

Annual Report 2012/13

Ministry for Police & Emergency Services



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Letter to the Minister

The Hon Michael Gallacher MLC
Minister for Police and Emergency Service
Level 33
Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

Dear Minister

I am pleased to submit the Ministry for Police and Emergency Services Annual Report 2012-13 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 2012.

Yours sincerely

Vicki D'Adam
Chief Executive Officer

Executive summary

The Ministry for Police and Emergency Services has an extensive role spanning policy development, ministerial support, operational coordination, crisis management, grants administration, delivery of training and control of several websites and public communication platforms. The Ministry is the lead agency for Goal 28 of the *NSW 2021 Plan*, ensuring that NSW is ready to deal with major emergencies or natural disasters. Like much of its work, the Ministry pursues this goal in close partnership with other agencies in the emergency management sector.

The Ministry provided a high level of service to the Minister and the Government during the year. It performed its duties efficiently and effectively, ensuring strategic coordination for the law enforcement and emergency services portfolios, and support for the Minister in undertaking his Executive and Parliamentary responsibilities.

During the 2012-13 summer, bush fires, storms, a tornado and flooding ravaged large areas of NSW. This required a very substantial operational commitment in both the Disaster Welfare and Response and Recovery areas, including field deployments.

Across the four events, 124 Natural Disaster Declarations were made for Local Government Areas across the State. Twenty-three evacuation centres were established which were attended by nearly 1,700 people. Two recovery centres were established for management by local Councils.

Supporting the needs of individuals and communities required the Ministry to assess extensive impact data supplied by other agencies in order to make recommendations to Government about the need to make Natural Disaster Declarations or to seek Commonwealth agreement to Category C declarations under the Natural Disaster Relief and Recovery Arrangements.

In addition to performing this major operational role, the Ministry progressed a number of important projects.

Relating to law enforcement, the Ministry contributed to the development of the Government's *Kings Cross Plan of Management* and its implementation as well as establishing trial of three sobering up centres under the *Intoxicated Persons (Sobering Up Centres) Act 2013*.

The Ministry also worked closely with the Department of Attorney General and Justice on a major overhaul of NSW bail laws and created a simpler risk based approach to determining bail. Both agencies also developed significant reform to the service of apprehended domestic violence orders in collaboration with the NSW Police Force.

The Ministry finalised the NSW Water Safety Strategy 2013-15 in consultation with stakeholders with key priorities identified to assist in reducing drowning deaths in NSW. The Ministry manages the Government's Water Safety Black Spots Fund and provision of additional funding to the Police Citizens Youth Clubs (PCYC).

Relating to emergency management, the Ministry modernised and streamlined the legislation underpinning emergency management through the *Emergency Legislation Amendment Act 2012*.

The Ministry also coordinated the State National Disaster Risk Assessment with a public version made available in November 2012.

The Ministry continued its role in the distribution of funding under the National Disaster Resilience Program as well as one-off grants and immediate financial assistance. The Ministry administers the Personal Hardship & Distress component of the NSW Disaster Relief Scheme.

Our history

The Ministry for Police and Emergency Services was established on 4 April 2011 to progress a strategic agenda across law enforcement, counter terrorism and emergency management, at national, state and local levels. The Ministry brought together staff from the Security and Recovery Coordination Branch and the Law Enforcement Policy Branch of the Department of Premier and Cabinet. The Disaster Welfare Branch came from Community Services (Department of Human Services), and the Ministerial Liaison Branch from the NSW Police Force. These four business units joined with Emergency Management NSW to form the Ministry for Police and Emergency Services.

Further details about the work of the Ministry are contained in this report.

Minister for Police and Emergency Services

The Honourable Michael Gallacher MLC was the Minister for Police and Emergency Services for the reporting period.

The Parliamentary Secretary assisting the Minister was Mr Geoff Provest MP.

Ministry Profile

Aims and objectives

The Ministry supports and assists 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. The Ministry 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. It does this in partnership with other agencies.

The Ministry works towards ensuring that portfolio and other agencies have an appropriate legislative framework in which to operate and that they are able to meet government priorities.

In contributing to these results, the Ministry's core functions are:

- providing independent policy advice to the Minister on law enforcement and emergency management issues
- providing strategic coordination across the portfolio and cluster, and collaborating with other agencies
- supporting the Minister in Parliamentary and Cabinet roles
- supporting the Minister in budget management responsibilities
- strengthening emergency management capability and community disaster resilience of NSW, in partnership with other agencies, non-government organisations and the community at state, regional and local levels
- strengthening response and recovery capabilities through the direction and activities of the State Emergency Recovery Controller in partnership with other agencies, non-government organisations and the community at state, regional and local levels
- providing operational capabilities to the Minister and NSW Government during response and recovery to natural disasters and terrorist incidents.

The role of the Ministry 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*
- *Crime Commission Act 2012*
- *Criminal Assets Recovery Act 1990*
- *Drug Misuse and Trafficking Act 1985*, Part 2A (jointly with the Minister for Health and the Minister for Healthy Lifestyles, remainder the Attorney General)
- *Firearms Act 1996*
- *Fire Brigades Act 1989*
- *Fire Services Joint Standing Committee Act 1998*
- *Law Enforcement and National Security (Assumed Identities) Act 1998*
- *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 amended in the reporting period:

- *Crimes (Criminal Organisations Control) Act 2012*, amended by the *Crimes (Criminal Organisations Control) Amendment Act 2013*
- *Fire Brigades Act 1989*, the *Rural Fires Act 1997*, the *State Emergency and Rescue Management Act 1989* and the *State Emergency Service Act 1989*, amended by the *Emergency Legislation Amendment Act 2012*

- *Law Enforcement (Controlled Operations) Act 1997*, amended by the *Law Enforcement (Controlled Operations) Amendment Act 2013*
- *Road Transport (General) Act 2005*, amended by the *Road Transport (General) Amendment (Vehicle Sanctions) Act 2012*
- *Tattoo Parlours Act 2012*, amended by the *Tattoo Parlours Amendment Act 2012*
- Crime Commission Regulation 2012 [made]
- Criminal Assets Recovery Regulation 2012 [made], amended by the Criminal Assets Recovery Amendment Regulation 2012
- Firearms Regulation 2006, amended by the Firearms Amendment Regulation 2013, the Firearms Amendment (Ammunition and Club Armourers) Regulation 2013 and the Firearms Amendment (Approval of Club) Regulation 2013
- Fire Brigades Regulation 2008, amended by the Fire Brigades (False Alarm Charges) Amendment Regulation 2013
- Intoxicated Persons (Sobering Up Centres Trial) Regulation 2013 [made], amended by the Intoxicated Persons (Sobering Up Centres Trial) Amendment Regulation 2013
- Law Enforcement and National Security (Assumed Identities) General Regulation 2010, amended by the Law Enforcement and National Security (Assumed Identities) Amendment (Corresponding Laws) Regulation 2013
- Police Regulation 2008, amended by the Police Amendment (Legal Advice Disclosure) Regulation 2012 and Police Amendment (Targetted Tests) Regulation 2012
- Security Industry Regulation 2007, amended by the Security Industry Amendment Regulation 2012 and the Security Industry Amendment (Correctional Centres Exemption) Regulation 2012
- Tattoo Parlours Regulation 2013 [made]

Ministry Structure and Performance

The Ministry for Police and Emergency Services consists of two divisions.

The Policy and Finance Division, which is responsible for policy and legislative development, parliamentary support, finance and corporate governance. The 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 comprises the following branches: Ministerial and Parliamentary Support, Policy, Corporate Governance and Finance.

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.

It also liaises and coordinates across the portfolio including 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 measures for the full financial year of 2012-2013

Cabinet minutes developed: 40

Replies to Parliamentary Questions: 382

Ministerial correspondence actioned: 5,175

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 regulation 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 following outcomes.

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 issues of national significance and cross border crimes and disasters

The Policy Branch contributed extensively to national discussions, working groups and meetings to continue to develop responses to crimes of national significance.

The Branch also supports the Minister as NSW representative on Ministerial Councils established by the Council of Australian Governments (COAG).

These include the Standing Council on Police and Emergency Management (SCPEM) 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 Branch ensured that the Minister was comprehensively briefed for the SCPEM meeting in September 2012 which considered 27 agenda items relating to police and emergency service matters as well as further administrative matters.

The Chief Executive Officer also represents NSW on the Standing Council's National Policing Senior Officers Group (NPSOG); the Australia New Zealand Emergency Management Council (ANZEMC) and the Australia New Zealand Policing Advisory Agency (ANZPAA). These groups hold meetings in conjunction with the biannual SCPEM to consider critical, national significant issues. Further detail on the ANZEMC is provided at page 30.

NPSOG and ANZPAA were held in September and November 2012 and April 2013. The Chief Executive Officer contributed to discussions on significant issues such as gun and organised

crime, new psychoactive substances, pharmaceutical drug misuse and issues related to DNA advancement.

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

Reducing Red Tape in the NSW Police Force

In 2012-13 several initiatives to reduce red tape within the NSW Police Force were implemented including:

- Changes to Police computer systems so that unnecessary or duplicative data no longer needs to be entered saving valuable time for frontline police. Just one of these changes has been estimated to save frontline police an estimated 375,000 hours of paper work over the next decade.
- Agreement that legislation would be amended to enable Police to issue provisional Apprehended Domestic Violence Orders (ADVO) immediately after a domestic violence incident. This will mean the victim will immediately be afforded the protection of the ADVO and will save time taken by Police in locating and serving the Order upon the defendant. This significant reform to the service of ADVOs was developed in collaboration with the NSW Police Force and Department of Attorney General and Justice.

Emergency Services Legislation

The Policy Branch worked with the Resilience and Planning Branch to modernise and streamline the legislation underpinning emergency management in NSW through the *Emergency Legislation Amendment Act 2012*.

This legislation made the following reforms and amendments:

- Provided a stand-alone power of entry for police, under the *Rural Fires Act 1997*, to access land for a 24-hour period following the extinguishment of a bushfire for the purpose of investigating whether an indictable offence has been committed.
- Provided that the Commissioner of Fire & Rescue NSW (or his/her delegates) may conduct 'cause or origin' investigations on land where a fire has occurred for up to 24 hours following the extinguishment of a fire and the Commissioner has determined the land is safe to enter.
- Authorised the Commissioner of Fire & Rescue NSW to apply to an authorised officer for a search warrant for any land if the Commissioner reasonably believes that entry onto the land is necessary for the purposes of the investigation of the cause or origin of any fire that has occurred on that land or any adjacent land.
- Under the *Rural Fires Act 1997*, allowed an authorised officer who intends to issue a penalty notice to a person, or a police officer who has reason to suspect that a person is committing an offence under the Act or Regulation, to direct the person to state the person's full name and residential address.
- Made a series of amendments to the *State Emergency and Rescue Management Act 1989*, such as to update titles, clarify the roles of and linkages between emergency management committees and ensure volunteers who are employed in the private sector are covered by existing employment discrimination provisions.

Kings Cross and Alcohol-Related Crime

Following the tragic death of Thomas Kelly in Kings Cross in July 2012, the Policy Branch worked with the Department of Premier and Cabinet (DPC) and other agencies to develop a response.

The Branch took the lead in reforms to the laws governing the use of drug detection dogs. These legislative changes now allow the dogs to be used by police in public spaces in Kings Cross and all Sydney railway lines without having to obtain a warrant.

The Branch was also involved in the development of the Government's *Kings Cross Plan of Management* and its implementation as well as one of the lead agencies working with DPC in setting up a trial of three sobering up centres under the *Intoxicated Persons (Sobering Up Centres) Act 2013*.

Firearms

The Branch commenced a review of the Firearms Regulation 2006 to ensure that the Regulation remains up to date, is consistent with the Government's better regulation principles and works effectively to ensure public safety.

Bail

The Branch worked closely with the NSW Police Force and the Department of Attorney General and Justice to develop the terms of the new *Bail Act 2013*. The new Act represents the first major overhaul of NSW bail laws in 34 years and creates a simpler risk based approach to determining bail. The new Act will commence in 2014 to allow time for training and system changes.

Water Safety

The Branch consolidated work commenced since the state election in 2011 on water safety issues. In 2012-13 the Water Safety Black Spots Fund contributed \$400,000 to a public information campaign relating to the NSW Government's new swimming pool legislation. \$1.6 million was also allocated to seven organisations undertaking projects that target black spot locations, activities and/or population groups. Further detail of funding grants is provided at page 19.

The NSW Water Safety Strategy 2013-15 was finalised with key priorities identified to assist in reducing drowning deaths in NSW. A focus of the strategy is working in partnership with relevant government and non-government agencies on critical areas relating to rock fishing, alcohol related drowning and the development of consistent emergency markers across the state.

A membership review of the NSW Water Safety Advisory Council resulted in two more organisations being welcomed to the Council in 2012: Surf Educators Australia and Surfing NSW. Affiliates to the Council were also identified who may provide expert advice on particular issues as required.

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

Security Amendments

The Branch facilitated consequential amendments resulting from the *Security Industry Amendment Act 2012* to the Security Industry Regulation 2007 and the Firearms Regulation

2006. The *Security Industry Amendment Act 2012* implemented the recommendations made by the Independent Commission Against Corruption in 2009 to address regulatory issues confronting the security industry, reduce red tape and gain efficiencies in the licensing process. A significant amendment to the Security Industry Regulation was the introduction of the new fee schedule to offset additional funding provided to the NSW Police Force as part of the new regulatory regime for the industry. The Firearms Regulation was amended to list the fee for the provisional pistol (business/employment) licence.

The Branch also developed amendments to the Regulation to exempt certain persons from the requirements of the *Security Industry Act 1997*. Exemptions were made for the staff of licensed premises who are engaged in activities other than crowd control (such as ticket inspectors or reception staff), air service employees who undertake pre-flight security checks and persons working at correctional centres.

Assumed Identities

The Branch undertook a review of the *Law Enforcement and National Security (Assumed Identities) Act 2010*. The review found the policy objectives of the Act remained valid and no substantive amendments were required. However, the Review found the Act does not fully accommodate particular requirements of Commonwealth intelligence agencies for which amendments to the Act were recommended. An amending Bill is expected to complete its passage through Parliament in the next reporting period.

Tattoo Parlours

Following the commencement of the *Tattoo Parlours Act 2012* on 29 May 2012, it was discovered that amendments were needed to ensure the effectiveness of the scheme. The Branch worked with Fair Trading to develop these amendments, which took effect under the *Tattoo Parlours Amendment Act 2012*.

Applications for tattoo licences are currently being assessed by Fair Trading and NSW Police. The offence provisions of the Act are expected to commence on 1 October 2013 and all applications must be received by that date.

Controlled Operations

The Branch undertook a statutory review of the *Law Enforcement (Controlled Operations) Act 1997*. This resulted in two recommendations for amendment, which were adopted by Government.

The Branch assisted the Minister in the passage of the ensuing *Law Enforcement (Controlled Operations) Amendment Bill 2012*, which passed Parliament and has now commenced.

Fire Brigades Regulation

In consultation with Fire & Rescue NSW, the Branch led the process to amend the Regulation to allow for an increase in the charge applied to automatic false alarms, from \$750 to \$1,250, in line with increased costs to the agency. The new charges commenced on 1 July 2013.

Police Citizens Youth Clubs (PCYC)

The Branch provided secretariat support to a Steering Committee established to oversight the provision of an additional \$20.25 million over four years from the Government to PCYC. Among other things, the work of the Steering Committee resulted in the Government announcing funding in 2012-13 to go towards constructing new clubs in Morisset and

Warringah Local Government Areas. This amounts to a total of six new clubs that have been committed to over the past two years.

NSW Crime Commission

The *Crime Commission Act 2012* commenced in July 2012. The Branch was closely involved in assisting the new arrangements to proceed smoothly. A new Commissioner, Mr Peter Hastings QC; an independent Chair of the Management Committee, Mr David Patten, an Inspector of the Commission, The Hon Graham Barr QC; and a new Assistant Commissioner, Mr Robert Inkster, were appointed and commenced work.

Vetting of applicants for employment within law enforcement agencies

The Branch was extensively involved with DPC and the Department of Attorney General and Justice in developing a new legislative framework to allow appropriate security vetting of persons seeking employment in the NSW Police Force, the Independent Commission Against Corruption, the NSW Crime Commission and the Police Integrity Commission.

The new arrangements were introduced through the *Independent Commission Against Corruption and Other Legislation Amendment Bill 2013*.

Police Promotions

The Branch supported the development of the Government's response to the review of the police promotions system, undertaken by the Hon Lance Wright QC. The Government's response proposed a number of legislative, regulatory and administrative changes to improve the police promotions process. The Branch has consulted with the NSW Police Force and the Police Association of NSW on the reforms. A Bill has been drafted and is intended to be introduced to Parliament in the 2013 Spring Session.

Emergency Services Review and Levy

The Branch, in collaboration with NSW Treasury and the emergency services agencies, continued the review into the emergency services contributory funding system which funds the budgets of Fire & Rescue NSW, NSW Rural Fire Service and the NSW State Emergency Service, including through the release of a discussion paper in July 2012.

The Government has decided to await further consultation, and also on the outcomes of the implementation of the fire levy in Victoria (which commenced on 1 July 2013) before making a decision on any new model for funding emergency services agencies.

The Branch has also continued its work on implementing recommendations of the review undertaken in 2011-12 as part of the Government's *NSW 2021* commitment to undertake agency reviews on a rolling basis. The Branch collaborated with the NSW Treasury, emergency services agencies and consultants to undertake the review. The report's implementation will ensure frontline officers are appropriately resourced to provide services, and to improve the way emergency services perform their functions.

Award Matters

The Branch provided the Minister with independent advice on a number of Industrial Awards in 2012-13, including those relating to police officer and fire fighters wages and death and disability benefits for fire fighters.

Police Death and Disability

The Branch renewed the insurance contract for the Police Death and Disability Scheme that is resulting in cost savings and increases in officers returning to work. New benefit standards were negotiated during the year and will be rolled out in 2013-14.

Police Act Review

The Branch prepared a discussion paper to inform the statutory review of the *Police Act 1990*.

Audit of Police resources

The Branch continued to engage with the NSW Police Force on the implementation of its response to the Ministerial Audit of Police Resources, including the merger of a number of Local Area Commands, which will ultimately return over 100 police officers to front line duties.

Portfolio Budgets

The Branch assists with coordinating the development of portfolio agency budgets. In 2012-13, the Branch 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 Branch also led the coordination and preparation of supporting materials for the 2012-13 Budget Estimates hearing.

Other

The Branch also undertook work on:

- Review of the *Child Protection (Offenders Prohibition Orders) Act 2004*
- Reform of special constables arrangements in NSW
- Establishment of the Police Transport Command
- Contributing to the creation of Youth on Track – a new model for working with young people at risk of criminal offending that is designed to prevent young people from becoming entrenched in criminal behavior.
- A range of advice on the impact of the *Government Sector Employment Act 2013* on the police and emergency services portfolio.

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 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 disbursements made by the Minister from the Minister's Discretionary Fund. 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 prepared 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 5,175 items of Ministerial correspondence for the reporting period.

Parliament

The Ministerial and Parliamentary Support Branch, in consultation with relevant policy officers and agency staff, coordinated and drafted answers to Legislative Assembly and Legislative Council Parliamentary Questions, Private Member's Statements, Adjournment Debates and Budget Estimates Questions. For the reporting period these included:

Legislative Assembly	Question on Notice	Question Without Notice	Private Members Statement
	108	1	75
Legislative Council	QON	QWN	PMS
	274	303	21
Totals	382	304	96

The Branch also prepared Parliamentary briefings for the Minister, with regular updates, 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. Details of overseas travel by Ministry staff are detailed on page 37.

Ministerial Grants Program

The Branch administered the Ministerial grants program, including assessing grant proposals against established criteria.

The total allocation of grants for the reporting period was \$326,145. The details of the recipient organisations and other grants for the full financial year are included in Appendix B – Ministerial Grants 2012-13.

Reporting on Government commitments

During the reporting year, the Branch played an increasing role in facilitating advice within the Justice cluster. This included coordinating information and data on *NSW 2021* performance measures, election commitments and regional action plans to ensure that police and emergency service agencies met their reporting obligations.

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.
- To manage the sydneyALERT system.

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.

The Ministry supported emergency operations in the CBD by managing the sydneyALERT system. The management of sydneyALERT was transferred to the NSW Police Force during 2012-13.

Outcomes

The branches supported the operations of the Ministry by providing a range of administrative, finance, human resources, information & communications technology and other corporate services in a timely and efficient manner.

The Corporate Governance Branch worked to further develop and support the Ministry's corporate systems, procedures and policies, including implementation or review of the following:

- Code of Conduct
- Corporate Plan
- Flexible Working Hours Agreement
- Fraud Control Policy
- Grievance handling policy and procedures
- Staff performance planning system

- Project governance guidelines
- Records management policy and procedures
- Staff development and training policy.

The Ministry's internal audit program commenced with reviews of legislative compliance and the emergency services contributory funding system, a fraud and corruption risk assessment and a 'health check' of the Ministry's finance systems. Reviews were also undertaken of the Ministry's financial operations in relation to Goods and Services Tax, Fringe Benefits Tax and employment taxes.

The Audit and Risk Committee held five meetings during 2012-13.

The Ministry collected \$800 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.

Corporate planning process

The Branch commenced a corporate planning process at the end of 2011. The development of the Corporate Plan was progressed through a series of workshops with extensive staff input. The process reached a significant landmark with the approval and publication of the Ministry for Police and Emergency Services Corporate Plan 2013-2015 in February 2013.

The Plan sets out the Ministry's Mission and Core Functions and it outlines the Strategic Directions that will guide the Ministry's work over the next three years. The Strategic Directions are in the areas of:

- Ministerial Advice
- Policy Development
- Portfolio Coordination
- Community Resilience
- Capability and Capacity
- Response and Recovery
- Readiness and Sustainability
- Organisational Development

Each of the Strategic Directions is articulated through a number of 'Key Areas of Work' and 'Indicators of Success'.

The Corporate Plan will be further refined in the next reporting period. It is available on the Ministry's website.

Counter Terrorism and Disaster Resilience Division

Service description

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

The Division comprises the following: Resilience and Planning; Response and Recovery; Disaster Welfare; Counter Terrorism and Boards and Committees.

Service measures for the full financial year of 2012-13

Disaster Resilience Grants Projects administered: 215

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

Support to emergency management operations: 100%

Training courses, workshops and exercises delivered: 108

Resilience and Planning Branch

Objectives

- To enhance the capability of the emergency management sector through training and exercise programs and grant funding.
- To improve the resilience of communities by coordinating risk, mitigation and resilience activities.
- To develop policy and influence reform in emergency risk management.

Overview

The Resilience and Planning Branch develops and implements policies and strategies that support the emergency management sector and promote community resilience. This is done 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

State Natural Disaster Risk Assessment

The Commonwealth provided NSW with funding under the National Partnership Agreement on Natural Disaster Resilience to undertake a state wide prioritised natural disaster risk assessment in accordance with the relevant Australian standards. The Resilience and Planning Branch was responsible for coordinating the development of the State Natural Disaster Risk Assessment. A public version *Government, you and what to do – A Guide to Natural Disasters in NSW* was released in November 2012.

Natural Disaster Resilience Program

\$13.57 million of State and Commonwealth funds were allocated to grants for 215 projects and other activities across local and state government and not-for-profit organisations to build disaster resilience in NSW communities. Under the Natural Disaster Resilience Program the NSW grant schemes are:

Scheme	Projects
Floodplain Risk Management Grants Scheme	106
Bush Fire Risk Management Grants Scheme	51
Emergency Volunteer Support Scheme	42
Auxiliary Disaster Resilience Grants Scheme	7
State Emergency Management Projects	9

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 has been made available from 2011-12 to 2014-15. In 2012-13 the Minister approved \$1.6 million for 14 projects.

2012-13 Water Safety Black Spot Funds

Recipient	Amount	Purpose
APOLA	\$57,530	Backpacker Beach Safety Pamphlet
Austswim	\$50,000	Accredited Teacher Training for indigenous adults
Austswim	\$70,000	Community education programs for disability groups
Austswim	\$20,000	Migrant communities research project
Austswim	\$65,000	Rip awareness training for children pilot
Marine Rescue NSW	\$50,000	Smart phone app for boaters
Marine Rescue NSW	\$230,000	Log-on/log-off system for boats
Ballina High School P and C (Marine Teachers Association)	\$83,900	Water safety theory and skills for young people
Royal Life Saving NSW	\$285,000	Aquatic locations audit

Royal Life Saving NSW	\$65,000	Drowning prevention campaign for older people
Royal Life Saving NSW	\$85,000	Learn to swim for CALD communities in Western Sydney
Surf Life Saving NSW	\$322,000	Coastal location audit
Surf Life Saving NSW	\$66,570	Develop a nationally aligned surf education program for students in Western Sydney
Sydney Children's Hospitals Network	\$150,000	Study of drowning and near drowning in children aged 0-16 years
Total	\$1,600,000	

Resilient Australia Awards

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

Community Engagement Stakeholders Group

In November 2012 the Branch established a Community Engagement Stakeholder Group (CESG) comprising senior representatives from Emergency Services agencies, Police, Health, Red Cross, Department of Primary Industries and Local Government and Shires Association. The group functions as an expert panel to inform the development of policy, programs and tools and enable greater coordination across the sector. The CESG have contributed to the development of a number of initiatives including the establishment of a community engagement case study library on the Ministry's website.

Emergency Management Training and Exercises

The Resilience and Planning Branch coordinates the delivery of nationally recognised emergency management training. The Branch funded and coordinated 100 training courses, attended by approximately 1650 participants from across government and non-government organisations with a role in NSW emergency management arrangements. The Branch also funded eight district and local level multi-agency exercises to test emergency management arrangements.

Response and Recovery Branch

Objectives

The Response and Recovery Branch provides leadership and support in rescue, response and recovery.

Overview

Specifically, the Branch provides:

- operational support to the State Emergency Recovery Controller (SERCON) and Deputy SERCON
- development and maintenance of recovery policies, plans and procedures
- management of the State Emergency Operations Centre (SEOC) and operational support to the State Emergency Operations Controller (SEOCON) and Deputy SEOCON
- high level advice on rescue, emergency response and disaster recovery matters to the Minister for Police and Emergency Services, the Ministry Chief Executive Officer, the SERCON and the SEOCON/Deputy SEOCON
- executive support to the State Disaster Recovery Advisory Group
- support to the NSW State Rescue Board and State Emergency Management Committee including Functional Area Committees and working groups
- representation at national, state, district and local level forums as required
- contributions to the development and delivery of training and exercises
- contributions to the development and maintenance of emergency plans.

Outcomes

NSW State Disaster Recovery Advisory Group and NSW Recovery Funding Group

The Response and Recovery Branch provided Executive Officer support to meetings of the State Disaster Recovery Advisory Group and Recovery Funding Group. Chaired by the Deputy State Emergency Recovery Controller the group met in August, November and May.

Natural Disasters: Response and Recovery 2012-13

The Response and Recovery Branch provided state-level operational and strategic support to response and recovery operations throughout the natural disaster events of 2012-13, as well as other emergency events. Support was provided to the SEOCON as part of the response operation at State level.

Disaster recovery advice and assistance was provided to communities, recovery coordinators and local and district emergency management and recovery committees. Key areas in which this occurred include:

- Bankstown following a significant apartment fire in September 2012
- Ballina, Lismore, Richmond Valley following severe storms in November 2012
- Yass, Harden, Cooma-Monaro and Coonabarabran following state-wide bush fires in January 2013
- Grafton, Byron and other North Coast areas following storms and floods in January 2013
- Kempsey, Kiama and other areas following storms and floods in February 2013
- Corowa and Berrigan Shire, following tornados in March 2013

Natural Disaster Declarations

During the reporting period the following Natural Disasters were declared:

Storms, Flooding and Landslides - 22 to 29 June 2013

Shoalhaven, Goulburn Mulwaree, Palerang

Storms, Flooding and Landslide - 23 to 25 May 2013

Nambucca

Severe weather - 21 March 2013

Berrigan, Corowa

Storms and Flooding - From 19 February 2013

Armidale Dumaresq, Ballina, Bellingen, Blue Mountains, Byron, Camden, Cessnock, Clarence Valley, Coffs Harbour, Dungog, Gloucester, Gosford, Greater Taree, Great Lakes, Hawkesbury, Kempsey, Kiama, Kyogle, Lismore, Lithgow, Nambucca, Narrabri, Port Macquarie Hastings, Port Stephens, Randwick, Richmond Valley, Shoalhaven, Upper Hunter, Walcha, Wyong

Storms and Flooding - January 2013

Ballina, Bellingen, Byron, Clarence Valley, Coffs Harbour, Glen Innes Severn, Gloucester, Great Lakes, Gunnedah, Guyra, Inverell, Kempsey, Kyogle, Lismore, Liverpool Plains, Moree Plains, Nambucca, Port Macquarie Hastings, Richmond Valley, Tenterfield, Tweed, Upper Hunter, Wyong

Bushfire - January 2013

Albury, Bathurst, Bega Valley, Berrigan, Bogan, Bland, Blayney, Boorowa, Bourke, Brewarrina, Cabonne, Carrathool, Central Darling, Cessnock, Cobar, Conargo, Coolamon, Cooma-Monaro, Coonamble Shire, Cootamundra, Corowa, Cowra, Deniliquin, Dubbo, Eurobodalla, Forbes, Gilgandra Shire, Goulburn Mulwaree, Greater Hume, Griffith, Gundagai, Gwydir, Harden, Hay, Jerilderie, Junee, Lachlan, Leeton, Lithgow, Lockhart, Mid-Western Regional, Moree Plains, Murray, Muswellbrook, Murrumbidgee, Narrabri, Narrandera, Narromine, Oberon, Orange, Palerang, Parkes, Queanbeyan, Shoalhaven, Singleton, Snowy River, Temora, Tumbarumba, Tumut, Upper Lachlan, Urana, The Unincorporated Area, Wagga Wagga, Wakool, Walgett, Warren, Warrumbungle Shire, Weddin, Wellington, Yass Valley, Young

Bushfire - 19 to 28 December 2012

Gunnedah, Liverpool Plains, Upper Hunter

Bushfire - 17 to 21 December 2012

Gloucester

Bushfire - 16 to 23 December 2012

Boorowa, Young

Bushfire - 13 to 18 December 2012

Bourke, Brewarrina, Cobar, Central Darling, Unincorporated Area of NSW

Bushfire - 9 to 15 December 2012

Parkes

Bushfire - 6 to 10 December 2012

Kempsey, Nambucca

Bushfire - 5 to 10 December 2012

Great Lakes

Bushfire - 4 to 9 December 2012

Gwydir, Narrabri, Moree Plains

Severe storms - 17 November 2012

Ballina, Lismore, Richmond Valley

Bushfire - October/November 2012

Armidale Dumaresq, Guyra, Kempsey, Walcha

Bushfire - 20 October to 6 November 2012

Clarence Valley

Bushfire - 20 to 26 October 2012

Singleton

Bushfire - 20 October 2012

Greater Taree, Port Macquarie

Bushfire - October 2012

Brewarrina, Bourke, Central Darling, Cobar, Unincorporated Area of NSW

Bushfire - 8 to 29 October 2012

Gloucester, Great Lakes, Upper Hunter

Bushfire - 7 to 13 October 2012

Clarence Valley, Kyogle, Richmond Valley, Tenterfield

Bushfire - 5 to 12 October 2012

Singleton

Bushfire - 4 to 13 October 2012

Port Macquarie Hastings

Bushfire - 6 to 17 September 2012

Clarence Valley, Richmond Valley, Tenterfield

Bushfire - 5 to 7 September 2012

Kiama

Bushfire - 5 to 7 September 2012

Cooma-Monaro, Snowy River

Bushfire - 21 to 26 August 2012

Kempsey

Bushfire - 18 to 30 August 2012

Clarence Valley

Grants

A number of exceptional one-off grants were made to assist primary producers affected by the disasters. These grants were provided jointly by the NSW and Commonwealth Governments, and are administered by the Rural Assistance Authority. They were in addition to a range of low-interest loans, grants and other assistance measures that are automatically available upon the declaration of a Natural Disaster by the NSW Government.

Emergency Response and Disaster Recovery

The Response and Recovery Branch continued to develop projects and responsibilities in the area of emergency response and disaster recovery, when not responding to disaster operations.

This included representation and executive support to committees and key stakeholders, development of supporting tools for the NSW Recovery Plan and the provision of policy advice to the Chief Executive Officer and Minister.

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 (WSFA). 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 staff from the Department of Family and Community Services (FACS) through evacuation centres and community outreach visitation. Participating non-government agencies in the WSFA assist by delivering specific services to people affected by disasters. These community partner agencies are the Australian Red Cross (personal support and outreach), Adventist Development and Relief Agency (ADRA; emergency accommodation), the Salvation Army (catering) and Anglicare (material aid and general support).

The Branch administers the Personal Hardship and Distress component of the NSW Disaster Relief Scheme, by assessing and determining grants for essential home contents and structural repairs. This service is delivered by Disaster Welfare Alumni and FACS staff if necessary, in Recovery Centres or other venues in impacted communities. The Branch also operates the 1800 Disaster Welfare Assistance Line.

Outcomes

Response to Disaster Events

During the 2012-13 financial year, the Disaster Welfare Branch responded to 24 discrete events. These include the different local government areas impacted by specific weather events such as the East Coast Low of 19-20 February 2013, northern NSW flooding of 27 January 2013, and widespread bushfires in January 2013. Also included are two tornadoes, three unit block fires and one building structural collapse. These latter non-natural events necessitated disaster welfare assistance for evacuated residents with no means of support or emergency accommodation.

Ten evacuation centres were established in nine locations during the January bushfires with 1,089 people registered. Twelve evacuation centres were established along the mid and north coasts due to flooding in January and February with 478 people registered. The sustained

flooding during this period required significant disaster welfare response with teams of Alumni working in affected areas until late March 2013. An Assistance and Information Point was established in Mulwala in March with 130 people registered. An additional evacuation centre was established in Gosford in October 2012 in response to a bushfire.

For the financial year 2012-13, 207 households were provided emergency accommodation with 72% of these arising from floods/storms. Immediate financial assistance was provided to 49 households, demonstrating that most disaster welfare assistance is provided "in kind". Grants for household contents were approved for 210 applicants; grants for structural repairs were approved for 32 applicants. An additional nine structural grants from 2012-13 events are forecast to be paid in 2013-14. In total \$939,332 has been paid in grants for household contents and structural repairs.

Across the major natural disaster events, 118 community partner volunteers were deployed. Teams of Disaster Recovery Chaplains were deployed in the recovery phases of four events, and a child friendly space was established by Save the Children at Coonabarabran Recovery Centre. These partner agencies held debriefs for their workers; FACS and Disaster Welfare Branch debriefed their own staff including the Alumni.

Disaster Welfare Branch established the Warrumbungle Bushfire Support Coordination Service in Coonabarabran in early February, in conjunction with NSW Health, Barnardos, and Warrumbungle Shire Council, and in consultation with the Recovery Committee and local human services agencies including FACS. The service is supported through Category A of the NDRRA: personal and financial counselling. One full-time coordinator has been employed by the Ministry and two sessional support workers are sub-contracted through Barnardos. As at the end of June 2013, 75 households have been assisted by the service, with the provision of crisis and grief counselling, assistance from various grants and funds, information, advocacy, problem solving and referral.

Number and Type of Disaster Welfare Services

Type of Disaster	2010-11	2011-12	2012-13
Natural	31	19	20
Other	9	9	4
Total	40	28	24

Non-Government Partner Agency Funding

During the financial year, the four non-government disaster welfare partner agencies collectively received \$130,000 to contribute towards the cost of recruiting and training volunteers across the state. In addition, several agencies received additional specific project funding to develop volunteer capacity.

Following the review of the Community Partner arrangements within the WSFA, a strategic directions paper was developed. This continues to inform service delivery planning and training, and a new Memorandum of Understanding between the agencies and the Ministry. This is expected to be finalised early in the 2013-14 financial year.

Arrangements were finalised with Anglicare to provide material aid for evacuees in evacuation centres, following the withdrawal of the St Vincent de Paul Society from the WSFA. Bedding requirements on a large scale in evacuation centres are now sourced via the Rural Fire Service. These new arrangements worked well during 2012-13.

Training - staff and volunteers

Disaster Welfare interagency training was delivered in multiple locations across NSW to FACS staff, staff from other government agencies who assist the WSFA, and volunteers from the Community Partners and other non-government agencies. Between May and June 2013, training specific to FACS staff was delivered to 215 staff within Community Services, Ageing Disability and Home Care and Housing NSW divisions, in 17 locations. The training was targeted to staff with no experience in Disaster Welfare, to position FACS staff across all its divisions to undertake disaster welfare duties. The training was well received.

A joint interagency training program across the four partner agencies was piloted in two locations. Disaster Welfare Branch staff provided consultation to each partner agency regarding training content and process in their training delivery, and attended partner agency training sessions and workshops in a range of locations.

The Disaster Welfare Branch has drafted content for e-learning packages on WSFA arrangements, evacuation centres and psychological first aid.

Disaster Welfare Alumni

Recruitment of Alumni staff continues with a total of 28 and a further four applications being finalised. All available Alumni were deployed during January-March 2013 and a combined debrief and development session was held in late April.

State Welfare Services Committee

The Branch convened regular meetings of the State Welfare Services Committee. The Committee comprises representatives from Government and non-government agencies that help deliver disaster welfare services. Over the year, the committee has reviewed the summer 2013 bushfires and floods responses, and has received presentations on mass evacuation centres and community resilience (both from Churchill Fellows), mental health issues in disasters, and the Warrumbungle Bushfire Support Coordination Service.

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

Chief Executives' Counter Terrorism Coordinating Group

The Counter Terrorism Branch provides the Secretariat to the Chief Executives' Counter Terrorism Coordinating Group (CECTCG). This Group is responsible for the full range of capabilities required to meet the threat of terrorism in NSW. This Committee met twice in the reporting period to progress a number of issues relating to the NSW Government's counter terrorism functions. The CECTCG supports the Cabinet Standing Committee on Counter Terrorism and Emergency Management which is chaired by the Premier.

Strategic Review of Counter Terrorism Capability and Governance Arrangements

In 2012-13 the CECTCG agreed to a strategic review of counter terrorism capabilities and governance arrangements in NSW by the Ministry. The results of the review were the identification of ten key themes on which to base future priorities of the CECTCG.

Discussion Exercise

The CECTCG, supported by the Ministry, NSW Police Force and Transport for NSW has conducted a multi phase discussion exercise focused on the strategic, policy level decision making processes in NSW. The exercise was intended to practice the functions of the NSW Crisis Policy Committee in response to an act of terrorism in Sydney. The final phase of this exercise will occur in 2013-14.

Australia New-Zealand National Counter Terrorism Committee

The Ministry is a member of the Australia New-Zealand Counter-Terrorism Committee (ANZCTC). The ANZCTC has responsibility for coordinating an effective nationwide counter terrorism capability. It met twice in the reporting period.

The Counter Terrorism Branch provided ongoing support to ANZCTC Sub Committees, including the Capability Steering Group; Crisis Coordination and Communications Capability Sub Committee; the Chemical, Biological, Radiological Nuclear Security Sub Committee; the Countering Violent Extremism Sub Committee and the Public Information Sub Committee.

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 planned for 2012-13, however was superseded by the Strategic Review of Counter Terrorism in NSW. The outcomes of the Strategic Review, will inform the revision of the NSW Counter Terrorism Plan in 2013-14.

Countering Violent Extremism

The Ministry is a member of the Countering Violent Extremism Sub Committee (CVESC) of the ANZCTC and chairs the Strategic Advisory Group to the CVESC.

Further to supporting the national CVE program the Ministry chairs the NSW Countering Violent Extremism Advisory Group (CVEAG) which was established in 2012-13. The CVEAG is an advisory group to the CECTCG and oversees the NSW Government approach to violent extremism and the radicalisation of at-risk individuals

In 2013-14 the work of the CVEAG will primarily be to map services in NSW that will be appropriate for the introduction of programs in development at the national level and determine how they might be piloted or implemented in NSW.

Chemicals of Security Concern

The Counter Terrorism Branch continued to support the implementation of the National Chemical Security Management Framework. This included the coordination of risk assessments for eleven precursor chemicals to homemade explosives and the process of completing a Regulatory Impact Statement (RIS) and Decision RIS for these eleven chemicals.

The Branch has actively contributed to the development of a draft voluntary National Code of Practice for Chemicals of Security Concern which will be finalised and launched early in 2013-14.

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 2011-12, work commenced to replace this framework with a NSW Critical Infrastructure Protection and Resilience Strategy. This comprehensive reworking of the NSW strategy for protecting critical infrastructure continued through 2012-13.

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 is 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 (sNSW-SC).

The sNSW-SC, chaired by the NSW Police Force, is a subcommittee of the CECTCG. 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.

In 2012-13 secureNSW saw a dramatic increase in the performance of the website, driven by revisions to content, and support from the NSW Police Force's Corporate Communications Unit.

In April 2013 the terrorist attack in Boston, Massachusetts USA raised the levels of interest in the NSW counter terrorism arrangements. secureNSW was used as the NSW Government's key portal for information on the events in Boston, including information on the event, the NSW Police Force's response to the event and the relevant information on the arrangements to prevent, prepare for, respond to and recover from an incident of terrorism in NSW.

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.

Boards and Committees Unit

Objectives

- To provide executive support to the State Emergency Management Committee, State Rescue Board, NSW members of the Australia-New Zealand Emergency Management Committee and other relevant committees.
- To lead, coordinate, develop and implement policies and projects concerning emergency management.

Overview

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

In 2012-13, the Unit also provided executive support on individual projects, including the Independent Hazard Reduction Audit Panel and the Council for Emergency Volunteers.

Outcomes

State Emergency Management Committee

During the reporting period the State Emergency Management Committee met four times. The Committee comprises agencies responsible for the multiple aspects of emergency management. This includes NSW Police Force, Fire & Rescue NSW, Ambulance Service of NSW, the NSW Rural Fire Service and the NSW State Emergency Service, as well as other significant lead and supporting agencies such as Transport for NSW, NSW Health and the Department of Premier and Cabinet.

It is the Committee's role to coordinate the work of all member agencies to ensure NSW has appropriate systems and arrangements in place to prevent, prepare for, respond to and recover from the effects of hazards that impact on the community.

During the reporting period, the Ministry led the drafting of the State Emergency Management Plan (EMPLAN), which was approved by the Minister in December 2012. EMPLAN replaced the State Disaster Plan, and provides a high level strategic and policy overview of emergency management arrangements in NSW.

State Rescue Board

During the reporting period, the State Rescue Board met four times. The State Rescue Board is established under the *State Emergency and Rescue Management Act 1989*. The principal function of the State Rescue Board is to ensure the maintenance of efficient and effective rescue services throughout NSW.

The State Rescue Board comprises representatives from key rescue agencies including the NSW Police Force, Fire & Rescue NSW, Ambulance Service of NSW, NSW State Emergency Service, NSW Volunteer Rescue Association and Marine Rescue NSW. The State Rescue Board is chaired by the Commissioner of the NSW Rural Fire Service as an independent agency.

The Boards and Committees Unit 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 six working groups to assist in the exercise of its functions: State Rescue Policy Review Working Group, Multi Agency Rescue Exercises Working Group, Rescue Training Working Group, Vertical Rescue Working Group, Rural Service Delivery Model Working Group and the Rescue Data Working Group.

Australia-New Zealand Emergency Management Committee

At the beginning of 2012, New Zealand was invited to become a member of the National Emergency Management Committee. New Zealand formally became a member in October 2012, and the Committee was renamed as the Australia-New Zealand Emergency Management Committee (ANZEMC).

In the reporting period, the ANZEMC met once in person and three times by way of teleconference/video conference. The ANZEMC is the national consultative emergency management forum, and works to strengthen the nation's disaster resilience by providing strategic leadership on nation-wide emergency management policy.

The Committee is also the senior officials' body supporting the emergency management aspects of the Standing Council on Police and Emergency Management (SCPEM). Boards and Committees is responsible for the coordination and preparation of SCPEM papers relating to the emergency management portfolio. The Unit also provides executive support to the national Fuel Loads Working Group, a subcommittee to ANZEMC.

Independent Hazard Reduction Audit Panel

The NSW Government committed to establishing the Independent Hazard Reduction Audit Panel prior to the 2011 election. The aim of the Panel was to conduct a review of hazard reduction programmes across NSW and to provide recommendations to the Minister in relation to potential enhancements.

In August 2012, the Panel released the Discussion Paper *Enhancing Hazard Reduction in New South Wales* for public comment. The Panel then conducted five public consultations from September to November in the Blue Mountains, Tamworth, Batemans Bay, Orange and Coffs Harbour. These consultations were well attended by community members with an interest in hazard reduction.

The Panel drew on the advice received at the public consultations and contained in the written submissions to prepare, *Enhancing Hazard Reduction in NSW Report*, which was submitted to the Minister in April 2013.

Council of Emergency Volunteers

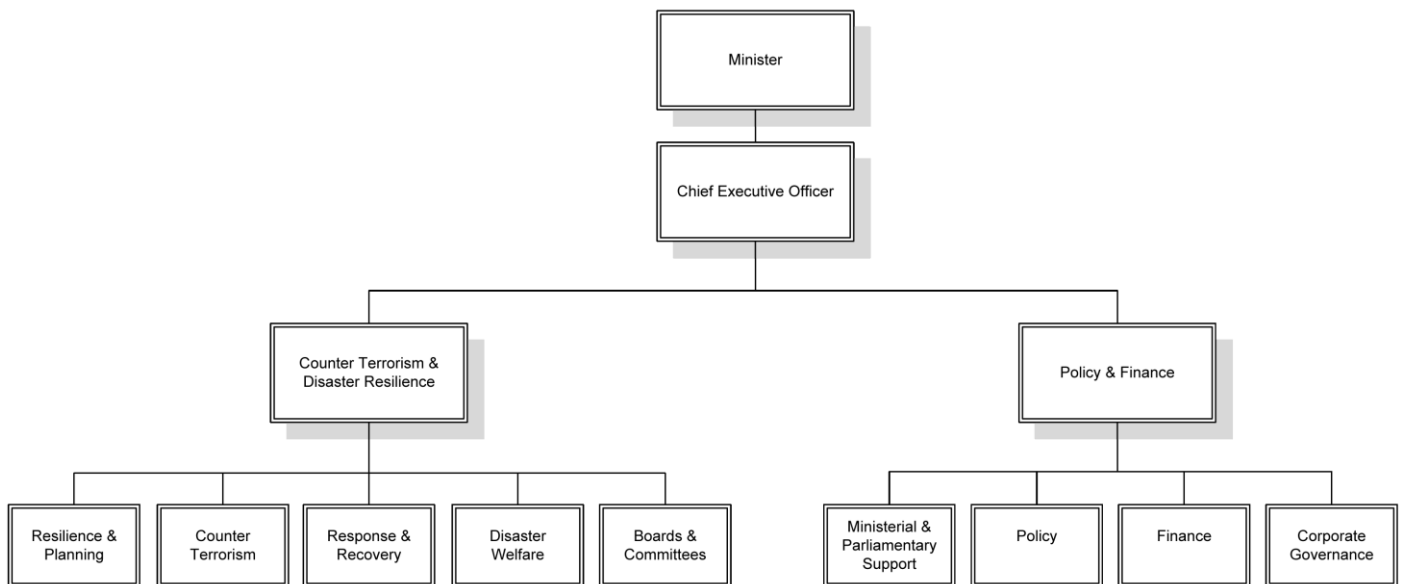
The Council of Emergency Volunteers was established in early 2012 to engage emergency volunteers in the decision making process about matters that effect them. The Council is chaired by Mr Geoff Provest MP, Parliamentary Secretary for Police and Emergency Services.

The Council has met twice in the reporting period, and has considered issues such as how to support the employers of volunteers and how to engage people from culturally and linguistically diverse backgrounds, to build resilience and capacity in the community, to achieve growth in the volunteer sector.

Human Resources

Organisational structure

The Organisational Chart shows the Ministry's structure as at 30 June 2013.



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.

Les Tree AM, Chief Executive Officer

Mr Tree retired from the position of Chief Executive Officer on 5 April 2013, after forty two years in the NSW public sector. Mr Tree was the Chief Executive Officer of the Ministry for Police and Emergency Services from its establishment in April 2011. Prior to that, he had been appointed Director-General to the former Ministry for Police in March 1997. He had also held senior positions in a number of government agencies, including the Department of Premier and Cabinet.

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.

Ms Battilana served as Acting Chief Executive Officer from April 2013 until the end of the reporting period.

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

Grade	2012	2013
SES	3	3
Senior Officer	12	13
Clerks	70	66
Total	85	81

Total CES/SES positions filled by women at 30 June 2013

	2012	2013
	1	1

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 - \$41,679	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
\$41,679 - \$54,742	2	50.0	50.0	0.0	0.0	0.0	0.0	0.0
\$54,742 - \$61,198	2	0.0	100.0	0.0	0.0	0.0	0.0	0.0
\$61,198 - \$77,441	9	33.3	66.7	0.0	0.0	40.0	0.0	0.0
\$77,441 - \$100,145	19	31.6	68.4	0.0	8.3	8.3	0.0	0.0
\$100,145 - \$125,181	34	29.4	70.6	0.0	7.7	15.4	0.0	0.0
\$125,181 > (Non SES)	13	23.1	76.9	0.0	0.0	25.0	0.0	0.0
\$125,181 > (SES)	2	50.0	50.0	0.0	0.0	0.0	0.0	0.0
Total	81	29.6	70.4					

Equal Employment Opportunity (EEO)

The Ministry's Senior Officers take responsibility to respond 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

EEO Group	Benchmark	2012	2013
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%	12.0	16.9
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

EEO Group	Benchmark	2012	2013
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 recognises the principle 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 where open communication and trust fosters a positive and just safety culture throughout the organisation 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.

Considerable work was undertaken to enhance the Ministry's Work Health and Safety system. A Work Health and Safety section was established on the intranet. The intranet now has documents and resources relating to:

- Work Health and Safety (WHS) Policy
- WHS System Responsibilities
- WHS System Objectives and Targets
- Minutes of WHS meetings
- A guide to the WHS legislation
- Notifications of injury, illness, exposure or near-miss forms
- Ergonomic guides
- The Ministry's Employee Assistance Program
- Critical Incident Support
- Fatigue Management.

During the reporting period, the Ministry received three notifications of injury, illness, exposure or near-miss. No incidents were notifiable incidents as defined in Section 35 of the *Work Health and Safety Act 2011*.

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.

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.

Table A: Consultants Engaged Equal to or Greater than \$50,000

Name	Cost	Project Description
PriceWaterhouseCoopers	\$59,798	Emergency Services Efficiency Review

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

Category	Count	Cost
Finance and Accounting	4	\$70,141
Legal		
Environmental		
Organisational Review	1	\$40,500
Information Technology		
Management Services	5	\$84,902
Engineering		
Training		
Customer Service		
Total Consultancies less than \$50,000	10	\$195,543

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.

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 means of the extensive use of email, computer-generated forms and the internet. Ministry employees use recycled paper, where practicable, and recycled toner in office equipment such as photocopiers, printers and facsimile machines.

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
- www.watersafety.nsw.gov.au
- www.secure.nsw.gov.au (a joint initiative of the Ministry and the NSW Police Force)

In March 2012, a review was carried out by the Ministry under 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 five access applications were received by the agency during the reporting year.

One application for access received by the Ministry during the reporting year was partly refused because the application was for the disclosure of information referred to in Schedule 1 to the Act (Information for which there is conclusive presumption of overriding public interest against disclosure).

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.

Financial Management

Financial Summary 2012-13

The Ministry's financial performance in the reporting period was sound. The Auditor-General's audit of the Ministry's financial statements for the year ended June 2013 resulted in an unmodified opinion.

Auditor-General's opinion

The Auditor-General has expressed an unmodified opinion on the Ministry's annual financial statements.

Major Assets

Office fit-outs, equipment such as photocopiers, PABX system and websites are the Ministry's only major assets.

Credit Card certification

The Ministry has a Corporate Credit Card Policy which complies with NSW Treasury's Policies and Guidelines and Treasurer Directions. Cardholders are to observe, and discharge their responsibilities, in accordance with the policy.

The use of approved credit cards for payment of expenses is satisfactory and in accordance with the Premier's Memoranda and Treasurer's Directions.

Risk Management and Insurance Activities

Insurance policies with the Treasury Managed Fund cover the Ministry for the following financial risks: workers compensation, motor vehicles, property, liability and miscellaneous exposure.

Annual Report production

The Annual Report production costs were kept to a minimum.

Overseas Travel

Dates: 6-14 April 2013
Officer: Ms Wendy Graham
Director, Disaster Resilience

Destination: United Kingdom (funded by the British Red Cross)
Purpose: Present at the British Red Cross Disaster Resilience Conference

Dates: 12-15 June 2013
Officer: Mr Feargus O'Connor
Executive Director, Counter-Terrorism and Disaster Resilience

Destination: New Zealand
Purpose: Attend meeting of the Australian-New Zealand Counter-Terrorism Committee

Internal Audit and Risk Management Attestation for the 2012-2013 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 place that are, excluding the exception described below, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 *Internal Audit and Risk Management Policy*.

I, Vicki D'Adam, am of the opinion that the internal audit and risk management processes for the Ministry depart from the core requirements set out in Treasury Circular NSW TC 09/08 and that (a) the circumstances giving rise to these departures have been determined by the Portfolio Minister and (b) the Ministry is implementing the following practicable alternative measures that will achieve a level of assurance equivalent to the requirement:

Ministerially Determined Departure	Reason for Departure and Description of Practicable Alternative Measures
The independent chair of the Audit and Risk Committee provided financial services, including advice on the establishment of the 2010/11 budget allocation, during the establishment of the Ministry.	The independent chair is a former senior public sector finance professional. He is also an experienced chair and independent member of Audit and Risk Committees. The services that he performed for the Ministry do not compromise his ability to act independently. He no longer performs services for the Ministry. No alternative measures, additional to this declaration, are required.

These processes provide a level of assurance that enable the senior management of the Ministry 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 is, with the exception noted above, 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. Executive performance

B. Chief Executive Officer's Performance Statements

C. Ministerial Grants 2012-13

D. Account payment performance

E. Government Information (Public Access) Act 2009

F. Financial reports

A. Executive Performance

SES Performance Statements and Remuneration

There was one senior executive service officer of level 5 and above in the Ministry for Police and Emergency Services during the reporting period. Ms Mary-Louise Battilina acted as Chief Executive Officer from Mr Les Tree's retirement commencing on 8 April 2013 until the end of the reporting period.

Mr Les Tree AM
Chief Executive Officer

Appointed: April 2011, CES Level 7
Remuneration as at April 2013: \$390,000



The Hon Michael Gallacher MLC

Leader of the Government in the Legislative Council
Minister for Police and Emergency Services
Minister for the Hunter

CHIEF EXECUTIVE OFFICER'S PERFORMANCE STATEMENT

The performance of Mr Les Tree as Chief Executive Officer for the period 1 July 2012 to his retirement on 5 April 2013 was very satisfactory.

Mr Tree was a committed public servant and great asset to the police and emergency services portfolio. Mr Tree oversaw the implementation of government responses to some of the most significant threats to our state's security and major natural disasters.

Ms Mary-Louise Battilana acted as Chief Executive Officer from Mr Tree's retirement until the end of the financial year. This ensured that effective leadership was maintained.

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. A number of significant projects were effectively managed.

Support for the Minister for Police and Emergency Services was efficiently provided. Government policy has been supported and maintained and a significant contribution made to policy development in the portfolio.

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 agencies Executives.

The Hon Michael Gallacher MLC
Minister for Police and Emergency Services

B. Ministerial Grants 2012-13

2012-13 POLICE AND EMERGENCY SERVICES GRANTS		
Recipient	Amount	Purpose
NSW Police Legacy	\$6,000	Child Safety Handbook
NSW Police Force	\$1,000	Police Remembrance Day - Griffith LAC
NSW Police Legacy	\$5,000	Educational programs for children of deceased
NSW Police Legacy	\$5,400	Child Safety Handbook
NSW Police Force - St George LAC	\$5,000	Emily Newman Appeal
NSW Police Legacy	\$5,400	Child Safety Handbook
NSW Police Force	\$1,000	Beverley Lawson Memorial Award
NSW Police RSL Sub-Branch	\$550	ANZAC Day Luncheon
Police Citizens Youth Club	\$5,000	BlueStar and Nation of Origin programs
NSW Police Force	\$92,000	Defibrillators for police stations
NSW Police Force	\$4,175	Pacific Islander Mentoring Program
NSW Police Force	\$11,350	Wise Up Youth Program
NSW Police Force	\$3,500	Domestic violence posters
NSW Police Force	\$15,000	Partnerships at Court DVD
Marine Rescue NSW Newcastle Unit	\$5,000	BBQ and trailer for fundraising and community
Marine Rescue NSW	\$25,000	State Volunteers Leaders conference
Shannons Flat / Yaouk Rural Fire Brigade	\$4,000	Installation of radio repeater
Volunteer Rescue Association (Coonabarabran)	\$1,900	Training room laptops and software
Volunteer Rescue Association (Dubbo)	\$1,800	Control room computer and software
Volunteer Rescue Association (Narrandera)	\$1,900	Training room chairs
Volunteer Rescue Association (WICEN)	\$2,070	Automatic radio tracking
State Emergency Service (Deepwater)	\$5,000	Unit headquarters upgrade
State Emergency Service (Mungindi)	\$5,000	Unit headquarters upgrade
State Emergency Service (Southern Highlands)	\$5,000	Leadership development
State Emergency Service (Mudgee)	\$4,000	Unit headquarters upgrade
State Emergency Service (Cootamundra)	\$4,200	Unit headquarters upgrade
State Emergency Service (Tamworth)	\$5,000	Unit headquarters upgrade
State Emergency Service (Wee Waa)	\$5,000	Unit headquarters upgrade
State Emergency Service (Uralla)	\$4,000	Unit headquarters upgrade
State Emergency Service (Dubbo)	\$5,000	Unit headquarters upgrade
State Emergency Service (Southern Highlands)	\$5,000	Unit headquarters upgrade
State Emergency Service (Walgett)	\$1,500	Unit headquarters upgrade
State Emergency Service (Macquarie Region)	\$5,000	PPE kit bags
Fire & Rescue NSW	\$9,500	Toolkit and Young professionals network
Rural Fire Service	\$10,000	RFS cadet program
Fire & Rescue NSW	\$11,400	Project Sapphire (installation of hydrant reflectors)
Rural Fire Service	\$10,000	Promotional video for recruitment and retention kit

2012-2013 GRANTS TO OTHER ORGANISATIONS		
Recipient	Amount	Purpose
Rotary Club of Minnamurra	\$1,500	Emergency Services Expo
Star Sydney Pty Ltd	\$7,500	2012 Special Children's Christmas Party
St Joseph's Youth Services	\$10,000	Cool Heads youth program in Tweed Heads
Kiama Surf Life Saving Club	\$2,000	Support club activities (incl. printing of fundraising book)
Rotary Clubs of NSW	\$1,000	Police Officer of the Year Awards
Star Sydney Pty Ltd	\$7,500	2013 Special Children's Christmas Party

Total	\$326,145
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C. 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

2012-13					
Quarter	Current (ie, 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
All Suppliers					
September	\$47,759	\$29,222	\$14,734	\$214	0
December	\$7,453	\$4,130	0	0	0
March	\$194,906	\$9,260	0	0	0
June	0	\$82	0	0	0
Small Business Suppliers					
September	0	0	0	0	0
December	0	0	0	0	0
March	0	0	0	0	0
June	0	0	0	0	0

Accounts due or paid within each quarter

2012-13				
Measure	Sept	Dec	Mar	June
Number of accounts due for payment	676	432	406	555
Number of accounts paid on time	637	402	377	512
Actual percentage of accounts paid on time (based on number of accounts)	94%	93%	93%	92%
	\$'000	\$'000	\$'000	\$'000
Dollar amount of accounts due for payment	20,665	4,575	9,316	9,371
Dollar amount of accounts paid on time	20,305	4,451	8,664	9,220
Actual percentage of accounts paid on time (based on \$)	98%	97%	93%	98
Number of payments for interest on overdue accounts	0	0	0	0
Interest paid on overdue accounts	0	0	0	0

Accounts due or paid within each quarter

2012-2013				
	Sept	Dec	Mar	June
Small Business Suppliers*				
Number of accounts due for payment to small businesses	0	0	0	0
Number of accounts due to small businesses paid on time	0	0	0	0
Actual percentage of small business accounts paid on time (based on number of accounts)	0	0	0	0
Dollar amount of accounts due for payment to small businesses	0	0	0	0
Dollar amount of accounts due to small businesses paid on time	0	0	0	0
Actual percentage of small business accounts paid on time (based on \$)	0	0	0	0
Number of payments to small business for interest on overdue accounts	0	0	0	0
Interest paid to small businesses on overdue accounts	0	0	0	0

*There were no accounts due or paid during 2012-13 for registered small businesses.

D. Government Information (Public Access) Act 2009

Statistical Information about Access Applications 2012-13

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	-	-	-	-	-	-	-	-
Members of Parliament	5	-	-	4	-	-	-	-
Private Sector	-	-	-	-	-	-	-	-
Not-for-profit organisations or community groups	-	-	-	-	-	-	-	-
Members of the public (legal Representative)	-	-	-	-	-	-	-	-
Members of the public (other)	-	-	-	-	-	-	-	-

* More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to 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*	-	-	-	-	-	-	-	-
Access applications (other than personal information applications)	5	-	-	4	-	-	-	-
Access applications that are partly personal information applications and partly other	-	-	-	-	-	-	-	-

* 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)	-
Application is for excluded information of the agency (section 43 of the Act)	-
Application contravenes restraint order (section 110 of the Act)	-
Total number of invalid applications received	-
Invalid applications that subsequently became valid applications	-

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

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

* 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	-
Law enforcement and security	-
Individual rights, judicial processes and natural justice	-
Business interests of agencies and other persons	-
Environment, culture, economy and general matters	-
Secrecy provisions	-
Exempt documents under interstate Freedom of Information Legislation	-

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)	0
Not decided within time (deemed refusal)	0
Total	5

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	1	-	1
Review by Information Commissioner	-	-	-
Internal review following recommendation under section 93 of the Act	-	-	-
Review by Anti Discrimination Tribunal	-	-	-
Total	1	-	1

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

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

	Number of applications for review
Applications by access applicants	1
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	-

E. Financial Reports

Independent Auditors Report



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 2013, the statement of comprehensive income, statement of changes in equity, statement of cash flows and 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 2013, 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

20 September 2013
SYDNEY

Financial Statements for the Year Ended 30 June 2013

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 for the financial year ended 30 June 2013.
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.



Feergus O'Connor
Acting Chief Executive Officer
Date: 16 September 2013

Ministry for Police & Emergency Services
Statement of comprehensive income
for the year ended 30 June 2013

	Notes	Actual 2013 \$' 000	Budget 2013 \$' 000	Actual 2012 \$' 000
Expenses excluding losses				
Operating expenses				
Employee related	2(a)	10,919	10,765	10,501
Other operating expenses	2(b)	6,575	10,367	5,986
Depreciation and amortisation	2(c)	286	62	318
Grants and subsidies	2(d)	29,134	35,808	33,621
TOTAL EXPENSES EXCLUDING LOSSES		46,914	57,002	50,426
Revenue				
Investment revenue		528	400	591
Grants and contributions	3(a)	51,242	52,292	46,344
Other revenue	3(b)	1,481	200	594
Acceptance by the Crown Entity of employee benefits and other liabilities	4	481	497	519
Total revenue		53,732	53,389	48,048
Gain/(loss) on disposal	5	4	-	-
Net result		6,822	(3,613)	(2,378)
Other comprehensive income		-	-	-
TOTAL COMPREHENSIVE INCOME		6,822	(3,613)	(2,378)

The accompanying notes form part of these financial statements

Ministry for Police & Emergency Services
Statement of financial position
as at 30 June 2013

	Notes	Actual 2013 \$' 000	Budget 2013 \$' 000	Actual 2012 \$' 000
ASSETS				
Current Assets				
Cash and cash equivalents	7	19,383	9,243	13,657
Receivables	8	690	1,510	2,404
Total Current Assets		20,073	10,753	16,061
Non-Current Assets				
Property, plant & equipment	9			
- Plant and equipment		45	213	50
- Motor vehicles		-	-	14
- Leasehold improvements		429	960	665
Total property, plant and equipment		474	1,173	729
Intangible assets	10	28	26	9
Total Non-Current Assets		502	1,199	738
Total Assets		20,575	11,952	16,799
LIABILITIES				
Current Liabilities				
Payables	11	1,130	1,111	4,946
Provisions	12	1,606	1,087	1,032
Total Current Liabilities		2,736	2,198	5,978
Non-Current Liabilities				
Provisions	12	196	-	-
Total Non-Current Liabilities		196	-	-
Total Liabilities		2,932	2,198	5,978
Net Assets		17,643	9,754	10,821
EQUITY				
Accumulated funds		17,643	9,754	10,821
Total Equity		17,643	9,754	10,821

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 2013

	Accumulated Funds \$' 000	Total \$' 000
Balance at 1 July 2012	10,821	10,821
Net result for the year	6,822	6,822
Other comprehensive income	-	-
Total other comprehensive income	-	-
Total comprehensive income/(loss) for the year	<u>6,822</u>	<u>6,822</u>
Balance at 30 June 2013	<u>17,643</u>	<u>17,643</u>
 Balance as at 1 July 2011	 13,199	 13,199
Net result for the year	(2,378)	(2,378)
Other comprehensive income	-	-
Total other comprehensive income	-	-
Total comprehensive income/(loss) for the year	<u>(2,378)</u>	<u>(2,378)</u>
Balance at 30 June 2012	<u>10,821</u>	<u>10,821</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 2013

	Notes	Actual 2013 \$' 000	Budget 2013 \$' 000	Actual 2012 \$' 000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Employee related		10,204	10,288	10,020
Grants and subsidies		32,301	35,808	33,347
Other		8,103	10,026	5,117
Total payments		<u>50,608</u>	<u>56,122</u>	<u>48,484</u>
Receipts				
Interest received		773	400	324
Grants and contributions		51,560	52,292	45,669
Other		4,047	60	493
Total receipts		<u>56,380</u>	<u>52,752</u>	<u>46,486</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	14	<u>5,772</u>	<u>(3,370)</u>	<u>(1,998)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from the sale of property, plant and equipment		12	-	-
Purchases of property, plant and equipment		(58)	(164)	(62)
NET CASH FLOWS FROM INVESTING ACTIVITIES		<u>(46)</u>	<u>(164)</u>	<u>(62)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings and advances		-	-	-
Repayment of borrowings and advances		-	-	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		<u>-</u>	<u>-</u>	<u>-</u>
NET INCREASE/(DECREASE) IN CASH		5,726	(3,534)	(2,060)
Opening cash and cash equivalents		<u>13,657</u>	<u>12,777</u>	<u>15,717</u>
CLOSING CASH AND CASH EQUIVALENTS	7	<u>19,383</u>	<u>9,243</u>	<u>13,657</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 2013

ENTITY'S EXPENSES & INCOME	Service Group 1*		Service Group 2*		Not Attributable		Total	
	2013 \$' 000	2012 \$' 000	2013 \$' 000	2012 \$' 000	2013 \$' 000	2012 \$' 000	2013 \$' 000	2012 \$' 000
Expenses excluding losses								
Operating expenses								
- Employee related	5,301	4,959	5,618	5,380	-	-	10,919	10,339
- Other operating expenses	3,908	2,319	2,667	3,829	-	-	6,575	6,148
Depreciation and amortisation	-	-	-	-	286	318	286	318
Grant and subsidies	5,394	9,077	23,740	24,544	-	-	29,134	33,621
TOTAL EXPENSES EXCLUDING LOSSES	14,603	16,355	32,025	33,753	286	318	46,914	50,426
Revenue**								
Investment revenue	-	-	-	-	528	591	528	591
Grants and contributions	5,053	6,300	9,809	11,134	36,380	28,911	51,242	46,344
Acceptance by the Crown Entity of employee benefits and other liabilities	-	-	-	-	481	519	481	519
Other revenue	552	-	929	-	-	594	1,481	594
Total revenue	5,605	6,300	10,738	11,134	37,389	30,615	53,732	48,048
Gain/(loss) on disposal	-	-	-	-	4	-	4	-
Net result	(8,998)	(10,055)	(21,287)	(22,619)	37,107	30,297	6,822	(2,378)
Total Comprehensive Income/(loss)	(8,998)	(10,055)	(21,287)	(22,619)	37,107	30,297	6,822	(2,378)

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

** Appropriations are made on an entity basis and not to individual service groups. Consequently, appropriations must be included in the 'Not Attributable' column. Cluster grant funding is also unlikely to be attributable to individual service groups.

Ministry for Police & Emergency Services
Supplementary Financial Statements
Service group statements for the year ended 30 June 2013

ENTITY'S ASSETS AND LIABILITIES	Service Group 1*		Service Group 2*		Not Attributable		Total	
	2013 \$' 000	2012 \$' 000	2013 \$' 000	2012 \$' 000	2013 \$' 000	2012 \$' 000	2013 \$' 000	2012 \$' 000
Current Assets								
Cash and cash equivalents	-	-	-	-	19,383	13,657	19,383	13,657
Receivables	30	50	141	173	519	2,181	690	2,404
Total current assets	30	50	141	173	19,902	15,838	20,073	16,061
Non-current Assets								
Property, plant and equipment								
-Leasehold improvements	-	-	-	-	429	665	429	665
-Plant and equipment	-	-	-	-	45	50	45	50
-Motor vehicles	-	-	-	-	-	14	-	14
Intangible assets	-	-	-	-	28	9	28	9
Total non-current assets	-	-	-	-	502	738	502	738
TOTAL ASSETS	30	50	141	173	20,404	16,576	20,575	16,799
Current Liabilities								
Payables	265	215	740	230	125	4,501	1,130	4,946
Provisions	578	619	613	413	415	-	1,606	1,032
Total current liabilities	843	834	1,353	643	540	4,501	2,736	5,978
Non-Current Liabilities								
Provisions	7	-	8	-	182	-	196	-
Total Non-Current Liabilities	7	-	8	-	182	-	196	-
TOTAL LIABILITIES	850	834	1,361	643	722	4,501	2,932	5,978
NET ASSETS	(820)	(784)	(1,220)	(470)	19,682	12,075	17,643	10,821

* 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 established under *the Public Sector Employment and Management (Departments) Order 2011*, effective 1 April 2011.

The Ministry brings together the functions of the former Security and Recovery Co-ordination and Law Enforcement Policy branches of the Department of Premier and Cabinet, Emergency Management NSW (formerly within the Department of Rural Fire Service), staff from the Department of Human Services who were principally involved in the provision of disaster welfare assistance and the former Ministerial Liaison Unit of the NSW Police Force.

The Ministry's role is wide ranging, spanning policy development, ministerial support, operational coordination, crisis management, grants administration, delivery of training and control of several websites and public communications platforms.

MPES is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. MPES is consolidated as part of the NSW Total State Sector Accounts.

These financial statements for the period ended 30 June 2013 have been authorised for issue by the Acting Chief Executive Officer (A/CEO) of MPES on 16 September 2013.

(b) Basis of Preparation

MPES' financial statements are general purpose financial statements which have been prepared in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- the requirements of the *Public Finance and Audit Act 1983* and Regulation; 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 provisions 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' 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 bases 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) the 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 Attorney General and Justice (DAGJ) as a principal agency under which funding appropriations are to be managed for all agencies in the Justice cluster. Consequently, all contributions received from DAGJ 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.

Ministry for Police & Emergency Services Notes to the Financial Statements

(h) Assets

(i) Acquisition of assets

Cost method of accounting is used for the initial recording of all acquisitions of assets controlled by MPES. 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 amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

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 (2012: \$3,000) and above individually (or forming part of a network costing more than \$5,000) are capitalised.

The impact from the change in this accounting policy is immaterial and has not been applied retrospectively. Total gross value of the assets that were capitalised in prior years that have now been expensed in the current year as a result of the change in the capitalisation threshold is \$40,000 with a net balance of \$130 at 30 June 2013.

(iii) Valuation of property, plant and equipment

After recognition as an asset, items of Property, Plant and Equipment are measured at fair value. Fair value is determined in accordance with NSW Treasury Accounting Policy TPP07-1 *Valuation of Physical Non-Current Assets at Fair Value* (as amended by NSWTC 12/05 and NSWTC 10/07) and AASB 116 *Property, Plant and Equipment*.

MPES' property plant and equipment consists of non specialised assets mainly leasehold improvements, plant & equipments and motor vehicles. In accordance with NSW Treasury Accounting Policy TPP07-1 *Valuation of Physical Non-Current Assets at Fair Value* depreciated historical cost with respect to non-specialised assets is considered an acceptable surrogate for fair value, with any difference unlikely to be material. Accordingly, plant and equipment are carried at fair value less accumulated depreciation.

(iv) Impairment of plant and equipment

As a not-for-profit entity with no cash generating units, AASB 136 *Impairment of Assets* is not applicable to MPES. AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs are regarded as immaterial.

(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.

Ministry for Police & Emergency Services Notes to the Financial Statements

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 – 20

Leasehold improvements are depreciated over the term of the lease.

(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 2013 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. As a not-for-profit entity with no cash generating units, AASB 136 *Impairment of Assets* is not applicable to MPES.

Ministry for Police & Emergency Services Notes to the Financial Statements

(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.

(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

Liabilities for salaries and wages (including non-monetary benefits), annual leave and paid sick leave that are due to be settled within 12 months after the reporting date are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

Long term annual leave that is not expected to be settled within the 12 months after the reporting date is measured at present value in accordance with AASB 119 Employee Benefits where the effect of discounting is material.

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 entitlements accrued in the future.

The outstanding amounts of payroll tax, workers' compensation insurance premiums, superannuation and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee entitlements to which they relate have been recognised.

Ministry for Police & Emergency Services

Notes to the Financial Statements

b) Long service leave and superannuation

The entity's 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. Although the liability is assumed by the Crown, some on-costs associated with long service leave are the responsibility of MPES. In accordance with Treasury policy, the associated on costs whilst on long service leave (i.e. payroll tax, annual leave accrued, workers compensation insurance and defined contribution superannuation) have been treated as provision.

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 12/06) 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.

(j) Other provisions

Other provision exists 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.

Ministry for Police & Emergency Services Notes to the Financial Statements

(m) New Australian Accounting Standards issued but not effective

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

The following Accounting Standards have not been applied and are not yet effective.

- AASB 9 and AASB 2010-7 and AASB 2012 -6 regarding financial instruments.
- AASB 12 regarding disclosure of interests in other entities.
- AASB 13, AASB 2011-8 and AASB 2012-1 regarding fair value measurement.
- AASB 119, AASB 2011-10 and AASB 2011-11 regarding employee benefits.
- AASB 10 regarding consolidated financial statements.
- AASB 2010-10 regarding removal of fixed dates for first time adopters.
- AASB 2011-4 regarding individual key management personnel disclosure requirements.
- AASB 11 regarding joint arrangements.
- AASB 127 regarding separate financial statements.
- AASB 1055 regarding Budgetary Reporting
- AASB 1053 and AASB 2010-2 regarding differential reporting.
- AASB 2011-2 regarding Trans-Tasman Convergence - RDR.
- AASB 2011-6 regarding RDR and relief from consolidation.
- AASB 2011-7 regarding consolidation and joint arrangements.
- AASB 2011-12 regarding Interpretation 20.

The possible impact of these standards in the period of initial applications is not reasonably estimable at this stage however they are not expected to materially impact the financial statements.

(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

	2013	2012
	\$' 000	\$' 000
2. EXPENSES EXCLUDING LOSSES		
(a) Employee related expenses		
Salaries and wages (including recreation leave)	8,931	8,513
Superannuation - defined contribution plans	681	604
Superannuation - defined benefit plans	185	85
Long service leave	295	416
Workers compensation insurance	41	-
Payroll Tax and Fringe Benefits Tax	606	514
Overtime	6	312
Long service leave oncost	174	57
	<u>10,919</u>	<u>10,501</u>
(b) Other operating expenses include the following:		
Auditor's remuneration - audit of the financial statements	208	58
Operating leases - minimum lease payments	1,361	1,271
Maintenance *	23	25
Insurance	27	5
Rates, utilities and cleaning	112	106
Vehicles running costs	52	51
Stores and minor equipment	17	28
Uniforms	-	24
Communications	264	248
Travel and subsistence	303	135
Computer services	11	93
Printing and stationery	91	138
Early warning system	1,634	1,311
Training delivery	403	510
Contractors	74	-
External consultancies	255	349
Shared service cost (Fire and Rescue NSW)	577	1,015
Fees for services	405	408
Make good expenses	597	-
Other expenses	161	211
	<u>6,575</u>	<u>5,986</u>
<i>* Reconciliation:</i>		
Maintenance expense, as above	23	25
Maintenance related employee expenses included in Note 2(a)	-	-
Total maintenance expenses included in Note 2(a) + 2(b)	<u>23</u>	<u>25</u>

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

	2013 \$' 000	2012 \$' 000
(c) Depreciation and amortisation expense		
Depreciation		
Leasehold improvements	236	232
Motor vehicles	6	14
General plant and equipment	33	65
Total depreciation	<u>275</u>	<u>311</u>
Amortisation		
Websites	11	7
Total amortisation	<u>11</u>	<u>7</u>
Total depreciation and amortisation	<u>286</u>	<u>318</u>
(d) Grants and subsidies		
Grants to Marine Rescue NSW and Volunteers	10,114	11,771
Grants NDRP/NDMP*	13,354	16,276
Grants to other agencies	3,277	3,000
Grants - Natural disaster	2,389	2,574
	<u>29,134</u>	<u>33,621</u>

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

3. REVENUE

(a) Grants and contributions

Recurrent grant from Department of Attorney General and Justice	36,421	31,115
Capital grant from Department of Attorney General and Justice	27	62
Claims for natural disasters	2,653	1,899
NSW Roads and Maritime Services operational receipts	7,006	6,743
Operational funding grant from other agencies	3,285	-
Grants -other	1,850	6,525
	<u>51,242</u>	<u>46,344</u>

(b) Other revenue

Rental income	318	151
Salary recoup from other Government Departments	14	216
Support service income	207	-
NDRP project cost reimbursement	372	-
Community partner funding reimbursement	130	-
Unspent funds return	320	-
Sundry income	120	227
	<u>1,481</u>	<u>594</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	176	85
Long service leave	295	416
Payroll tax	10	18
	<u>481</u>	<u>519</u>

Ministry for Police & Emergency Services
Notes to the Financial Statements

	2013	2012
	\$' 000	\$' 000
5. GAIN/(LOSS) ON DISPOSAL		
Gain/(loss) on disposal of plant and equipment:		
Proceeds from disposal	13	-
Written down value of assets disposed	9	-
	<hr/>	<hr/>
Gain/(loss) on disposal of non-current assets	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.

(b) 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	19,383	13,657
	<hr/>	<hr/>
	19,383	13,657

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 as at 30 June 2013 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)	19,383	13,657
	<hr/>	<hr/>
Closing cash and cash equivalents (per statement of cash flows)	19,383	13,657
	<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

	2013	2012
	\$' 000	\$' 000
8. CURRENT ASSETS - RECEIVABLES		
Sundry debtors	115	677
Recreation leave receivable	-	223
Goods and services tax receivable	358	711
Community Partners training expense recoups	130	-
Department of Premiers and Cabinet receivable	-	319
Interest accrual	23	267
Other	64	207
	<u>690</u>	<u>2,404</u>

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

	Leasehold	Plant &	Motor	Totals
	Improvements	Equipment	Vehicles	
	\$' 000	\$' 000	\$' 000	\$' 000
At 1 July 2012 - fair value				
Gross carrying amount	945	128	32	1,105
Accumulated depreciation	(280)	(78)	(18)	(376)
Net Carrying Amount	665	50	14	729
At 2013 - fair value				
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	Plant &	Motor	Totals
	Improvements	Equipment	Vehicles	
	\$' 000	\$' 000	\$' 000	\$' 000
Year ended 2013				
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

**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
At 1 July 2011 - fair value				
Gross carrying amount	901	128	32	1,061
Accumulated depreciation	(48)	(13)	(4)	(65)
Net Carrying Amount	853	115	28	996
At 30 June 2012 - fair value				
Gross carrying amount	945	128	32	1,105
Accumulated depreciation	(280)	(78)	(18)	(376)
Net Carrying Amount	665	50	14	729

Reconciliation

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

	Leasehold Improvements \$' 000	Plant & Equipment \$' 000	Motor Vehicles \$' 000	Totals \$' 000
Year ended 30 June 2012				
Net carrying amount at start of year	853	115	28	996
Additions	44	-	-	44
Depreciation expense	(232)	(65)	(14)	(311)
Net carrying amount at end of year	665	50	14	729

10. NON-CURRENT ASSETS - INTANGIBLE ASSETS

	Websites \$' 000	Total \$' 000
At 1 July 2012		
Cost (gross carrying amount)	18	18
Accumulated amortisation	(7)	(7)
Net carrying amount	11	11
At 2013		
Cost (gross carrying amount)	46	46
Accumulated amortisation	(18)	(18)
Net carrying amount	28	28
Year ended 2013		
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

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

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

	Websites \$' 000	Total \$' 000
At 1 July 2011		
Cost (gross carrying amount)	-	-
Accumulated amortisation	-	-
Net carrying amount	-	-
At 30 June 2012		
Cost (gross carrying amount)	18	18
Accumulated amortisation	(7)	(7)
Net carrying amount	11	11
	Websites \$' 000	Total \$' 000
Year ended 30 June 2012		
Net carrying amount at start of year	-	-
Additions	18	18
Disposals	-	-
Amortisation	(7)	(7)
Net carrying amount at end of year	11	11

	2013 \$' 000	2012 \$' 000
11. CURRENT LIABILITIES - PAYABLES		
Accrued salaries, wages and on-costs	285	445
Creditors- NSW Treasury	-	3,454
Trade Creditors	845	1,047
	1,130	4,946

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payable, are disclosed in Note 15.

**12. CURRENT/NON-CURRENT LIABILITIES
PROVISIONS**

Employee benefits and related on-costs

Recreation leave	926	934
Long service leave on-costs not assumed by the Crown Entity	271	98
Fringe benefits tax	8	-
	1,205	1,032

Other provisions

Make good costs	597	-
Total provisions	1,802	1,032

Aggregate employee benefits and related on-costs

Provisions- current	1,191	1,032
Provisions- non-current	14	-
Accrued salaries, wages and on-costs (note11)	285	445
	1,490	1,477

Ministry for Police & Emergency Services
Notes to the Financial Statements

	2013	2012
	\$' 000	\$' 000
12. CURRENT/NON-CURRENT LIABILITIES (contd.)		
Aggregate other provisions		
Make good costs - current	415	-
Make good costs - non-current	182	-
	<u>597</u>	<u>-</u>

Make good costs

Make good 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 make good costs provision during the financial year is set out below:

2013 make good provision	2013	2012
	\$' 000	\$' 000
Carrying amount at the beginning of financial year	-	-
Provision recognised during the period	597	-
Carrying amount at the end of the period	<u>597</u>	<u>-</u>

13. COMMITMENTS FOR EXPENDITURE

Operating Lease Commitments

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

	2013	2012
	\$' 000	\$' 000
Not later than one year	1,314	1,364
Later than one year and not later than five years	773	2,018
Later than five years	<u>-</u>	<u>-</u>
Total (including GST)	<u>2,087</u>	<u>3,382</u>
GST included above that are expected to be recoverable from the Australian Taxation Office.	<u>190</u>	<u>307</u>

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.

Ministry for Police & Emergency Services Notes to the Financial Statements

13. COMMITMENTS FOR EXPENDITURE (Contd.)

Property leases

Rental payments are determined prior to the commencement of leases/licenses 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.

14. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET RESULTS

	2013 \$' 000	2012 \$' 000
Net cash from/(used) on operating activities	5,772	(1,998)
Depreciation and amortisation	(286)	(318)
Decrease/ (increase) in provisions	(770)	(32)
Increase/ (decrease) in receivables	(1,715)	1,044
Decrease/ (increase) in payables	3,817	(1,074)
Net gain / (loss) on sale of assets	4	-
Net results	<u>6,822</u>	<u>(2,378)</u>

15. BUDGET REVIEW

Net Result

The actual net result at the end of the year was \$6.8 million surplus, compared with a budgeted net result of \$3.6 million deficit due to lower than expected protected items expenditures for National Emergency Warning System (NEWS), budget \$6.3 million compared to \$1.7 million actual expenditure; and Natural Disaster Resilience Program (NDRP), budget \$21.5 million compared to actual expenditure of \$13.4 million. For the Emergency Alert system project, only one out of three telecommunications companies implemented the full system by end of 2012-13, meaning that facilities fees payable by MPES were much reduced. The delay in NDRP projects were due to a range of external factors including recipient agency resource and project management constraints.

Assets and Liabilities

Current assets are higher than budget by \$9.3 million primarily due to lower expenditure in NEWS and NDRP grants.

Non-current assets are lower than budget by \$0.7 million due to lower than budgeted capital expenditure during the year.

Total liabilities are higher than budget by \$0.7 million primarily due to unbudgeted \$0.6 million make good provision recognised during the year.

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Cash flows

The cash flows from operation is higher than budget by \$9.1 million primarily due to lower than budgeted payments made for NEWS and NDRP grants.

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 2013 \$'000	Carrying Amount 2012 \$'000
Class:				
Cash and cash equivalents	7	N/A	19,383	13,657
Receivables ¹	8	Loans and receivables (at amortised cost)	332	1,693
Financial Liabilities	Note		Carrying Amount 2013 \$'000	Carrying Amount 2012 \$'000
Class:				
Payables ²	11	Financial liabilities measured at amortised cost	845	1,047

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 MPES' debtors 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.

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Cash

Cash comprises cash on hand, cash in transit, 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.

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 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.

	Total^{1,2}	Past due but not impaired^{1,2}	Considered impaired^{1,2}
2013	\$'000	\$'000	\$'000
< 3 months overdue	6	6	
3 months - 6 months overdue	6	6	
> 6 months overdue	74	74	-
2012			
< 3 months overdue			
3 months - 6 months overdue			
> 6 months overdue	542	542	-

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 \$0.8 million (2012: \$1.0 million), are non interest bearing and are due within the 12 months of the reporting date.

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(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 2012. The analysis assumes that all other variable 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 \$0.19 million (2012: \$0.14million) 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	2013 \$'000	2012 \$'000
Cash facility	cash, money market instruments	Up to 1.5 years	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 30 June each year for each facility (balance from Hour-Glass statement).

	Change in unit price	2013 \$'000	2012 \$'000
Hour Glass Investment - Cash facility	+/- 1 %	154	-

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(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.

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 in accordance 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. Only one payment amounting to \$300 was made from the funds during the current and prior reporting period.

	CDRF Account	CDRF Trust Account
	\$'000	\$'000
Cash balance at 1 July 2012	1,620	108
Receipts (interest earned)	28	2
Expenditure	0.3	-
Cash balance at 2013	1,648	110
Cash balance at 1 July 2011	1,578	104
Receipts (interest earned)	42	4
Expenditure	-	-
Cash balance at 30 June 2012	1,620	108

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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). 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.

	2013 \$' 000	2012 \$' 000
Administered Income		
Contributions Revenue	800,265	855,712
	800,265	855,712
Administered Expenses		
Contributions Expenses	800,265	855,712
	800,265	855,712
Administered Assets		
Cash	14,142	78
Contributions Receivable	1,557	291
	15,699	369
Administered Liabilities		
Contributions payable	15,699	369
	15,699	369

19. CONTINGENT ASSETS AND LIABILITIES

MPES' 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

There has not arisen, in the interval between the end of the financial period and the date of this statement, an event of a material and unusual nature likely, in the opinion of the management of MPES, to affect significantly the operations of MPES, the results of its operations, or the state of affairs of MPES, in subsequent financial years.

End of Audited Financial Statements

Contacts

Contact details for the Ministry for Police and Emergency Services are:

Street address: Level 13, Bligh House, Bligh Street, Sydney NSW 2000

Postal address: GPO Box 5434, Sydney NSW 2001

Phone: (02) 9228 4297

Website: www.mpes.nsw.gov.au

Business hours are 8:30am – 5:00pm.