure that the capacity for larger, more protracted operations could be retained, whilst minimising disruption to their core services to the community at the time of a disaster.

Recruiting for functional area coordinator and deputy coordinator roles in the 15 new Family and Community Service districts was also a key focus. These senior staff attended induction workshops and were given resource kits on Managing Evacuation Centres to help them strategically plan for disaster welfare response in their districts.

This strategy has significantly strengthened NSW's disaster welfare response capability throughout the State and has diversified the resource base as it now includes Ageing and Disability, and Housing NSW staff in addition to core Family and Community Services staff.

An e-learning module on Disaster Welfare Services was thoroughly tested and evaluated, and will be launched through the Ministry for Police and Emergency Services website early in the 2014-15 financial year. This will enable baseline knowledge to be obtained in advance of face-to-face training, allowing for more experience and skills based training to be delivered.

### Disaster welfare alumni

Additional Disaster Welfare Alumni staff were recruited during the reporting period which brought the total number of Alumni staff to 40. The majority of Alumni were deployed during the peak of the bushfire season, from October-November 2013. Due to the major loss of homes in the Blue Mountains, the Alumni provided enhanced services in the Recovery Centre, from 25 October to 22 November 2013.

They conducted psychosocial initial assessments to ensure that residents had access to all essential assistance and an opportunity to debrief on their experience and loss. Subsequently Alumni carried out two waves of follow up telephone outreach to provide support and links to the newly established support service, and to ensure residents had information about all donated goods and services.

A combined de-brief and development session for all Alumni was held in late November 2013.

#### State Welfare Services Committee

The Disaster Welfare Branch convened regular State Welfare Services Committee meetings during the reporting period. The Committee is comprised of representatives from Government and non-government agencies that help deliver disaster welfare services. During 2013-14 the Committee reviewed the October 2013 bushfires welfare and recovery responses in collaboration with the Response and Recovery Branch, the Step by Step Bushfire Support Service, and the disaster welfare response to the Hazelwood Mine Fire in Morwell, Victoria.

The Welfare Services Functional Area Supporting Plan was revised in close consultation with emergency management and welfare stakeholders. The Welfare Services Functional Areas participated actively in the development of the NSW Emergency Management Plan through the Evacuation Management Guidelines and Major Evacuation Centre Guidelines. These three documents were endorsed by the State Emergency Management Committee in June 2014.

## Counter Terrorism Branch

### Objectives

To lead, coordinate, develop and implement policies and projects relating to the prevention, preparedness, response and recovery from a terrorist incident.

### Overview

The Counter Terrorism Branch works closely with NSW Government, Commonwealth and other state and territory government agencies, businesses and the community in relation to counter terrorism initiatives, strategies, projects and arrangements.

The Counter Terrorism Branch undertakes on the Minister's behalf the design and management of innovative and sensitive projects that require coordination of government agencies and resources. These subject areas are complex in that they involve all tiers of government and multiple agencies to deliver services to a wide range of stakeholders.

### Outcomes

#### Australia New-Zealand National Counter Terrorism-Committee

The Ministry for Police and Emergency Services is a member of the Australia New-Zealand Counter-Terrorism Committee. This Committee has responsibility for coordinating an effective nationwide counter terrorism capability and meets face to face twice a year. In 2013-14, it also met several times via secure videoconference.

NSW was nominated to host the meeting scheduled for October 2013. Whilst the Counter Terrorism Branch had coordinated the arrangements for the meeting, this was postponed due to the Ministry for Police and Emergency Services' support to the bush fire situation in the Blue Mountains. The Ministry will now host the meeting in October 2014 in Sydney.

Throughout the year, the Counter Terrorism Branch also represented NSW at the Australia New Zealand Counter Terrorism sub committees, including the Capability Steering Group; Crisis Coordination and Communications Capability Sub Committee; the Chemical, Biological, Radiological Nuclear Security Sub Committee and the Countering Violent Extremism Sub Committee.

#### Strategic review of NSW counter terrorism capability

The Counter Terrorism Branch led work on the NSW Counter Terrorism Priorities Statement and Forward Work Plan that was agreed by the State Counter Terrorism Committee and endorsed by Cabinet Standing Committee on Counter Terrorism and Emergency Management. This work followed recommendations from the strategic review of NSW counter terrorism capabilities and governance arrangements completed in 2012-13 by the Ministry.

#### NSW Counter Terrorism Plan

The Counter Terrorism Branch supports the NSW Police Force's Counter Terrorism and Special Tactics Command to monitor, review and update the NSW Counter Terrorism Plan as required. A formal review of the NSW Counter Terrorism Plan was conducted in 2013 and an updated

version was approved by the Cabinet Standing Committee on Counter Terrorism and Emergency Management in December 2013.

### Countering violent extremism

The Ministry for Police and Emergency Services is a member of the Countering Violent Extremism Sub Committee of the Australia New Zealand Counter Terrorism Committee and a number of relevant working groups.

The Ministry chaired the NSW Countering Violent Extremism Advisory Group. The group reports to the State Counter Terrorism Committee and oversees the NSW Government approach to countering violent extremism and the radicalisation of at-risk individuals. The group was convened twice during 2013-14.

In 2013-14, the work of the NSW Counter Violent Extremism Advisory Group was primarily focused on developing a program to mitigate the domestic implications and local impact on community safety of Australians returning from overseas conflicts. Initially a scoping study has been commissioned for a humanitarian referral and transition program/service for Australians returning from overseas conflict zones.

### Chemicals of security concern

The Counter Terrorism Branch is a member of the National Government Advisory Group into Chemicals of Security Concern and continued to support the implementation of the National Chemical Security Management Framework during 2013-14.

In NSW, the Ministry chairs the NSW Chemical Security Advisory Group which reports to the State Counter Terrorism Committee. Relevant agencies are represented including those with regulatory responsibilities for chemicals in NSW. The Group coordinated the implementation and promotion of the voluntary National Code of Practice for Chemicals of Security Concern which was launched by the Commonwealth Government in July 2013.

### Critical infrastructure

The Counter Terrorism Branch works closely with the Protection Programs Unit in the NSW Police Force Counter Terrorism and Special Tactics Command to provide advice and assistance to owners and operators of NSW critical infrastructure.

In 2013-14, the Ministry progressed a comprehensive review of the NSW Critical Infrastructure Protection Management Framework. The revised Framework incorporates the principles of critical infrastructure protection and resilience, consistent with national arrangements.

The draft Framework has been developed and circulated to key NSW agencies via the State Counter Terrorism Committee and select critical infrastructure owners and operators for comment. The Framework will be finalised and released for public information in 2014-15.

The Counter Terrorism Branch continued to maintain the NSW Critical Infrastructure database in conjunction with NSW Police Force, to ensure accurate asset and contact information was available to emergency first responders. This database forms part of the NSW Counter Terrorism System.

## secureNSW

The Counter Terrorism Branch maintains the secureNSW website, the NSW Government's primary source of public information on counter terrorism arrangements in NSW. The Ministry provides project management for the website and secretariat support to the secureNSW Steering Committee.

The secureNSW Steering Committee is a subcommittee of the State Counter Terrorism Committee and is chaired by the NSW Police Force. The secureNSW Steering Committee's work plan is designed to increase public awareness of the NSW Government's counter terrorism arrangements and ensure the distribution of key messages to the general public.

A thorough review of the secureNSW website was commenced and will report back in late 2014.

## State Crisis Centre

The Counter Terrorism Branch maintains the equipment and facilities of the State Crisis Centre and is responsible for the standard operating procedures and readiness of the Centre. A range of training and continuous improvement activities have been completed throughout the reporting period.

## National security clearances for NSW Government personnel

The Counter Terrorism Branch is responsible for coordinating the security clearance process for non Police Force NSW Government personnel who, on a routine basis, will access, handle or store national security information. In the 2013-2014 financial year the Counter Terrorism Branch managed the vetting process and aftercare of over 100 Government personnel.

## Boards and Committees Branch

### Objectives

- To provide executive support to the State Emergency Management Committee, State Rescue Board, State Counter Terrorism Committee and other relevant committees.
- To provide executive support to the Chairs of the aforementioned committees, the NSW members of the Australia-New Zealand Emergency Management Committee and the NSW representative of the Law, Crime and Community Safety Council for issues relating to Emergency Management.
- To lead, coordinate, develop and implement policies and projects concerning emergency management.
- To develop legislation relating to emergency service organisations and emergency management.

### Overview

#### Rural Fires Amendment (Vegetation Clearing) Bill 2014

In 2013-2014, the Boards and Committees Branch initiated a significant amendment to the *Rural Fires Act 1997*. The amendment allows people who live in areas identified as being vulnerable to bush fires to clear any vegetation, including trees, within 10 metres of their home, and any vegetation, except for trees, within 50 metres of their home, provided they comply with a NSW Rural Fire Service Code of Practice.

The amending Act which contained the proposed new arrangements, the *Rural Fires Amendment (Vegetation Clearing) Act 2014* was assented to by Parliament on 24 June 2014. Referred to as the '10/50 scheme', this came into effect on 1 August 2014.

#### Resources to the Blue Mountains Bush Fires

The Branch also deployed significant resources in support of the Ministry for Police and Emergency Service's broader response and recovery operations following the Blue Mountains Bush Fires in October 2013.

#### Review of State Emergency and Rescue Management Act 1989

In April 2014, a discussion paper in support of the statutory review of the State and Emergency Rescue Management Act was released. Submissions closed on 1 May 2014. The Ministry is currently analysing submissions with a view to presenting the State Emergency Management Committee and the State Rescue Board with a package of amendments in 2014-15 for approval.

### State Rescue Policy Review

A review of the NSW State Rescue Policy commenced in May 2014. This is a complete review and takes into account changes endorsed by the State Rescue Board and any proposed amendments arising from the statutory review of the *State and Rescue Emergency Management Act*. This work is ongoing into 2014-15.

### State Emergency Management Committee

The Boards and Committees Branch works closely with the Chairs and respective members of the State Emergency Management Committee and State Rescue Board to ensure their efficient and effective operation.

The State Emergency Management Committee met four times during the reporting period. The Committee is established under section 14 of the *State Emergency and Rescue Management Act 1989*, and brings together agencies responsible for the response and recovery of emergencies in New South Wales. Member agencies include the emergency services organisations as well as supporting agencies including NSW Health, Transport for NSW and NSW Treasury.

It is the Committee's role to facilitate strategic State level emergency management capability through inter-agency coordination, cooperation and information sharing arrangements.

The Branch also develops the Annual Report for the State Emergency Management Committee.

### State Rescue Board

The State Rescue Board is also established under the *State Emergency and Rescue Management Act 1989*. The Commissioners of the NSW Rural Fire Service, NSW State Emergency Service, Fire & Rescue NSW, the NSW Volunteer Rescue Association and Marine Rescue NSW are members, as is the State Emergency Operations Controller from NSW Police Force and the State Superintendent of NSW Ambulance.

The primary function of the Board is to ensure the maintenance of efficient and effective rescue services throughout the State. To streamline operations, the Board now meets immediately following the State Emergency Management Committee meeting. It too met quarterly during the 2013-2014 reporting period.

The Boards and Committees Branch also provides executive support to the State Rescue Board Policy Advisory Committee. The Policy Advisory Committee was established to consider and provide advice to the State Rescue Board on rescue policy and other issues as requested. The Committee comprises senior representatives of emergency service agencies and organisations.

The State Rescue Board has also established several working groups to assist in the exercise of its functions:

- State Rescue Policy Review Working Group
- Rescue Training Working Group
- Vertical Rescue Working Group
- Rural Service Delivery Model Working Group
- Rescue Data Working Group.

The Unit also develops the Annual Report for the State Rescue Board.

#### State Counter Terrorism Committee

The State Counter Terrorism Committee has responsibility for the oversight and development of the State's preparedness for preventing, responding to and recovering from acts of terrorism. In late 2013, the Boards and Committees Branch became responsible for the Committee's secretariat function. The Committee met three times in the reporting period.

#### Annual pre-season briefing with Emergency Management Australia

Each year Emergency Management Australia provides a half day briefing to NSW on preparedness for the disaster season ahead. The session includes presentations from Emergency Management Australia, Bureau of Meteorology, Geoscience Australia, the Australian Defence Force and NSW emergency service agencies.

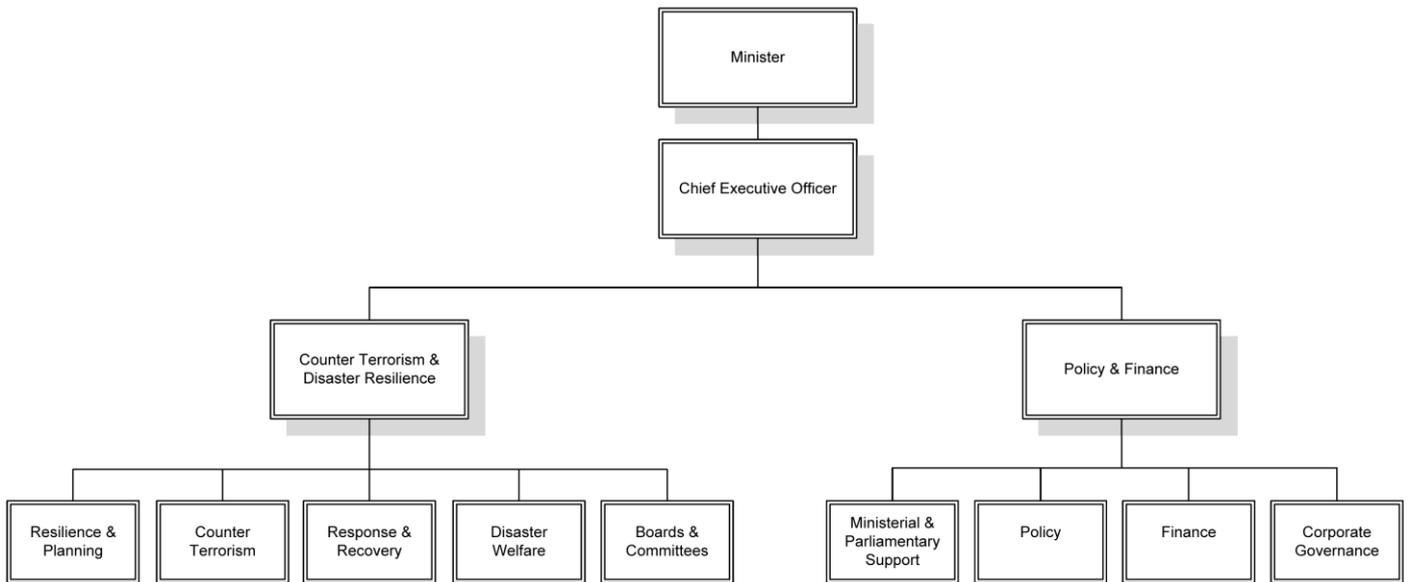
The 2013 briefing was held on 17 September. The Boards and Committees Branch worked with Emergency Management Australia on the coordination of the briefing and provided secretariat support for the session as well as dissemination of the information as required.

Pre-season briefings from NSW agencies to Government or other organisations are coordinated from the Boards and Committees Branch as required.

# Human Resources

## Organisational structure

The Organisational Chart shows the Ministry for Police and Emergency Services' structure as at 30 June 2014.



## **Senior Staff Profiles**

The Chief Executive Officer is responsible to the Minister for the strategic direction and efficient operation of the Ministry. The Ministry provides a single source of advice and coordination in the Police and Emergency Services portfolio.

The Divisions that support the Chief Executive Officer are the Counter Terrorism and Disaster Resilience Division and the Policy and Finance Division.

### **Vicki D'Adam, Chief Executive Officer**

Ms D'Adam was appointed Acting Chief Executive Officer in July 2013 and Chief Executive Officer in October 2013. Ms D'Adam was formerly Deputy Director-General in the Department of Premier and Cabinet. She also held a range of positions in The Cabinet Office and the Commonwealth public sector.

### **Mary-Louise Battilana**

Ms Battilana has been the Executive Director, Policy and Finance Division since the Ministry was established. Ms Battilana was formerly Policy Director of the Law Enforcement Policy Branch in the Department of Premier and Cabinet. She has held management positions in a number of agencies.

### **Feergus O'Connor**

Mr O'Connor has been the Executive Director, Counter Terrorism and Disaster Resilience since the Ministry was established in April 2011. Mr O'Connor was previously a Director in the Department of Premier and Cabinet, Security and Recovery Coordination Branch. He has held management positions in a number of other agencies.

## Staff Overview

### Ministry for Police and Emergency Services staff profile and classifications

Band	2013-14		2012-13	
	Female	Male	Female	Male
Band 3 (Chief Executive Officer)	1	-	n/a	n/a
Band 2 (Executive Director)	1	1	n/a	n/a
Band 1 (Director)	8	4	n/a	n/a
Total	10	5	0	0
Band	Range (\$)	Average remuneration		
		2013-14	2012-13	
Band 3 (Chief Executive Officer)	336,851 - 422,500	389,500	n/a	
Band 2 (Executive Director)	238,301 - 259,850	259,850	n/a	
Band 1 (Director)	167,100 - 209,800	175,189	n/a	
Total				

27.6 per cent of the Ministry's employee related expenditure in 2013-14 related to senior executives. n/a - Not applicable. For the 2013-14 reporting year only, departments are not required to present a comparison with information for the previous reporting year.

Total executive salaries	3,011,468
Total MPES ERE	10,928,000
%	27.6%

Total CES/SES positions filled by women at 30 June 2014

	2013	2014
	1	2

Ministry salaries and allowances are in accordance with the *Public Sector Employment and Management Act 2002* and Crown Employees (Public Sector Salaries 2008) Award.

Percentage of Staff by Grading - Full Time Equivalent (FTE)

Remuneration level of substantive position	Total Staff Count	Men (%)	Women (%)	Aboriginal People and Torres Strait Islanders (%)	People from racial, ethnic, ethno-religious minority groups (%)	People whose language first spoken as a child was not English (%)	People with a disability (%)	People with a disability requiring work-related adjustment (%)
\$0 - \$42,625	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$42,625 - \$55,985	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$55,985 - \$62,587	2	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$62,587 - \$79,199	10	20.0%	80.0%	0.0%	0.0%	10.0%	0.0%	0.0%
\$79,199 - \$102,418	24	29.2%	70.8%	0.0%	8.3%	8.3%	0.0%	0.0%
\$102,418 - \$128,023	33	27.3%	72.7%	0.0%	3.0%	6.1%	0.0%	0.0%
\$128,023 > (Band 1)	12	33.3%	66.7%	0.0%	0.0%	8.3%	0.0%	0.0%
\$128,023 > (Band 2 & 3)	3	33.3%	66.7%	0.0%	0.0%	0.0%	0.0%	0.0%

## Equal Employment Opportunity (EEO)

The Corporate Governance Branch responds to EEO-related enquiries from the Ministry staff, the coordination of EEO related initiatives within the Ministry, recruitment according to EEO principles and the dissemination of EEO information.

### *Trends in the Representation of EEO Groups*

<b>EEO Group</b>	<b>Benchmark</b>	<b>2013</b>	<b>2014</b>
Women	50%	65.9%	70.4%
Aboriginal people and Torres Strait Islanders	2.6%	0.0%	0.0%
People whose first language spoken as a child was not English	19.0%	7.1%	7.4%
People with a disability	N/A	0.0%	0.0%
People with a disability requiring work-related adjustment	1.5%	0.0%	0.0%

### *Trends in the Distribution of EEO Groups*

<b>EEO Group</b>	<b>Benchmark</b>	<b>2013</b>	<b>2014</b>
Women	100	101	101
Aboriginal people and Torres Strait Islanders	100	N/A	N/A
People whose first language spoken as a child was not English	100	N/A	N/A
People with a disability	100	N/A	N/A
People with a disability requiring work-related adjustment	100	N/A	N/A

Note 1: A Distribution Index of 100 indicates that the centre of the distribution of the EEO group across salary levels is equivalent to that of other staff. Values less than 100 mean that the EEO group tends to be more concentrated at lower salary levels than is the case for other staff. The more pronounced this tendency is, the lower the index will be. In some cases the index may be more than 100, indicating that the EEO group is less concentrated at lower salary levels.

Note 2: The Distribution Index is not calculated where EEO group or non-EEO group numbers are less than 20.

## Disability Plan

The Ministry for Police and Emergency Services acknowledges that people living with disabilities have the same rights and entitlements as all Australians. As the Ministry provides few services directly to the general community, issues of public access to Ministry premises are not critical. Ministry premises do, however, have disabled access and facilities and the capability to provide alternatives such as teleconference when required.

## Work Health and Safety

The Ministry is dedicated to creating and maintaining a safe working environment. Open communication and trust contribute to a positive and just safety culture to ensure that our employees, contractors and visitors are safe from injury and that workplace-related illness and risks are pro-actively managed to minimise incidents.

The foundation of the Ministry's safety policy is summarised in these principles:

- good safety performance requires planning, training, consultation, supervision and accountability
- risks are identified and either eliminated or effectively managed
- all requirements of work health safety legislation are met
- we are all responsible for safety.

Further work was undertaken during the reporting period to enhance the Ministry's Work Health and Safety System.

The Work Health and Safety Implementation Team met three times in July and August 2013. The full Work Health and Safety Committee was formed at the end of 2013 and met four times in the first half of 2014. A Health and Safety Representative was also appointed and with the Work Health and Safety Committee Chair and First Aid Officer, was provided with training.

A range of projects, programs and initiatives aimed at improving workplace health and safety were implemented throughout the year.

These included:

- updated of the Workplace Health and Safety System Targets and Objectives document
- update of the Communications Plan was updated
- commencement of a program of regular workplace health and safety site inspections
- a workplace health and safety risk assessment was conducted and the development of the Workplace Health and Safety Guidelines for Fieldwork continued
- Fatigue Management Guidelines were developed and published on the Ministry's intranet
- Safe Distance Driving Guidelines and a Driver Fatigue Risk Assessment tool were developed
- the procedures for Notifications of Illness, Injury, Exposure and Near-Miss were re-promoted to employees.

No notifications of illness, injury, exposure or near-misses were received during the reporting period.

# Organisational Management

The Ministry for Police and Emergency Services aims to be an organisation that facilitates and encourages the achievement of Government and Ministry objectives.

## **Ethics and Values**

The Ministry for Police and Emergency Services' mission is to enhance community safety and resilience in New South Wales. Employees of the Ministry demonstrate to the Government and people of New South Wales a standard of conduct and ethics in the performance of our duties that maintains confidence and trust.

The Ministry Code of Conduct establishes standards of behaviour expected of staff and provides guidelines on solving ethical issues which may arise in the course of their duties.

The principles and values underlying the Code are that:

1. We will have respect for the law and the system of government
2. We will respect all people
3. We will act with honesty and integrity
4. We will use Ministry resources with efficiency and economy

The Ministry upholds the ethical framework for the public sector and the Ministry's Corporate Plan reflects the public sector core values of: integrity, trust, service, and accountability.

## **Guarantee of Service**

The Ministry for Police and Emergency Services values integrity and teamwork. It takes pride in every member of staff fulfilling their commitment to provide a high quality of service for the purposes of the Minister.

Ministry officers undertake to lawfully discharge this duty with integrity, accountability, honesty, fairness and equity. In addition, Ministry officers at all times act to ensure that they are responsive to community needs and maintain the utmost respect for individual differences, rights and freedoms.

## **Consultancies**

The Ministry engages consultants for specialised work or reviews where there is no in-house expertise.

The Ministry did not engage any consultants equal to or greater than \$50,000 during the reporting period.

Table A: Consultants Engaged for Less than \$50,000

Category	Count	Cost
Legal	3	44,703
Management Services	3	23,248
Staff Welfare	1	607
		<b>68,558</b>

### Consumer Response

The Ministry has not received any formal complaints or suggestions about its services. The Chief Executive Officer deals with service quality issues, in consultation with the Minister, as they arise.

### Privacy Management

The *Privacy and Personal Information Protection Act 1998* aims to protect the privacy of individuals from the inappropriate collection, storage, use and disclosure of personal information by NSW public sector agencies. It is based on 12 information principles which establish the acceptable standards for using personal information in appropriate ways. The Ministry has a Privacy Management Plan to provide guidance to Ministry staff in relation to information privacy.

### Multicultural Policies and Services Program

The Ministry for Police and Emergency Services recognises that it operates within a culturally diverse society.

The Ministry understands that supporting staff members from culturally diverse backgrounds provides improved customer service outcomes. The Ministry, for example, provides leave as required to *observe* days of *religious* significance, and supports the development of language and writing skills in plain English.

While most of the Ministry's services are not delivered directly to community members, a number of Ministry programs do have direct impacts on the community. For example, the majority of the Ministry's post-disaster welfare services are delivered by employees and volunteers from Family and Community Services and partner agencies. These people are, for the most part, locally-based. Staff and volunteers come from many different backgrounds and speak numerous languages. They are culturally competent and able to arrange interpreters as required.

The Ministry works with the Community Relations Commission for a Multicultural NSW (Multicultural NSW) to address the needs of the diverse community. Multicultural NSW is represented on several committees and working groups which are supported by the Ministry.

Planning and preparedness in disaster welfare includes consideration of culturally diverse groups at local government level and arrangements for appropriate support such as involvement of Islamic, Buddhist and Jewish community welfare and religious organisations.

Partner organisations responsible for emergency catering are well versed in arranging appropriate food for specific groups, for example in evacuation centres.

The Disaster Recovery Chaplaincy Network, affiliated with Disaster Welfare Services, engages chaplains from all faiths as above. These trained clergy provide pastoral care and psychological first aid within impacted communities.

The grants programs administered by the Ministry ensure the whole community has access to services and programs. The Water Safety Black Spots Fund has, since 2011-12, funded a variety of programs which directly target specific sections of the community. The rock fishing safety program delivers education in several, targeted community languages. Similarly, the learn-to-swim, water safety and life-saving programs are targeted to culturally and linguistically diverse groups and communities.

The Ministry also works closely with Multicultural NSW to support and engage with communities that are affected by foreign conflicts. The Ministry promotes cohesion and tolerance within the community.

The Ministry, via the Council of Emergency Volunteers, hosted a stall at the Eid Festival (end of Ramadan celebrations) to promote emergency management volunteering within Muslim communities.

The Ministry will continue to ensure it serves the whole of the NSW community in 2014-15 through the programs outlined above.

### **Waste Reduction and Purchasing Policy**

The Ministry for Police and Emergency Services acts in accordance with the Government's Waste Reduction and Purchasing Policy. The Ministry uses practices to save paper by maximising the use of email, computer-generated forms and the internet. Ministry employees use recycled paper, where practicable, and recycled toner in printers and copiers. All waste paper is recycled.

The Ministry also makes information available to the public through several websites that it administers. These are:

- [www.mpes.nsw.gov.au](http://www.mpes.nsw.gov.au)
- [www.watersafety.nsw.gov.au](http://www.watersafety.nsw.gov.au)
- [www.secure.nsw.gov.au](http://www.secure.nsw.gov.au) (a joint initiative of the Ministry and the NSW Police Force)

### **Public Interest Disclosures**

The Ministry received no public interest disclosures in the reporting period.

# Financial Management

## **Financial Summary 2013-14**

The Ministry's financial performance in the reporting period was sound. The Ministry operated within its approved expense budget, including the labour expense cap of \$11.1 million.

The Ministry's Net Result for the year of \$4.7 million was unfavourable compared to budget, however this was due to the Ministry and The Treasury agreeing that the Ministry should use unspent monies from previous years and reduce current year cash draw downs (grant revenue).

## **Auditor-General's Opinion**

The Auditor-General expressed an unmodified opinion on the Ministry's annual financial statements and he did not report any significant matters in his Statutory Audit Report to the Treasurer or Minister.

The Ministry has also adequately addressed all recommendations from the 2013 Management Letter.

## **Major Assets**

The Ministry's major assets include office fit-outs and equipment such as photocopiers and Private Automatic Branch Exchange (PABX) telephone system.

## **Credit Card certification**

The Ministry has a Corporate Credit Card Policy which complies with The Treasury's Policies and Guidelines and Treasurer Directions. Cardholders are required to observe and discharge their responsibilities in accordance with the Policy. The use of approved credit cards for expense payments was satisfactory and in accordance with the Premier's Memoranda and Treasurer's Directions.

## **Risk Management and Insurance Activities**

The Ministry has appropriate insurance coverage through the Treasury Managed Fund. The Ministry's insurance coverage includes: workers compensation, motor vehicles, property, liability, and miscellaneous exposure.

## **Annual Report production**

The Annual Report production costs were kept to a minimum.

## **Overseas Travel**

No overseas travel was undertaken during the reporting period.

**Internal Audit and Risk Management Attestation for the 2013-2014 Financial Year for  
the Ministry for Police and Emergency Services**

I, Vicki D'Adam, am of the opinion that the Ministry for Police and Emergency Services has internal audit and risk management processes in operation that are, in all material respects, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 *Internal Audit and Risk Management Policy*. These processes provide a level of assurance that enables the senior management of the Ministry for Police and Emergency Services to understand, manage and satisfactorily control risk exposures.

I, Vicki D'Adam, am of the opinion that the Audit and Risk Committee for the Ministry for Police and Emergency Services is constituted and operates in accordance with the independence and governance requirements of Treasury Circular NSW TC 09/08. The Chair and Members of the Audit and Risk Committee are:

- Independent Chair: Mr Ken Barker (27 March 2012 to 27 March 2016)
- Independent Member: Mr John Stubbs (27 March 2012 to 27 March 2015)
- Non-Independent Member: Ms Mary-Louise Battilana (27 March 2012 to 27 September 2015)

  
Vicki D'Adam  
Chief Executive Officer

# Appendices

**A. Attestation**

**B. Executive performance**

**C. Ministerial Grants 2013-14**

**D. Account payment performance**

***E. Government Information (Public Access) Act 2009***

**F. Financial reports**

## A. Attestation

### **Digital Information Security Annual Attestation Statement for the 2013-2014 Financial Year for the Ministry for Police and Emergency Services**

*Each NSW Government Department and Statutory Body must include a Digital Information Security Annual Attestation Statement in its Annual Report under the section dealing with risk management and insurance activities.*

The Ministry for Police and Emergency Services has implemented an information security management system and initial security policy based on ISO 27001. A minimum security control baseline based on NSW Government Digital Information Security Policy, M2012-15 guidelines has been put in place. The Agency has conducted an independent third party review of the information security management system's current state and is tracking satisfactorily to meet the NSW Government Digital Information Security Policy, M2012-15 DISP compliance requirements.

The information security management system is being operationalised and will be progressively improved through threat and risk assessments and treatment plans to address identified control gaps.

I, Vicki D'Adam, am of the opinion that the Ministry for Police and Emergency Services had an Information Security Management System in place during the financial year being reported on consistent with the Core Requirements set out in the Digital Information Security Policy for the NSW Public Sector.

I, Vicki D'Adam, am of the opinion that the security controls in place to mitigate identified risks to the digital information and digital information systems of the Ministry for Police and Emergency Services are adequate for the foreseeable future.

I, Vicki D'Adam, am of the opinion that there are no other Public Sector Agencies, or parts thereof, under the control of the Ministry for Police and Emergency Services with a risk profile sufficient to warrant an independent Information Security Management System.

I, Vicki D'Adam, am of the opinion that, where necessary in accordance with the Digital Information Security Policy for the NSW Public Sector, certified compliance with AS/NZS ISO/IEC 27001 Information technology - Security techniques - Information security management systems - Requirements had been maintained by all or part of the Ministry for Police and Emergency Services.

The Ministry for Police and Emergency Services has also adopted the, "NSW Government Information Classification and Labelling Guidelines" and continues to incorporate requirements and changes into information systems and business processes.

## B. Executive Performance

### **SES Performance Statements and Remuneration**

There was one senior executive service officer in Band 3 and above in the Ministry for Police and Emergency Services during the reporting period. Ms Vicki D'Adam was appointed as Acting Chief Executive Officer from 1 July 2013 and confirmed as Chief Executive Officer from 3 October 2013.

Ms Vicki D'Adam  
Chief Executive Officer  
Appointed: 1 July 2013, CES Level 7  
Remuneration as at 30 June 2014: \$389,500



## The Hon Stuart Ayres MP

**Minister for Police and Emergency Services**  
**Minister for Sport and Recreation**  
**Minister Assisting the Premier on Western Sydney**

### CHIEF EXECUTIVE OFFICER'S PERFORMANCE STATEMENT

The performance of Ms Vicki D'Adam as Chief Executive Officer for the period 1 July 2013 to 30 June was satisfactory.

Ms D'Adam is an experienced, committed senior public servant and a great asset to the police and emergency services portfolio.

Ms D'Adam oversaw the implementation a number of significant policy reforms as well as the Government's response to major natural disasters. Advice on major issues affecting the police, law enforcement and emergency services portfolio continued to be relevant, timely and accurate. Legislative development of major policy initiatives and other projects was satisfactorily undertaken.

Ministerial support was of a high quality and the Ministry's finances were managed effectively.

This Annual Report represents a statement of the activities and achievements of the Ministry for Police and Emergency Services and, as such, reflects the performance of the agency's Executives.

A handwritten signature in blue ink, appearing to read 'Stuart Ayres'.

Stuart Ayres MP  
**Minister for Police and Emergency Services**  
**Minister for Sport and Recreation**  
**Minister Assisting the Premier on Western Sydney**

## C. Ministerial Grants 2013-14

<b>DISCRETIONARY FUND GRANTS : 2013-14</b>		
<b>RECIPIENT</b>	<b>AMOUNT</b>	<b>PURPOSE OF GRANT</b>
Australian Cancer Research Foundation	\$5,000	Support for 400 Thousand Steps Charity Walk
NSW Police Force	\$13,395	Information campaign for international students
Babana Aboriginal Men's Group Inc	\$10,000	Sailing Towards Community Solutions (anti family violence)
NSW Police Force - Barrier LAC	\$10,890	Production of a community calendar
NSW Police Force - State Crime Command	\$5,000	Criminal Investigation Dinner
NSW Police Legacy	\$6,000	Support to families of deceased NSWPF Officers
NSW Police Wives & Friends Support Group	\$6,000	Support for police and family members
Rotary Club of NSW	\$1,000	2013 Police Officer of the Year Awards
Bravehearts	\$5,000	support to fight child sex abuse
Tweed Valley Neighbourhood Watch	\$1,692	Office equipment / supplies
Newcastle DV Resource Centre	\$18,182	Support ongoing work of the NDVRC
NSW Police RSL Sub-Branch	\$550	2014 Anzac Day Luncheon
Police Legacy	\$5,400	1/2 page ad in issue 2 of 2013 Child Safety Handbook
Police Legacy	\$5,400	1/2 page ad in issue 1 of 2014 Child Safety Handbook
Bev Lawson Memorial Award (Zoe Ryan)	\$1,000	Top female student in Constable Education Program
Nahri (Indigenous group)	\$4,546	Indigenous Licencing and Road Safety Program
Countrywide Austral (Police News)	\$2,700	Article in Police News
NSW RFS	\$11,550	Backpacks for Remote Area Firefighting Teams
Bushwalkers Wilderness Rescue Squad	\$10,000	2013 Navshield event
Marine Rescue NSW	\$30,000	Equip 73 vessels with video cameras
Rotary Club of Minnamurra Inc.	\$1,500	2013 Emergency Services Expo

RECIPIENT	AMOUNT	PURPOSE OF GRANT
Rural Fire Service	\$15,000	Annual Memorial Service for ES Volunteers
South Narrabeen Surf Life Savers Club	\$7,500	Bush to Beach Program
Bundeena RSL Sub-Branch	\$19,450	Electrical infrastructure for Bundeena RSL Memorial Club (Emergency Evac Centre)
NSW Rural Fire Service	\$16,000	Development of a research tool for Community Protection Plans
NSW Rural Fire Service	\$1,000	Orana Team bush fire awareness and skills program for rural women
NSW Rural Fire Service	\$10,000	Add RFS component to the Be Ready Warrandyte "Do You Have A Fire Plan?" video
NSW Rural Fire Service	\$600	LED Lenser torches for the Moama Rural Fire Brigade
NSW Rural Fire Service	\$1,000	Portable commercial refrigerator for the Menindee Rural Fire Brigade
NSW Rural Fire Service	\$1,400	Blinds for the Gurley Rural Fire Brigade training / muster room
NSW State Emergency Service	\$15,000	Remedial maintenance work to render safe the Culcairn regional training facility
NSW State Emergency Service	\$4,000	Kitchen equipment and office / training room furniture for Ashford Unit
NSW State Emergency Service	\$6,000	Kitchen equipment and office / training room furniture for Warialda Unit
NSW State Emergency Service	\$7,000	Signage, safety barriers and roof safety work on region training facility for Inverell Unit
NSW State Emergency Service	\$10,000	Renovations to kitchen / mess room at Unit HQ for Glen Innes Unit
NSW State Emergency Service	\$5,000	Trailer for flood rescue training resources for Hawkesbury Unit
Fire & Rescue NSW	\$10,000	Media campaign on the fire risks of wheat bags
NSW Rural Fire Service	\$20,000	Radios for Cumberland RFS
NSW Rural Fire Service	\$20,000	Radios for Macarthur RFS
<b>TOTAL : \$323,755</b>		

## D. Account Payment Performance

The provision of Accounts Payable Services for the Ministry is provided by Fire & Rescue NSW.

There have been no instances leading to payments of interest on overdue accounts under Clause 13 of the Public Finance and Audit Regulation 2010 and Treasury Circular TC 11/12.

There have been no complaints received by the Accounts Complaints Officer referred to in Clause 13 of the Public Finance and Audit Regulation 2010.

*Aged Analysis at the end of each quarter*

2013-14					
Quarter	Current (i.e. within due date)	Less than 30 days overdue	Between 30 and 60 days overdue	Between 61 and 90 days overdue	More than 90 days overdue
<b>All Suppliers</b>					
September	3,872	40,602	2,938		802
December	1,146,805	116,455	7,354		82
March	28,470	7,354			82
June	3,844				82

*Accounts due or paid within each quarter*

2013-14				
Measure	Sept	Dec	Mar	June
Number of accounts due for payment	496	398	358	428
Number of accounts paid on time	457	367	313	390
Actual percentage of accounts paid on time (based on number of accounts)	92%	92%	87%	91%
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Dollar amount of accounts due for payment	8,652	3,566	10,250	5,801
Dollar amount of accounts paid on time	8,017	2,334	8,961	4,973
Actual percentage of accounts paid on time (based on \$)	92%	65%	87%	85%
Number of payments for interest on overdue accounts	0	0	0	0
Interest paid on overdue accounts	0	0	0	0

## E. *Government Information (Public Access) Act 2009*

### **Government Information (Public Access) Act 2009 (GIPAA)**

The Ministry makes information available to the public through several websites that it administers. These are:

- [www.mpes.nsw.gov.au](http://www.mpes.nsw.gov.au)
- [www.watersafety.nsw.gov.au](http://www.watersafety.nsw.gov.au)
- [www.secure.nsw.gov.au](http://www.secure.nsw.gov.au) (a joint initiative of the Ministry and the NSW Police Force)

During the reporting period a review of information proactively released was carried out by the Ministry in accordance with section 7(3) of the Act. No additional information to be made publicly available was identified as a result of the review.

A total of seven access applications were received by the agency during the reporting year.

During the reporting period, the Ministry refused two access applications because the information requested was information referred to in Schedule 1 to the GIPA Act. Of those applications, one was refused in full, and one was refused in part.

Statistical information about the 2012-13 access applications can be found in Appendix D – Government Information (Public Access) Act 2009.

### **Public Interest Disclosures**

The Ministry received no public interest disclosures in the reporting period.

## D. Government Information (Public Access) Act 2009

### Statistical Information about Access Applications 2013-14

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

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	0	0	0	0	0	0	0	0
Members of Parliament	1	1	0	0	0	0	0	0
Private sector business	0	0	0	0	0	0	0	0
Not for profit organisations or community groups	1	0	0	0	0	0	0	0
Members of the public (application by legal representative)	0	0	0	0	0	0	0	0
Members of the public (other)	1	0	2	1	0	0	0	0

*\*More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.*

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

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications*	0	0	0	0	0	0	0	0
Access applications (other than personal information applications)	2	1	2	1	0	0	0	0
Access applications that are partly personal information applications and partly other	1	0	0	0	0	0	0	0

*\*A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).*

**Table C: Invalid applications**

Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	0
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	0
Invalid applications that subsequently became valid applications	0

**Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the Act**

	Number of times consideration used*
Overriding secrecy laws	0
Cabinet information	2
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

*\*More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.*

**Table E: Other public interest considerations against disclosure: matters listed in table to section 14 of the Act**

	Number of occasions when application not successful
Responsible and effective government	0
Law enforcement and security	0
Individual rights, judicial processes and natural justice	0
Business interests of agencies and other persons	1
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

**Table F: Timeliness**

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	5
Decided after 35 days (by agreement with applicant)	1
Not decided within time (deemed refusal)	1
<b>Total</b>	<b>7</b>

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

	Decision varied	Decision upheld	Total
Internal review	0	1	1
Review by Information Commissioner*	1	0	1
Internal review following recommendation under section 93 of Act	0	0	0
Review by ADT	0	0	0
Total	1	1	2

*\*The Information Commissioner does not have the authority to vary decisions, but can make recommendation to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made.*

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

	Number of applications for review
Applications by access applicants	0
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0

# F. Financial Reports



## INDEPENDENT AUDITOR'S REPORT

### Ministry for Police and Emergency Services

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Ministry for Police and Emergency Services (the Ministry), which comprise the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity, statement of cash flows, service group statements for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

### Opinion

In my opinion the financial statements:

- give a true and fair view of the financial position of the Ministry as at 30 June 2014, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 45E of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

### The Chief Executive Officer's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

My opinion does *not* provide assurance:

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

### **Independence**

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.



David Nolan  
Director, Financial Audit Services

22 September 2014  
SYDNEY

# Financial Statements for the Year Ended 30 June 2014

Statement by the Chief Executive Officer

## **Financial Statements**

Statement of Comprehensive Income

Statement of Financial Position

Statement of Changes in Equity

Statement of Cash Flows

Service Group Statements

## **Notes to the Financial Statements**

Note 1 Summary of Significant Accounting Policies

Note 2 Expenses

Note 3 Revenue

Note 4 Acceptance by the Crown Entity of Employee Benefits

Note 5 Gain/(Loss) on Sale of Assets

Note 6 Service Groups of the Agency

Note 7 Current Assets- Cash and Cash Equivalents

Note 8 Current Assets- Receivables

Note 9 Non-Current Assets- Property, Plant and Equipment

Note 10 Non- Current Assets- Intangibles

Note 11 Current Liabilities- Payables

Note 12 Current Liabilities- Provisions

Note 13 Commitments for Expenditure

Note 14 Reconciliation of Operating Cash Flows to Net Cost of Services

Note 15 Budget Review

Note 16 Financial Instruments

Note 17 Trust Funds

Note 18 Administered Assets and Liabilities

Note 19 Contingent Assets and Liabilities

Note 20 After Balance Date Events

## Ministry for Police & Emergency Services

### FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Pursuant to section 45F(1B) of the *Public Finance and Audit Act 1983*, I, the Chief Executive Officer for the Ministry for Police & Emergency Services, declare that in my opinion:

1. The accompanying financial statements exhibit a true and fair view of the financial position and financial performance of the Ministry for Police & Emergency Services as at 30 June 2014.
2. The financial statements have been prepared in accordance with the applicable accounting standards (which include Australian Accounting Interpretations), the requirements of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2010* and the provision of Financial Reporting Directions published in the Financial Reporting Code for Budget Dependent General Government Sector Agencies or issued by the Treasurer.

Further, I am not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



Vicki D'Adam  
Chief Executive Officer  
Date:

**Ministry for Police & Emergency Services**  
**Statement of comprehensive income**  
**for the year ended 30 June 2014**

	<b>Notes</b>	<b>Actual 2014 \$' 000</b>	<b>Budget 2014 \$' 000</b>	<b>Actual 2013 \$' 000</b>
<b>Expenses excluding losses</b>				
Operating expenses				
Employee related	2(a)	10,928	11,081	10,919
Other operating expenses	2(b)	6,347	7,435	6,575
Depreciation and amortisation	2(c)	260	422	286
Grants and subsidies	2(d)	<u>24,801</u>	<u>37,373</u>	<u>29,134</u>
<b>TOTAL EXPENSES EXCLUDING LOSSES</b>		<b><u>42,336</u></b>	<b><u>56,311</u></b>	<b><u>46,914</u></b>
<b>Revenue</b>				
Investment revenue		592	287	528
Grants and contributions	3(a)	35,075	54,072	51,242
Other revenue	3(b)	1,191	206	1,481
Acceptance by the Crown Entity of employee benefits and other liabilities	4	<u>736</u>	<u>510</u>	<u>481</u>
<b>Total revenue</b>		<b><u>37,594</u></b>	<b><u>55,075</u></b>	<b><u>53,732</u></b>
<b>Gain/(loss) on disposal</b>	5	11	-	4
<b>Net result</b>		<b><u>(4,731)</u></b>	<b><u>(1,236)</u></b>	<b><u>6,822</u></b>
<b>Other comprehensive income</b>		<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b><u>(4,731)</u></b>	<b><u>(1,236)</u></b>	<b><u>6,822</u></b>

The accompanying notes form part of these financial statements

**Ministry for Police & Emergency Services**  
**Statement of financial position**  
**as at 30 June 2014**

	Notes	Actual 2014 \$' 000	Budget 2014 \$' 000	Actual 2013 \$' 000
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	7	14,975	14,416	19,383
Receivables	8	491	2,427	690
<b>Total Current Assets</b>		<u>15,466</u>	<u>16,843</u>	<u>20,073</u>
<b>Non-Current Assets</b>				
Property, plant & equipment	9			
- Plant and equipment		29	154	45
- Leasehold improvements		193	486	429
- Assets under construction		100	-	-
Total property, plant and equipment		322	640	474
Intangible assets	10	21	9	28
<b>Total Non-Current Assets</b>		<u>343</u>	<u>649</u>	<u>502</u>
<b>Total Assets</b>		<u><b>15,809</b></u>	<u><b>17,492</b></u>	<u><b>20,575</b></u>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Payables	11	936	1,318	1,130
Provisions	12	1,945	453	1,606
<b>Total Current Liabilities</b>		<u>2,881</u>	<u>1,771</u>	<u>2,736</u>
<b>Non-Current Liabilities</b>				
Provisions	12	16	476	196
<b>Total Non-Current Liabilities</b>		<u>16</u>	<u>476</u>	<u>196</u>
<b>Total Liabilities</b>		<u><b>2,897</b></u>	<u><b>2,247</b></u>	<u><b>2,932</b></u>
<b>Net Assets</b>		<u><b>12,912</b></u>	<u><b>15,245</b></u>	<u><b>17,643</b></u>
<b>EQUITY</b>				
Accumulated funds		12,912	15,245	17,643
<b>Total Equity</b>		<u><b>12,912</b></u>	<u><b>15,245</b></u>	<u><b>17,643</b></u>

The accompanying notes form part of these financial statements

**Ministry for Police & Emergency Services**  
**Statement of changes in equity**  
**for the year ended 30 June 2014**

	<b>Accumulated Funds \$' 000</b>	<b>Total \$' 000</b>
<b>Balance at 1 July 2013</b>	17,643	17,643
<b>Net result for the period</b>	(4,731)	(4,731)
<b>Other comprehensive income</b>	-	-
<b>Total other comprehensive income</b>	-	-
<b>Total comprehensive loss for the period</b>	<u>(4,731)</u>	<u>(4,731)</u>
<b>Balance at 30 June 2014</b>	<u><b>12,912</b></u>	<u><b>12,912</b></u>
<b>Balance as at 1 July 2012</b>	10,821	10,821
<b>Net result for the year</b>	6,822	6,822
<b>Other comprehensive income</b>	-	-
<b>Total other comprehensive income</b>	-	-
<b>Total comprehensive income for the year</b>	<u>6,822</u>	<u>6,822</u>
<b>Balance at 30 June 2013</b>	<u><b>17,643</b></u>	<u><b>17,643</b></u>

The accompanying notes form part of these financial statements

**Ministry for Police & Emergency Services**  
**Statement of cash flows**  
for the year ended 30 June 2014

	Notes	Actual 2014 \$' 000	Budget 2014 \$' 000	Actual 2013 \$' 000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Payments</b>				
Employee related		10,065	9,830	10,204
Grants and subsidies		24,801	37,373	32,301
Other		8,254	8,363	8,103
<b>Total payments</b>		<u>43,120</u>	<u>55,566</u>	<u>50,608</u>
<b>Receipts</b>				
Interest received		599	287	773
Grants and contributions		35,075	54,072	51,560
Other		3,128	382	4,047
<b>Total receipts</b>		<u>38,802</u>	<u>54,741</u>	<u>56,380</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	14	<u><b>(4,318)</b></u>	<u><b>(825)</b></u>	<u><b>5,772</b></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from the sale of property, plant and equipment		10	-	12
Purchases of property, plant and equipment		(100)	(580)	(58)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<u><b>(90)</b></u>	<u><b>(580)</b></u>	<u><b>(46)</b></u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from borrowings and advances		-	-	-
Repayment of borrowings and advances		-	-	-
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<u><b>-</b></u>	<u><b>-</b></u>	<u><b>-</b></u>
<b>NET INCREASE/(DECREASE) IN CASH</b>		(4,408)	(1,405)	5,726
Opening cash and cash equivalents		19,383	15,821	13,657
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	7	<u><b>14,975</b></u>	<u><b>14,416</b></u>	<u><b>19,383</b></u>

The accompanying notes form part of these financial statements

**Ministry for Police & Emergency Services**  
**Supplementary Financial Statements**  
**Service group statements for the year ended 30 June 2014**

ENTITY'S EXPENSES & INCOME	Service Group 1 *		Service Group 2*		Not Attributable		Total	
	2014 \$' 000	2013 \$' 000	2014 \$' 000	2013 \$' 000	2014 \$' 000	2013 \$' 000	2014 \$' 000	2013 \$' 000
<b>Expenses excluding losses</b>								
Operating expenses								
- Employee related	5,883	5,301	5,045	5,618	-	-	10,928	10,919
- Other operating expenses	3,220	3,908	3,127	2,667	-	-	6,347	6,575
Depreciation and amortisation	-	-	-	-	260	286	260	286
Grant and subsidies	4,707	5,394	20,094	23,740	-	-	24,801	29,134
<b>TOTAL EXPENSES EXCLUDING LOSSES</b>	<b>13,810</b>	<b>14,603</b>	<b>28,266</b>	<b>32,025</b>	<b>260</b>	<b>286</b>	<b>42,336</b>	<b>46,914</b>
<b>Revenue**</b>								
Investment revenue	-	-	-	-	592	528	592	528
Grants and contributions	3,455	5,053	9,632	9,809	21,988	36,380	35,075	51,242
Acceptance by the Crown Entity of employee benefits and other liabilities	-	-	-	-	736	481	736	481
Other revenue	604	552	587	929	-	-	1,191	1,481
<b>Total revenue</b>	<b>4,059</b>	<b>5,605</b>	<b>10,219</b>	<b>10,738</b>	<b>23,316</b>	<b>37,389</b>	<b>37,594</b>	<b>53,732</b>
Gain/(loss) on disposal	-	-	-	-	11	4	11	4
<b>Net result</b>	<b>(9,751)</b>	<b>(8,998)</b>	<b>(18,047)</b>	<b>(21,287)</b>	<b>23,067</b>	<b>37,107</b>	<b>(4,731)</b>	<b>6,822</b>
<b>Total Comprehensive Income/(loss)</b>	<b>(9,751)</b>	<b>(8,998)</b>	<b>(18,047)</b>	<b>(21,287)</b>	<b>23,067</b>	<b>37,107</b>	<b>(4,731)</b>	<b>6,822</b>

\* The names and purpose of each service groups are summarised in Note 6.

\*\* Grants are made on an entity basis and not to individual service groups. Consequently, grants must be included in the 'Not Attributable' column.

**Ministry for Police & Emergency Services**  
**Supplementary Financial Statements**  
**Service group statements (Continued)**

ENTITY'S ASSETS AND LIABILITIES	Service Group 1 *		Service Group 2*		Not Attributable		Total	
	2014 \$' 000	2013 \$' 000	2014 \$' 000	2013 \$' 000	2014 \$' 000	2013 \$' 000	2014 \$' 000	2013 \$' 000
<b>Current Assets</b>								
Cash and cash equivalents	-	-	-	-	14,975	19,383	14,975	19,383
Receivables	105	30	7	141	379	519	491	690
<b>Total current assets</b>	<b>105</b>	<b>30</b>	<b>7</b>	<b>141</b>	<b>15,354</b>	<b>19,902</b>	<b>15,466</b>	<b>20,073</b>
<b>Non-current Assets</b>								
Property, plant and equipment								
-Plant and equipment	-	-	-	-	29	45	29	45
-Leasehold improvements	-	-	-	-	193	429	193	429
-Assets under construction	-	-	-	-	100	-	100	-
Intangible assets	-	-	-	-	21	28	21	28
<b>Total non-current assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>343</b>	<b>502</b>	<b>343</b>	<b>502</b>
<b>TOTAL ASSETS</b>	<b>105</b>	<b>30</b>	<b>7</b>	<b>141</b>	<b>15,697</b>	<b>20,404</b>	<b>15,809</b>	<b>20,575</b>
<b>Current Liabilities</b>								
Payables	224	265	367	740	345	125	936	1,130
Provisions	726	578	622	613	597	415	1,945	1,606
<b>Total current liabilities</b>	<b>950</b>	<b>843</b>	<b>989</b>	<b>1,353</b>	<b>942</b>	<b>540</b>	<b>2,881</b>	<b>2,736</b>
<b>Non-Current Liabilities</b>								
Provisions	8	7	8	8		181	16	196
<b>Total Non-Current Liabilities</b>	<b>8</b>	<b>7</b>	<b>8</b>	<b>8</b>	<b>-</b>	<b>181</b>	<b>16</b>	<b>196</b>
<b>TOTAL LIABILITIES</b>	<b>958</b>	<b>850</b>	<b>997</b>	<b>1,361</b>	<b>942</b>	<b>721</b>	<b>2,897</b>	<b>2,932</b>
<b>NET ASSETS</b>	<b>(853)</b>	<b>(820)</b>	<b>(990)</b>	<b>(1,220)</b>	<b>14,755</b>	<b>19,683</b>	<b>12,912</b>	<b>17,643</b>

\* The names and purpose of each service groups are summarised in Note 6.

## Ministry for Police & Emergency Services

### Notes to the Financial Statements

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### (a) Reporting Entity

The Ministry for Police and Emergency Services (MPES) is a New South Wales (NSW) Government entity. MPES is a not-for-profit entity as profit is not its principle objective and it has no cash generating units. The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

MPES provides policy advice and ministerial support to the Minister for Police and Emergency Services, emergency management, including response and recovery activities during community disasters, strengthens resilience to disasters, grants administration and delivery of emergency training.

These financial statements for the period ended 30 June 2014 have been authorised for issue by the Chief Executive Officer (CEO) of MPES on 18 September 2014.

##### (b) Basis of Preparation

MPES' financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- the requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2010*; and
- the Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities or issued by the Treasurer.

The financial statements have been prepared on a historical cost basis with the exception of plant and equipment and financial assets at 'fair value through profit or loss' and available for sale which have been measured at fair value.

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

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

##### (c) Statement of Compliance

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

##### (d) Insurance

MPES's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government entities. The expense (premium) is determined by the Fund Manager based on past claim experience.

## Ministry for Police & Emergency Services

### Notes to the Financial Statements

#### (e) Administered activities

MPES administers, but does not control, the Contribution Scheme on behalf of Fire and Rescue NSW (FRNSW), Rural Fire Service (RFS) and State Emergency Service (SES). It is accountable for the transactions relating to those administered activities but does not have the discretion to deploy the resources for the achievement of MPES' own objectives. Transactions and balances relating to the Contribution Scheme are not recognised as MPES' income, expenses, assets and liabilities, but are disclosed in the accompanying schedule as 'Administered Income', 'Administered Expenses', 'Administered Assets and 'Administered Liabilities'.

The accrual basis of accounting and applicable accounting standards have been adopted.

#### (f) Accounting for the Goods and Services Tax (GST)

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

(i) amount of GST incurred by MPES as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expenses; and

(ii) receivables and payables are stated with the amount of GST included.

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

#### (g) Income Recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of income are discussed below:

##### (i) Grants and Contributions

Grants and contributions from other bodies are recognised as income when MPES obtains control over the assets comprising the grants and contributions. Control over grants and contributions are normally obtained upon the receipt of cash.

The *Appropriation (Supply and Budget Variations) Bill 2011* passed on 21 June 2011, identifies the Department of Justice (the Department) as a principal agency under which funding appropriations are to be managed for all agencies in the Justice cluster. Consequently, all contributions received from the Department are now reported as grants and contributions revenue for the purpose of income recognition.

##### (ii) Rendering of Services

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

##### (iii) Investment revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*. Rental revenue from operating leases is recognised in accordance with AASB 117 *Leases* on a straight-line basis over the lease term.

## Ministry for Police & Emergency Services Notes to the Financial Statements

### (h) Assets

#### (i) Acquisition of assets

Assets acquired are initially recognised at cost. Cost is the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

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

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

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

#### (ii) Capitalisation thresholds

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

#### (iii) Revaluation of Property, Plant and Equipment

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP 14-01). This policy adopts fair value in accordance with AASB 13 *Fair Value Measurement*, AASB 116 *Property, Plant and Equipment* and AASB 140 *Investment Property*.

MPES' plant and equipment consists of non-specialised assets with short useful lives which are measured at depreciated historical cost as a surrogate for fair value.

#### (iv) Impairment of Plant and Equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 *Impairment of Assets* is unlikely to arise. As plant and equipment is carried at fair value, impairment can only arise in the rare circumstances where the cost of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.

#### (v) Depreciation of Property, Plant and Equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the entity.

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

The useful lives of non-current assets have been determined as follows:

<u>Asset class</u>	<u>Useful life (years)</u>
Motor vehicles	5
Plant & equipment	3 – 5

Leasehold improvements are depreciated over the term of the lease.

## Ministry for Police & Emergency Services

### Notes to the Financial Statements

#### (vi) Maintenance

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

#### (vii) Leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which the economic benefits from lease assets are consumed.

MPES did not have any finance lease during the year ended 30 June 2014 or in the previous financial year.

#### (viii) Intangible Assets

MPES recognises intangible assets only if it is probable that future economic benefits will flow to the entity and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition.

All research costs are expensed. Development costs are only capitalised when certain criteria are met.

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

The useful lives of MPES' intangible assets are assessed to be finite. Amortisation is charged on assets with finite lives, with the expense accounted for in the statement of comprehensive income. Useful lives are examined on an annual basis and adjustments, where necessary, are made on a prospective basis. Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

#### (ix) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

## Ministry for Police & Emergency Services Notes to the Financial Statements

### (x) Trust Funds

MPES holds monies in a trustee capacity as set out in Note 17. As MPES performs only a custodial role in respect of these monies, and because the monies cannot be used for the achievement of the entity's own objectives, these funds are not recognised in the financial statements.

### (i) Liabilities

#### (i) Payables

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

#### (ii) Employee benefits and other provisions

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

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave is not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 *Employee Benefits* (although short-cut methods are permitted). Actuarial advice obtained by Treasury has confirmed that the use of a nominal approach plus the annual leave on annual leave liability (using 7.9% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The entity has assessed the actuarial advice based on the entity's circumstances and has determined that the effect of discounting which amounts to \$0.01m is immaterial to annual leave.

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

##### b) Long Service Leave and Superannuation

MPES' liabilities for long service leave and defined benefit superannuation are assumed by the Crown Entity. The entity accounts for the liability as having been extinguished; resulting in the amount assumed being shown as part of the non-monetary revenue item described as 'Acceptance by the Crown Entity of employee benefits and other liabilities'.

Long service leave is measured at present value in accordance with AASB 119 *Employee Benefits*. This is based on the application of certain factors (specified in NSWTC 14/04) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

## Ministry for Police & Emergency Services

### Notes to the Financial Statements

#### c) Consequential on-costs

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

#### (j) Other Provisions

Other provision exist when: the entity has a present legal or constructive obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

#### (k) Accumulated funds

The category accumulated funds includes all current and prior period retained funds.

#### (l) Budgeted Amounts

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period, as adjusted for section 24 of the *Public Finance and Audit Act 1983* (PFAA) where there has been a transfer of functions between departments. Other amendments made to the budget are not reflected in the budgeted amounts.

#### (m) Changes in accounting policy, including new or revised Australian Accounting Standards

##### i) Effective for the first time in 2013-14

The accounting policies applied in 2013-14 are consistent with those of the previous financial year except as a result of the following new or revised Australian Accounting Standards that have been applied for the first time in 2013-14.

- AASB 13 and NSW TPP 14-01 regarding fair value measurement. Replaces the guidance on fair value measurement with a single standard and provides guidance and clarity on definition of fair value, determining fair value and disclosure requirements.
- AASB 119 regarding accounting for employee benefits. Revised requirements mainly for pension and other post-employment benefits, termination benefits and long term employee benefits. As an entity whose defined benefit Super and Long Service Leave liability is assumed by the Crown, the only impact is in annual leave that is expected to be settled after 12 months from reporting date.
- AASB 1053 regarding the reduced disclosure regime. Establishes a differential reporting requirements (Tier 1: Australian Accounting Standards, Tier 2: Australian Accounting Standards-reduced disclosure requirements) for general purpose financial statements. NSW Treasury has mandated Tier 1: Australian Accounting Standards.

The impact of these Standards have been assessed to be immaterial and are incorporated in the respective notes.

## Ministry for Police & Emergency Services Notes to the Financial Statements

### ii) Issued but not yet effective

Standard	Effective date	Requirements	Impact
AASB 9 and AASB 2010-7 and AASB 2012-6 regarding financial instruments	30-Jun-18	Revised requirements for recognition, de recognition, classification and measurement of financial instruments.	No material impact
AASB 1031 Materiality	30-Jun-15	Interim standard that cross references to other standards and the Framework that contains guidance on materiality.	No material impact
AASB 2012-3 regarding offsetting financial assets and financial liabilities	30-Jun-15	The amendments to AASB 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.	No material impact
AASB 13-6 regarding reduced disclosure requirements	30-Jun-15	Reduced disclosure requirements for impairment of assets where tiers of accounting also apply.	Treasury has mandated Tier 1 requirement, therefore no material impact.
AASB 13-8 regarding Australian Implementation Guidance for Not-for-Profit Entities - Control and Structured Entities	30-Jun-15	Revised criteria for determining control in Not-For-Profit group.	As MPES does not have any controlled entities, the impact is immaterial
AASB 1055 and AASB 2013-1 regarding budgetary reporting	30-Jun-15	Sets out budgetary reporting requirements for not-for-profit entities within the General Government Sector (GGS) of the Australian Government and State and Territory Governments.	No material impact as the requirements already incorporated into the reports
AASB 2013-1 and 2013-9 regarding the Conceptual Framework, Materiality and Financial Instruments (Parts B and C)	30-Jun-15	Amendments to Conceptual Framework and amendments to not-for-profit specific paragraphs for further clarity	No material impact

### (n) Comparative Information

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

**Ministry for Police & Emergency Services**  
**Notes to the Financial Statements**

	<b>2014</b>	<b>2013</b>
	<b>\$' 000</b>	<b>\$' 000</b>
<b>2. EXPENSES EXCLUDING LOSSES</b>		
<b>(a) Employee related expenses</b>		
Salaries and wages (including recreation leave)	8,864	8,931
Superannuation - defined contribution plans	679	681
Superannuation - defined benefit plans	143	185
Long service leave	593	295
Workers compensation insurance	34	41
Payroll Tax and Fringe Benefits Tax	554	606
Overtime	8	6
Long service leave oncost	53	174
	<u>10,928</u>	<u>10,919</u>
<b>(b) Other operating expenses include the following:</b>		
Auditor's remuneration - audit of the financial statements	62	208
Operating leases - minimum lease payments	1,660	1,361
Maintenance *	20	23
Insurance	8	27
Rates, utilities and cleaning	118	112
Vehicles running costs	29	52
Stores and minor equipment	50	17
Communications	275	264
Travel and subsistence	85	303
Computer services	14	11
Printing and stationery	81	91
Early warning system	2,651	1,634
Training	332	403
Contractors	90	74
External consultancies	69	255
Shared service cost (Fire and Rescue NSW)	545	577
Fees for services	145	405
Make good expenses	-	597
Other expenses	113	161
	<u>6,347</u>	<u>6,575</u>
<i>* Reconciliation - Total maintenance</i>		
Maintenance expense, as above	20	23
Maintenance related employee expenses included in Note 2(a)	-	-
Total maintenance expenses included in Note 2(a) + 2(b)	<u>20</u>	<u>23</u>

**Ministry for Police & Emergency Services**  
**Notes to the Financial Statements**

	<b>2014</b>	<b>2013</b>
	<b>\$' 000</b>	<b>\$' 000</b>
<b>(c) Depreciation and amortisation expense</b>		
<b>Depreciation</b>		
Leasehold improvements	236	236
Motor vehicles	-	6
General plant and equipment	17	33
Total depreciation	<u>253</u>	<u>275</u>
<b>Amortisation</b>		
Websites	7	11
Total amortisation	<u>7</u>	<u>11</u>
Total depreciation and amortisation	<u>260</u>	<u>286</u>

<b>(d) Grants and subsidies</b>		
Grants to Marine Rescue NSW and Volunteers	10,637	10,114
Grants NDRP/NDMP*	7,427	13,354
Grants to other agencies	4,393	3,277
Grants - Natural disaster	2,344	2,389
	<u>24,801</u>	<u>29,134</u>

\* Natural disaster resilience program (NDRP)/Natural disaster mitigation program (NDMP)

**3. REVENUE**

<b>(a) Grants and contributions</b>		
Recurrent grant	21,888	36,421
Capital grant	100	27
Claims for natural disasters	2,380	2,653
NSW Roads and Maritime Services operational receipts	7,252	7,006
Operational funding grant from other agencies	1,755	3,285
Grants -other	1,700	1,850
	<u>35,075</u>	<u>51,242</u>
<b>(b) Other revenue</b>		
Rental income	409	318
Salary recoup from other Government Departments	-	14
Support service income	220	207
NDRP project cost reimbursement	-	372
Redundancy Recoup	137	-
Community partner funding reimbursement	143	130
Unspent funds return	197	320
Sundry income	85	120
	<u>1,191</u>	<u>1,481</u>

**4. ACCEPTANCE BY THE CROWN ENTITY OF EMPLOYEE BENEFITS AND OTHER LIABILITIES**

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

Superannuation - defined benefit	136	176
Long service leave	593	295
Payroll tax	7	10
	<u>736</u>	<u>481</u>

**Ministry for Police & Emergency Services  
Notes to the Financial Statements**

	<b>2014</b>	<b>2013</b>
	<b>\$' 000</b>	<b>\$' 000</b>
<b>5. GAIN/(LOSS) ON DISPOSAL</b>		
Gain/(loss) on disposal of plant and equipment:		
Proceeds from disposal	11	13
Written down value of assets disposed	-	9
	<hr/>	<hr/>
Gain/(loss) on disposal of non-current assets	11	4
	<hr/>	<hr/>

**6. SERVICE GROUPS OF THE AGENCY**

**(a) Service group 1: Policy & finance**

Purpose: This service group provides independent policy advice and development on issues affecting the Police and Emergency Services portfolio and the ministerial and parliamentary functions of the Minister for Police and Emergency Services. It provides finance and corporate governance support. It also coordinates the portfolio and liaises with external agencies.

**(a) Service group 2: Counter terrorism & disaster resilience**

Purpose: This service group initiates policies and strategies for improving the delivery of emergency management services through prevention, preparedness, response and recovery. It also provides policy advice, executive and secretarial support to the State Emergency Management Committee (SEMC) and the State Rescue Board (SRB), as well as executive and operational support to the State Emergency Operations Controller and the State Emergency Recovery Controller.

**7. CURRENT ASSETS - CASH AND CASH EQUIVALENTS**

**Cash and Cash Equivalents**

Cash at bank and on hand	14,975	19,383
	<hr/>	<hr/>
	14,975	19,383
	<hr/>	<hr/>

For the purpose of the statement of cash flows, cash and cash equivalents include cash at bank, cash on hand, cash in transit, short term deposits and bank overdraft. Cash balance at the reporting date includes the unspent protected items of Natural Disaster Resilience Program and Natural Disaster Mitigation Program grant which will be expended for approved Projects.

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

Cash and cash equivalents (per statement of financial position)	14,975	19,383
Closing cash and cash equivalents (per statement of cash flows)	<hr/>	<hr/>
	14,975	19,383
	<hr/>	<hr/>

\* Refer to Note 16 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

**Ministry for Police & Emergency Services**  
**Notes to the Financial Statements**

	2014 \$' 000	2013 \$' 000
<b>8. CURRENT ASSETS - RECEIVABLES</b>		
Sundry debtors	32	115
Goods and services tax receivable	365	358
Prepayments	7	-
Community Partners training expense recoups	-	130
Interest accrual	16	23
Other	71	64
	<u>491</u>	<u>690</u>

\* Refer to Note 16 for details regarding credit risk, liquidity risk and market risk including financial assets that are either past due or impaired.

**9. NON-CURRENT ASSETS -  
PROPERTY, PLANT AND EQUIPMENT**

	Leasehold Improvements \$' 000	Assets Under Construction \$' 000	Plant & Equipment \$' 000	Motor Vehicles \$' 000	Totals \$' 000
<b>At 1 July 2013 - fair value</b>					
Gross carrying amount	945	-	111	8	1,064
Accumulated depreciation	(516)	-	(66)	(8)	(590)
Net Carrying Amount	429	-	45	-	474
<b>At 30 June 2014 - fair value</b>					
Gross carrying amount	945	100	111	-	1,156
Accumulated depreciation	(752)	-	(82)	-	(834)
Net Carrying Amount	193	100	29	-	322

**Reconciliation**

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below.

	Leasehold Improvements \$' 000	Assets Under Construction \$' 000	Plant & Equipment \$' 000	Motor Vehicles \$' 000	Totals \$' 000
<b>Year ended 30 June 2014</b>					
Net carrying amount at start of year	429	-	45	-	474
Additions	-	100	-	-	100
Disposals	-	-	-	-	-
Depreciation expense	(236)	-	(16)	-	(252)
Net carrying amount at end of year	193	100	29	-	322

**Ministry for Police & Emergency Services**  
**Notes to the Financial Statements**

**9. NON-CURRENT ASSETS -  
PROPERTY, PLANT AND EQUIPMENT (Contd.)**

	Leasehold Improvements \$' 000	Plant & Equipment \$' 000	Motor Vehicles \$' 000	Totals \$' 000
<b>At 1 July 2012 - fair value</b>				
Gross carrying amount	945	128	32	1,105
Accumulated depreciation	(280)	(78)	(18)	(376)
Net Carrying Amount	665	50	14	729
<b>At 30 June 2013 - fair value</b>				
Gross carrying amount	945	111	8	1,064
Accumulated depreciation	(516)	(66)	(8)	(590)
Net Carrying Amount	429	45	-	474

**Reconciliation**

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below.

	Leasehold Improvements \$' 000	Plant & Equipment \$' 000	Motor Vehicles \$' 000	Totals \$' 000
<b>Year ended 30 June 2013</b>				
Net carrying amount at start of year	665	50	14	729
Additions	-	28	-	28
Disposals	-	-	(8)	(8)
Depreciation expense	(236)	(33)	(6)	(275)
Net carrying amount at end of year	429	45	-	474

**10. NON-CURRENT ASSETS -  
INTANGIBLE ASSETS**

	Websites \$' 000	Total \$' 000
<b>At 1 July 2013</b>		
Cost (gross carrying amount)	46	46
Accumulated amortisation	(18)	(18)
Net carrying amount	28	28
<b>At 30 June 2014</b>		
Cost (gross carrying amount)	46	46
Accumulated amortisation	(25)	(25)
Net carrying amount	21	21

**Reconciliation**

A reconciliation of the carrying amount of intangibles at the beginning and end of the current reporting period is set out below.

**Ministry for Police & Emergency Services**  
**Notes to the Financial Statements**

**10. NON-CURRENT ASSETS –  
 INTANGIBLE ASSETS (contd.)**

	<b>Websites \$' 000</b>	<b>Total \$' 000</b>
<b>Year ended 30 June 2014</b>		
Net carrying amount at start of year	28	28
Additions	-	-
Disposals	-	-
Amortisation	(7)	(7)
Net carrying amount at end of year	21	21

	<b>Websites \$' 000</b>	<b>Total \$' 000</b>
<b>At 1 July 2012</b>		
Cost (gross carrying amount)	18	18
Accumulated amortisation	(7)	(7)
Net carrying amount	11	11

<b>At 30 June 2013</b>		
Cost (gross carrying amount)	46	46
Accumulated amortisation	(18)	(18)
Net carrying amount	28	28

**Reconciliation**

A reconciliation of the carrying amount of intangible assets at the beginning and end of the period reporting period is set out below

	<b>Websites \$' 000</b>	<b>Total \$' 000</b>
<b>Year ended 30 June 2013</b>		
Net carrying amount at start of year	11	11
Additions	28	28
Disposals	-	-
Amortisation	(11)	(11)
Net carrying amount at end of year	28	28

	<b>2014 \$' 000</b>	<b>2013 \$' 000</b>
<b>11. CURRENT LIABILITIES - PAYABLES</b>		
Accrued salaries, wages and on-costs	254	285
Trade Creditors	682	845
	936	1,130

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payable, are disclosed in Note 16.

**Ministry for Police & Emergency Services**  
**Notes to the Financial Statements**

<b>12. CURRENT/NON-CURRENT LIABILITIES PROVISIONS</b>	<b>2014</b>	<b>2013</b>
	<b>\$' 000</b>	<b>\$' 000</b>
<b>Employee benefits and related on-costs</b>		
Recreation leave	1,040	926
Long service leave on-costs not assumed by the Crown	324	271
Fringe benefits tax	-	8
	<u>1,364</u>	<u>1,205</u>
<b>Other provisions</b>		
Restoration costs	597	597
<b>Total provisions</b>	<u>1,961</u>	<u>1,802</u>
<b>Aggregate employee benefits and related on-costs</b>		
Provisions- current	1,348	1,191
Provisions- non-current	16	14
Accrued salaries, wages and on-costs (note11)	254	285
	<u>1,618</u>	<u>1,490</u>
<b>Aggregate other provisions</b>		
Restoration costs - current	597	415
Restoration costs - non-current	-	182
	<u>597</u>	<u>597</u>
<b>Restoration costs</b>		

Restoration costs provision relate to the expected costs required to restore the leased premises back to its original form when the lease expires.

**Movement in provisions (other than employee benefits)**

Movement in restoration provision during the financial year is set out below:

**2014 make good provision**

Carrying amount at the beginning of financial year	597	-
Provision recognised during the period	-	597
Carrying amount at the end of the period	<u>597</u>	<u>597</u>

**13. COMMITMENTS FOR EXPENDITURE**

**Operating Lease Commitments**

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

Not later than one year	776	1,314
Later than one year and not later than five years	13	773
Later than five years	-	-
Total (including GST)	<u>789</u>	<u>2,087</u>

Input Tax Credits included above that are expected to be recoverable from the Australian Taxation Office.

	<u>72</u>	<u>190</u>
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## Ministry for Police & Emergency Services Notes to the Financial Statements

### 13. COMMITMENTS FOR EXPENDITURE (Contd.)

MPES' operating lease commitments comprises the following:

#### Motor vehicle leases

Budget sector agencies are required to utilise operating lease arrangements through State Fleet Services for the provision of passenger and light commercial motor vehicles

#### Property leases

Rental payments are determined prior to the commencement of leases/licences through negotiations with counterparties in consideration of the prevalent market condition.

Some leases contain options for renewal based on the market condition at the renewal date. Purchase options are also on the basis of a predetermined and agreed mechanism for assessing the value of the property at the time the option becomes exercisable.

Escalation clauses are dependent on market conditions at the time, however, where possible MPES endeavours to have a predetermined and agreed percentage of the escalation rate, with a review to market every 2 to 3 years during the lease term.

<b>14. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET RESULTS</b>	<b>2014 \$' 000</b>	<b>2013 \$' 000</b>
Net cash used on operating activities	(4,318)	5,772
Depreciation and amortisation	(260)	(286)
Decrease/ (increase) in provisions	(159)	(770)
Increase/ (decrease) in receivables	(198)	(1,715)
Decrease/ (increase) in payables	193	3,817
Net gain / (loss) on sale of assets	11	4
Net results	<u>(4,731)</u>	<u>6,822</u>

### 15. BUDGET REVIEW

#### Net Result

The Ministry agreed with Treasury to use prior years' under expenditure of Natural Disaster Resilience Program (NDRP) grants, held as cash by the Ministry, to fund current year projects. The Ministry, therefore, did not receive NDRP grant funding from NSW Treasury. This produced a \$4.7 million deficit for year ended 2014, rather than the budgeted deficit of \$1.2 million.

#### Assets and Liabilities

Total assets are lower than budget due to a reduction of receivables as at 30 June 2014.

Current liabilities are higher than budget due to delay in office consolidation project which resulted in the make good provision remaining unutilised.

#### Cash flows

Net cash from operating activities is lower than budget due to lower than expected Grants and subsidies expenses and corresponding reduction in Grants and contributions revenue.

## Ministry for Police & Emergency Services Notes to the Financial Statements

### 16. FINANCIAL INSTRUMENTS

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

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

The Chief Executive Officer (CEO) has overall responsibility for establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the entity, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by internal audit and Audit and Risk Committee on a continuous basis.

#### (a) Financial instrument categories

Financial Assets	Note	Category	Carrying Amount 2014 \$'000	Carrying Amount 2013 \$'000
<b>Class:</b>				
Cash and cash equivalents	7	N/A	14,975	19,383
Receivables <sup>1</sup>	8	Loans and receivables (at amortised cost)	119	332
Financial Liabilities	Note		Carrying Amount 2014 \$'000	Carrying Amount 2013 \$'000
<b>Class:</b>				
Payables <sup>2</sup>	11	Financial liabilities measured at amortised cost	682	845

#### Notes

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

#### (b) Credit risk

Credit risk arises when there is a possibility that counterparty will default on their contractual obligations, resulting in a financial loss to MPES. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

MPES' credit risk is limited to the carrying value of cash and cash equivalent and receivables. No collateral is held by MPES. MPES has not granted any financial guarantees.

## Ministry for Police & Emergency Services Notes to the Financial Statements

### Cash

Cash comprises cash on hand, cash at Treasury Corporation's cash facility and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balance at the monthly average NSW Treasury Corporation (TCorp) 11 am unofficial cash rate, adjusted for a management fee to NSW Treasury. The TCorp Hour Glass cash facility is discussed in paragraph (d) below.

### Receivables - debtors

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

MPES is not materially exposed to concentrations of credit risk to a single debtor or group of debtors. Majority of the debt is held by NSW Government entities that are considered to have minimal credit risk.

The only financial assets that are past due or impaired are 'sundry debtors' in the 'receivable' category of the statement of financial position.

	Total <sup>1,2</sup> \$'000	Past due but not impaired <sup>1,2</sup> \$'000	Considered impaired <sup>1,2</sup> \$'000
<b>2014</b>			
< 3 months overdue	3	3	
3 months - 6 months overdue	-	-	
> 6 months overdue	-	-	-
<b>2013</b>			
< 3 months overdue	6	6	
3 months - 6 months overdue	6	6	
> 6 months overdue	74	74	-

### Notes

1. Each column in the table reports 'gross receivables'.

2. The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7 and excludes receivables that are not past due and not impaired. Therefore, the 'total' will not reconcile to the receivables total recognised in the Statement of Financial Position.

### (c) Liquidity risk

Liquidity risk is the risk that MPES will be unable to meet its payment obligations when they fall due. MPES continuously manages liquidity risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets is available to discharge its liability at all times.

MPES' exposure to liquidity risk is deemed insignificant based on prior period's data and current assessment of risk and is limited to creditors. The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received.

MPES' payables at the reporting date amount to \$0.7 million (2013: \$0.8 million), are non interest bearing and are due within the 12 months of the reporting date.

## Ministry for Police & Emergency Services Notes to the Financial Statements

### (d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices. MPES' exposure to market risk is primarily through interest rate risk on MPES' cash at bank and the movement in the unit price of the Hour Glass Investment Facility at Treasury Corporation. MPES has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the entity operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis is performed on the same basis as for 2013. The analysis assumes that all other variables remain constant.

#### **Interest rate risk**

Management's assessment of a reasonably possible change in interest rate in the next 12 months is in the range of +1% to -1% based on the assessment of current economic environment. A change in either direction by 1% will impact MPES' net result by \$0.15 million (2013: \$0.19million) with no direct impact to equity, which is considered to be immaterial.

#### **Other price risk - Tcorp Hour-Glass facilities**

MPES' exposure to 'other price risk' primarily arises through the investment in the TCorp Hour-Glass Investment Facility, which are held for strategic rather than trading purposes. MPES has no direct equity investments. MPES holds units in the following Hour-Glass investment trusts:

Facility	Investment Sectors	Investment Horizon	2014 \$'000	2013 \$'000
Cash facility	cash, money market instruments	upto 1.5 years	13,417	15,381

The unit price of each facility is equal to the total fair value of net assets held by the facility divided by the total number of units on issue for that facility. Unit prices are calculated and published daily.

NSW TCorp as trustee for each of the above facilities is required to act in the best interest of the unit holders and to administer the trusts in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risks of each facility in accordance with a mandate agreed by the parties. TCorp has also leveraged off internal expertise to manage certain fixed income assets for the Hour-Glass facilities. A significant portion of the administration of the facilities is outsourced to an external custodian.

Investment in the Hour-Glass facilities limits the entity's exposure to risk, as it allows diversification across a pool of funds with different investment horizons and a mix of investments.

NSW TCorp provides sensitivity analysis information for each of the Investment facilities, using historically based volatility information collected over a ten year period, quoted at two standard deviations (i.e. 95% probability). The TCorp Hour-Glass Investment facilities are designated at fair value through profit or loss therefore any change in unit price impacts directly on profit (rather than equity). A reasonably possible change is based on the percentage change in unit price (as advised by TCorp) multiplied by the redemption value as at 31 January each year for each facility (balance from Hour-Glass statement).

	Change in unit price	2014 \$'000	2013 \$'000
Hour Glass Investment - Cash facility	+/- 1 %	134	154

## Ministry for Police & Emergency Services Notes to the Financial Statements

### (e) Fair value compared to carrying amount

Financial instruments are generally recognised at cost, with the exception of the Tcorp Hour-Glass facilities, which are measured at fair value. The value of the Hour-Glass Investments is based on the entity's share of the value of the underlying assets of the facility, based on the market value. All of the Hour Glass facilities are valued using 'redemption' pricing.

The amortised cost of financial instruments recognised in the statement of financial position approximates the fair value, because of the short-term nature of many of the financial instruments.

### (f) Fair value recognised in the statement of financial position

MPES uses 'level 2 hierarchy (derived from inputs other than quoted prices that are observable directly or indirectly) for disclosing the fair value of Tcorp Hour Glass Investment facility. There were no transfers between level 1 or 2 during the periods.

## 17. TRUST FUNDS

MPES manages monies in two bank accounts Community Disaster Relief Fund (CDRF) account and the CDRF Trust account that were formerly managed by the Department of Family and Community Services.

The monies in the funds are managed according to the provisions of Part 5 of the Community Welfare Act 1987. The funds are to be used:

- (i) for the purpose of assisting disaster victims generally or disaster victims of a particular disaster,
- (ii) for the purpose of acquiring stores and equipment to be used for the purpose of assisting victims of future disasters, or
- (iii) for the purpose of planning, and training persons, to cope with the effects of disasters.

The funds do not form part of MPES' financial statements as they are held in trust and they cannot be used by MPES for the achievement of its own objectives.

	<b>CDRF Account</b>	<b>CDRF Trust Account</b>
	<b>\$' 000</b>	<b>\$' 000</b>
Cash balance at 1 July 2013	1,648	110
Receipts (interest earned)	29	2
Expenditure	(273)	(5)
Cash balance at 30 June 2014	<u>1,404</u>	<u>107</u>
Cash balance at 1 July 2012	1,620	108
Receipts (interest earned)	28	2
Expenditure	-	-
Cash balance at 30 June 2013	<u>1,648</u>	<u>110</u>

## Ministry for Police & Emergency Services Notes to the Financial Statements

### 18. ADMINISTERED ASSETS AND LIABILITIES

MPES administers, but does not control the Contribution Scheme on behalf of Fire and Rescue NSW (FRNSW), Rural Fire Service (RFS) and State Emergency Service (SES). The contributors to the scheme are insurance companies, local councils and the NSW Government.

The Ministry is accountable for the transactions relating to those administered activities but does not have the discretion to deploy the resources for the achievement of MPES' own objectives.

	<b>2014</b>	<b>2013</b>
	<b>\$' 000</b>	<b>\$' 000</b>
<b>Administered Income</b>		
Contributions Revenue	829,785	800,265
	<b>829,785</b>	<b>800,265</b>
<b>Administered Expenses</b>		
Contributions Expenses	829,785	800,265
	<b>829,785</b>	<b>800,265</b>
<b>Administered Assets</b>		
Cash	184	14,142
Contributions Receivable	1,855	1,557
	<b>2,039</b>	<b>15,699</b>
<b>Administered Liabilities</b>		
Contributions payable	2,039	15,699
	<b>2,039</b>	<b>15,699</b>

### 19. CONTINGENT ASSETS AND LIABILITIES

The Ministry management is not aware of any contingent assets or liabilities at the reporting date that are material enough to impact its operations and require disclosure.

### 20. AFTER BALANCE DATE EVENTS

Apart from Government Property NSW executing a lease on MPES' behalf for new office accommodation, no other events have arisen between the end of the financial period and the date of this statement that would materially affect the financial statements. The new lease will commence in October 2014 and will be for a period of six years. MPES's lease commitments will be around \$700,000 per annum.

**End of Unaudited Financial Statements**

# Contacts

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