

Annual Report 2014/15

Ministry for Police & Emergency Services



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Letter to the Minister

The Hon Troy Grant MP
Deputy Premier
Minister for Justice and Police
Minister for the Arts
Minister for Racing
52 Martin Place
SYDNEY NSW 2000

Dear Deputy Premier

I am pleased to submit the Annual Report 2014-15 for the then Ministry for Police and Emergency Services in accordance with the *Annual Reports (Departments) Act 1985* for presentation to the NSW Parliament.

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

Administrative Arrangements (Administrative Changes - Public Service Agencies) Order 2015 was issued by the Premier on 2 April 2015 announcing the abolition of the Ministry commencing 1 July 2015 with the transfer of staff and functions to the Department of Justice.

This is the last Annual Report of the Ministry for Police and Emergency Services.

Yours sincerely



Andrew Cappie-Wood
Secretary

Executive summary

The Ministry became part of wider changes to the public sector, with the decision to incorporate the Ministry into the Department of Justice announced in April 2015. These changes took full effect from 1 July 2015.

In 2014-15 the NSW Ministry for Police and Emergency Services continued in its role as a lead agency to respond to major emergencies and natural disasters. Unfortunately, the period saw the need to respond to some major events. Sadly, the events in Martin Place in December 2014, and then the Hunter and Central Coast storms and floods in April 2015 saw these arrangements tested, under trying conditions.

The NSW Ministry for Police and Emergency Services had a key role in the response and recovery from the Martin Place Siege, with staff working at the State Crisis Centre, and then having a key role in supporting the recovery actions. Ministry personnel have also worked with other NSW Government agencies, and the Commonwealth, to progress the recommendations from the *Martin Place Siege Joint Commonwealth-New South Wales Review*, which came out in February 2015, particularly around bail, control orders and preventative detention orders.

The storms and subsequent flooding that impacted the Hunter, Central Coast and much of metropolitan Sydney in April 2015 required a coordinated response by the emergency services, with our staff playing a role. The Welfare Services Branch assisted in the establishment of ten evacuation centres, supported resupply to isolated communities and received approximately 31,900 calls to the Disaster Welfare Assistance Line.

The Ministry's Response and Recovery Branch provided key support to Brigadier Darren Naumann AM (Rtd) who was appointed as the Regional Recovery Coordinator on 27 April 2015, and he remained in the Hunter and Central Coast until the end of July. The Hunter and Central Coast Flood and Storm event also saw the Ministry expand the use of the external surge program, with 27 people from a range of NSW Government agencies assisting in the recovery operations.

The emergency management training program continues to grow, with two eLearning modules offered (Emergency Management Overview and Welfare Services Overview), with 2,076 participants enrolling in the 12 months. A further 1,205 participants attended 86 face-to-face training programs, which included the two new courses, Evacuation Management and Managing Emergencies.

The Ministry was a key contributor to a number of Government's major reforms. The Ministry developed legislative reforms targeting gun and organised crime, by improving the powers of police to enforce Firearms Prohibition Orders and to search the premises of criminal gangs. Other reforms focused on improving child protection legislation and addressing domestic violence. The Ministry led reform to legislation that strengthened the monitoring of offenders on the Child Protection register.

Other changes the Ministry was instrumental in developing has been the NSW Government's commitment to roll out body worn videos (BWV) cameras on frontline police officers in NSW. This enables police officers to record real-time footage, which becomes an independent record of events. Trials of BWV commenced in this reporting period, with the first tranche of BWVs scheduled for rollout in the latter part of 2015.

Minister for Police and Emergency Services

The Honourable Stuart Ayres MP was the Minister for Police and Emergency Services from the first part of the reporting period until 2 April 2015.

Minister for Justice and Police

The Honourable Troy Grant MP was the Minister for Justice and Police from 2 April 2015 until the end of the reporting period.

Minister for Emergency Services

The Honourable David Elliott MP was the Minister for Emergency Services from 2 April 2015 until the end of the reporting period.

Parliamentary Secretaries

The Parliamentary Secretaries assisting the Minister for Police and Emergency Services were Mr Geoff Provest MP from the first part of the reporting period until 17 October 2014, and the Hon Niall Blair MLC from 17 October 2014 to 2 April 2015.

The Parliamentary Secretary assisting both the Minister for Justice and Police and Minister for Emergency Services was Mr Andrew Gee MP from 2 April 2015 until the end of the reporting period.

Ministry Profile

Aims and objectives

This will be the last annual report for the Ministry for Police and Emergency Services. As at 1 July 2015, the Ministry was abolished with all functions and staff transferred to the Department of Justice.

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

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

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

Key functions and responsibilities included:

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

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

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

Legislation administered

The Ministers for Police and Emergency Services administered the following Acts:

Minister for Justice and Police

- *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, remainder the Attorney General)
- *Firearms Act 1996*
- *Intoxicated Persons (Sobering Up Centres Trial) Act 2013* (jointly with the Minister for Family and Community Services)
- *Law Enforcement and National Security (Assumed Identities) Act 2010*
- *Law Enforcement (Controlled Operations) Act 1997*
- *Police Act 1990*
- *Police Integrity Commission Act 1996*
- *Road Obstructions (Special Provisions) Act 1979*
- *Security Industry Act 1997*
- *Sporting Venues (Invasions) Act 2003*
- *State Emergency and Rescue Management Act 1989*
- *Tattoo Parlours Act 2012* (jointly with the Minister for Innovation and Better Regulation)
- *Weapons Prohibition Act 1998*
- *Witness Protection Act 1995*
- *Wool, Hide and Skin Dealers Act 2004.*

Minister for Emergency Services

- *Community Welfare Act 1987 No 52, Part 5* and any other provisions of that Act so far as they relate to functions under Part 5 (remainder, jointly the Minister for Disability Services and the Minister for Family and Community Services)
- *Fire Brigades Act 1989*
- *Fire Services Joint Standing Committee Act 1998*
- *Rural Fires Act 1997*
- *State Emergency Service Act 1989*

The Ministers for Police and Emergency Services administered the following Regulations:

Minister for Justice and Police

- *Child Protection (Offenders Prohibition Orders) Regulation 2013*
- *Child Protection (Offenders Registration) Regulation 2015*
- *Commercial Agents and Private Inquiry Agents Regulation 2006*
- *Crime Commission Regulation 2012*
- *Criminal Assets Recovery Regulation 2012*
- *Drug Misuse and Trafficking Regulation 2011*
- *Firearms Regulation 2006*

- Intoxicated Persons (Sobering Up Centres Trial) Regulation 2013
- Law Enforcement and National Security (Assumed Identities) General Regulation 2010
- Law Enforcement (Controlled Operations) Regulation 2012
- Police Integrity Commission Regulation 2013
- Police Regulation 2015
- Road Obstructions (Special Provisions) Regulation 1990
- Security Industry Regulation 2007
- Sporting Venues (Invasions) Regulation 2011
- Tattoo Parlours Regulation 2013
- Weapons Prohibition Regulation 2009
- Witness Protection Regulation 2012
- Wool, Hide and Skin Dealers Regulation 2015

Minister for Emergency Services

- Fire Brigades Regulation 2014
- Rural Fires Regulation 2013
- State Emergency Service Regulation 1996

The Ministry was involved in the remake of the following Acts and Regulations in the reporting period (not all administered by the Ministers for Police and Emergency Services):

- *Bail Act 2013* was amended by the *Bail Amendment Act 2014*
- *Criminal Assets Recovery Act 1990* was amended by *Criminal Assets Recovery Amendment Act 2014*
- *Child Protection (Offenders Registration) Act 2000* was amended by the *Child Protection (Offenders Registration) Amendment (Statutory Review) Act 2014*
- *Child Protection (Offenders Prohibition Orders) Act 2004* was amended by the *(Child Protection Legislation Amendment (Offenders Registration and Prohibition Orders) Act 2013*
- *Child Protection (Offenders Prohibition Orders) Regulation 2013*
- *Child Protection (Offenders Registration) Regulation 2015*
- *Combat Sports Act 2008* remade as *Combat Sports Act 2013*
- *Crimes Act 1900*, the *Law Enforcement (Powers and Responsibilities) Act 2002*, the *Crimes (Sentencing Procedure) Act 1999* were amended by *Crimes and Other Legislation Amendment (Assault and Intoxication) Act 2014*
- *Crimes (Domestic and Personal Violence) Act 2007*, amended by the *Crimes (Domestic and Personal Violence) Amendment Act 2013*
- *Criminal Procedure Act 1986*, amended by the *Criminal Procedure Amendment (Domestic Violence Complainants) Bill 2014*
- *Drug Misuse and Trafficking Act 1985* and *Poisons and Therapeutic Goods Act 1966* was amended by *Drugs and Poisons Legislation Amendment (New Psychoactive and Other Substances) Act 2013*
- *Fire Brigades Regulation 2014* was made on 22 August 2014 and was amended by the *Fire Brigades Amendment (Termination of Appointment) Regulation 2014*
- *Firearms Act 1996* was amended by the *Firearms and Criminal Groups Legislation Amendment Act 2013* and the *Security Industry Amendment (Licences) Act 2013*

- *Law Enforcement (Powers and Responsibilities) Act 2002*, amended by the *Law Enforcement (Powers and Responsibilities) Amendment Act 2014*
- *Law Enforcement (Powers and Responsibilities) Act 2002*, amended by the *Law Enforcement (Powers and Responsibilities) Amendment (Arrest without Warrant) Act 2013* and the *Crimes and Other Legislation Amendment (Assault and Intoxication) Bill 2014*
- *Law Enforcement and National Security (Assumed Identities) Act 2010*, amended by the *Law Enforcement and National Security (Assumed Identities) Amendment Act 2013*
- *Liquor Act 2007* and the *Liquor Regulation 2008* were amended by *Liquor Amendment Act 2014*
- *Police Regulation 2008* amended by the *Police Act 1990 – Police Amendment (Total and Permanent Disability Scale) Regulation 2013*, *Police Amendment (Interference with Test Results) Regulation 2013* and *Police Amendment (Employment) Regulation on 2013* and *Police Amendment (Police Promotions) Regulation 2014*
- *Restricted Premises Act 1943* and *Crime Commission Act 2012* was amended by the *Firearms and Criminal Groups Legislation Amendment Act 2013*
- *Rural Fires Act 1997* amended by the *Rural Fires (Vegetation Clearing) Act 2014* and the *Rural Fires Amendment Bill 2014*
- *Rural Fires Regulation 2008* was replaced by the *Rural Fires Regulation 2013* and subsequently amended by the *Rural Fires Amendment (Bush Fire Safety Authorities) Regulation 2014*
- *Surveillance Devices Act 2007*, amended by the *Surveillance Devices Amendment (Police Body Worn Video) Act 2014*
- *Surveillance Devices Regulation 2014* made on 4 April 2015

Ministry Structure and Performance

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

- Policy, Partnership and Services Division was responsible for police and emergency services policy and legislative development, parliamentary support, ministerial coordination, finance and corporate governance.
- Counter Terrorism and Disaster Resilience Division was responsible for emergency management policy, including counter terrorism and operational functions relating to disaster welfare and response and recovery.

Policy, Partnership and Services Division

Service description

The Policy and Finance Division became the Policy, Partnership and Services Division in April 2015. This service group was comprised of the Ministerial Coordination and Parliamentary Services, Policy, Corporate Governance and Finance branches.

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

The Division also liaised and coordinated across the portfolio and with external agencies.

The Policy, Partnership and Services Division contributed to the provision of independent policy advice and strategic coordination by:

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

Service measure statistics for the full financial year of 2014-2015

Cabinet Minutes: 32

Parliamentary Questions: 278

Ministerial correspondence actioned: 6,492

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 Ministry responded to specific policy directions given by Ministers by developing policy for the Police and Emergency Services portfolios within the context of the wider NSW Government reform agenda.

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

The Ministry provided the Ministers for Police and Emergency Services with independent information and analysis on matters relevant to their portfolios. Briefings and information were given throughout the year on a wide range of high level policy and budget issues, as well as more routine matters. The Ministry assisted the portfolio agencies to meet government objectives.

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

Outcomes

NSW contribution to law enforcement and emergency management matters of national significance

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

The Law, Crime and Community Safety Council assisted the Council of Australian Governments by developing a national focus on fighting crime, law reform and managing emergencies.

The LCCSC promoted best practice in law enforcement, crime reduction, law reform, community safety and Emergency Management. This included policy, operations and service provision. The Law, Crime and Community Safety Council met in July and October in 2014 and in May 2015.

The Chief Executive Officer also represented NSW on the National Policing Senior Officer Group and the National Justice and Policing Senior Officers Group and the Australian New Zealand Emergency Management Council. These groups consider critical, nationally significant issues.

The National Justice and Policing Senior Officers Group met in August and October 2014 and April 2015. The Chief Executive Officer contributed to discussions on serious and organised crime, unexplained wealth and responding to alcohol-fueled violence.

The Ministry also participated in nationally important groups established by Ministerial Councils including the Cybercrime Working Group, the Firearms and Weapons Policy Working Group, the National Domestic Violence Order Scheme Working Group, and the Social Media and Law Enforcement Working Group.

Bail

In conjunction with the NSW Police Force and justice agencies, the Ministry helped deliver the largest overhaul of NSW's bail laws in the State's history. The new *Bail Act 2013* commenced on 20 May 2014. These new laws aim to deliver a simple, consistent approach to bail, with a renewed focus on managing risk and protecting the community.

The Ministry continued to be actively involved in the monitoring and reform of bail law arising from:

- the independent review of the *Bail Act 2013*, led by Judge Hatzistergos;
- the Martin Place Siege, Joint Commonwealth – New South Wales Review Report; and
- the NSW Sentencing Council review of additional show cause offences.

The Ministry provided strategic advice on behalf of the police portfolio to these reviews and has monitored implementation issues through the Bail Act Monitoring Group.

The Ministry worked with NSW and Commonwealth agencies on bail reform arising from the Martin Place Siege, Joint Commonwealth – New South Wales Review Report. Further information on the Review can be found at: <http://www.nsw.gov.au/siegereview>.

Martin Place Siege Joint Commonwealth – New South Wales Review

Following the Martin Place Siege, the Commonwealth and New South Wales Governments conducted a joint review to examine the events leading up to the siege, with the report released in February 2015. Overall, the review found that judgements made during the siege were reasonable, but recommended a number of modest changes that will help reduce risk to public safety.

Since the release of the review report, the Ministry worked with other NSW Government agencies, and with the Commonwealth, to progress the recommendations in the Review. NSW will also work with stakeholders to investigate strengthening the use of control orders and preventative detention orders by persons intending to commit a terrorism related offence.

Modernising frontline police and maintaining their wellbeing

The Ministry developed proposals to provide the NSW Police Force with access to modern technology. This included the trial of electronic infringement notices and the use of body worn video devices.

Body worn video devices will assist with ensuring police interactions are appropriate, reducing complaints and improving behaviour of the public and police.

The Ministry participated in the development of proposals to support frontline police and improve their wellbeing. The NSW Police Force is commencing implementation of these proposals into 2015-16.

Combating violence

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

Reforms to domestic violence laws continued in 2014/15. On 18 November 2014, Parliament passed the *Criminal Procedure Amendment (Domestic Violence Complainants) Bill 2014*. This Bill allows a video-recorded statement by Police of a domestic violence incident to stand as the victim's evidence in court. These reforms will ensure that a perpetrator cannot pressure their victims to change their evidence when they get to court. Police have been using this legislation operationally since 1 June 2015.

In addition, the Ministry was involved in progressing a COAG commitment to develop a national domestic violence order scheme, which will enable Domestic Violence Orders to be automatically recognised and enforced in any state or territory in Australia.

Police Citizens Youth Clubs

The Ministry continued to provide secretariat support to the PCYC Steering Committee to oversight building and capital projects that were underway and additional program support provided as part of the Government's funding commitment to PCYC in 2011.

In 2014-2015, the work of the Steering Committee resulted in the Government finalising the last round of new clubs being developed. New clubs were developed in Auburn and Cessnock with clubs in Walgett, Dee Why, Camden, Mittagong and Port Macquarie at various stages of development.

Children and Youth

The Ministry assisted programs aimed at children and youth by:

- continuing to support the work of the Royal Commission into Institutional Responses to Child Sexual Abuse
- contributing to the review of the *Young Offenders Act 1997* and the *Children (Criminal Proceedings) Act 1987* participating in the Youth on Track Implementation Committee

- contributing to the NSW Government submission to the Joint Inquiry on Sentencing of Child Sexual Offenders
- contributing to whole of government work on prevention and early intervention.

Water safety

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

The Ministry continued to lead the Government's water safety strategy by providing policy and secretariat support to the NSW Water Safety Advisory Council. The Council assisted the Minister to allocate the Water Safety Black Spots Fund and provided expert advice to the Minister on water safety issues. In 2014-15, the Water Safety Black Spots Fund contributed towards the continuation of the project undertaking public risk safety assessments of every accessible beach and rock platform in NSW. Details on all projects funded under the Water Safety Black Spots Fund are available at www.watersafety.nsw.gov.au.

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

Wearing of lifejackets while rock fishing

The Ministry continued to develop proposals, in conjunction with the Water Safety Advisory Council and the NSW Safer Waters Sub-Committee, on increasing the wearing of lifejackets while rock fishing. Key messages have been developed and promoted through various media.

Surveillance devices

The Ministry was instrumental in supporting the implementation of a Government commitment to roll out body worn video (BWV) cameras to frontline police officers in NSW.

BWVs complement police officer's notebook by allowing police to record real-time footage when, for example, exercising a power or attending an incident. This will improve evidence gathering and may lead to the earlier resolution of court cases. It can improve behaviour of the public and police officers and will be an independent record of events.

The Ministry worked with the NSW Police Force, the Department of Justice and legal stakeholders on amendments to the *Surveillance Devices Act 2007* to allow frontline police officers to use BWVs when doing their duties. The laws commenced on 19 November 2014.

The Ministry has been supporting the NSW Police Force on the roll out of the first tranche of BWVs, scheduled for the second half of 2015. The Ministry sat on an interagency implementation committee. The committee – comprised of NSW government agencies and legal stakeholders – gave advice and direction to the NSW Police Force on

implementation issues. The committee will review the operation of the new laws after one year and report to the Secretary of the Department of Justice.

The Ministry helped the NSW Police Force achieve mutual recognition of surveillance device laws with several States and Territories.

Rural crime

The Ministry convened and provided secretariat for the Rural Crime Advisory Group (RCAG) which is chaired by the Parliamentary Secretary.

RCAG brings together representatives from the NSW Police Force, NSW Farmers, Local Land Services, the Australian Livestock and Property Agents Association and the Department of Primary Industries, to discuss issues pertaining to rural crime and provide advice to the Minister for Justice and Police. The RCAG met three times in the 2014/15 financial year: in Goulburn (July 2014), Dubbo (December 2014) and Orange (June 2015). RCAG members also visited the Police Academy in Goulburn to learn more about the training provided to Rural Crime Investigators.

Child protection

The Ministry continued to work closely with the NSW Police Force and other agencies on child protection issues.

In October 2014, the passing of the *Child Protection (Offenders Registration) Amendment (Statutory Review) Act 2014* marked the completion of the Statutory Review undertaken by the Ministry of the *Child Protection (Offenders Registration) Act 2000*. This legislation makes provision for both the Child Protection Register and the management of Registrable Persons. The legislation has been further strengthened to create additional registrable offences, clarifying reporting requirement and streamlining timelines. Consultation also commenced as part of the process to re-make the *Child Protection (Offenders Registration) Regulation 2009* over this period.

The Ministry also convened and chaired a Working Group which facilitated a number of improvements to the process by which agencies work together to manage the system of notification of registrable persons, as supervising authorities.

The Ministry convened and managed a working group comprising Police, Corrective Services and FACS (Housing) to review the Housing Guidelines for Registrable Persons.

The Ministry also represented the Police portfolio on a range of inter-agency working groups and senior officers groups which progress child protection matters across government, including the Royal Commission Inter-Coordination Group, the Child Protection Senior Officers Group and the Keep Them Safe Working Group.

Combating drink and drug driving

The Ministry developed a package of legislative reforms to improve the ability of police to detect and prosecute alcohol and drug impaired drivers.

The Ministry also developed, in consultation with the Centre for Road Safety, reforms to enable police to better deal with drivers who cannot physically submit to a breath test, whether this is because of a legitimate medical condition, a feigned medical condition, or because of gross intoxication. The reforms also update police powers regarding sobriety assessments for drivers whom police suspect to be drug impaired.

Crime Commission legislation reform

High Court decisions in cases including *X7 v Australian Crime Commission*, and the *Lee v The Queen*, cast doubt over the NSW Crime Commission's powers to conduct compulsory examinations.

The Ministry led an interagency working group comprising representatives of the NSW Crime Commission, Department of Justice, NSW Police Force and Department of Premier and Cabinet. Following the working group's consultative process, the Ministry developed a legislative proposal which ultimately became the *Crime Commission Legislation Amendment Bill 2014*. The Bill clarified and affirmed the Commission's power to use compulsory examinations in the investigation of serious crime. In addition, the Bill created the capacity for the Commission's Management Committee to refer joint task force matters, that is, matters where the Commission may work with law enforcement bodies in other jurisdictions to investigate serious crime.

Emergency Services Levy Review

The insurance industry currently contributes 73.7% of fire and emergency services funding through levies on insurance. The levy on insurance raises the price of insurance, in turn leading to under insurance – NSW has the highest level of non-insurance of all states.

The Victorian Fire Services Levy Monitor, Professor Allan Fels AO, was appointed to review the way emergency services in NSW are funded. This included reviewing the impact of Victorian reforms following the replacement of their insurance-based fire services levy with a property-based levy, and advising on effective ways to protect consumers and guarantee insurers pass on the full benefit of any change to the NSW funding system.

During 2014-15, the Ministry continued to work with Treasury to develop the government response to the Fels report. This also included regular consultation and collaboration with relevant stakeholders.

Strategic Management Committee – Emergency Services Review

The Ministry chaired a number of meetings during 2014-15 to develop proposals for reform across emergency services agencies to implement recommendations arising from the PWC report.

Resourcing

The Ministry provided Government with independent advice on a number of resourcing matters in 2014-15, including issues relating to police officer and fire fighter Awards and

death and disability benefits. The Ministry also worked with the NSW Police Force and other Government agencies on renewing the insurance contract for the Police Death and Disability Scheme, with new arrangements commencing in October 2014.

Portfolio agency budgets

The Ministry assisted with coordinating the development of portfolio agency budgets. In 2014-15, it provided strategic advice to Government 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 Ministry also led the coordination and preparation of supporting materials for the 2014-15 Budget Estimates hearing.

Tink Review of Police Oversight

The purpose of police oversight is to prevent, detect and investigate corruption and misconduct by police officers.

A range of reviews and inquiries conducted in recent years have exposed stakeholders' dissatisfaction with aspects of the current system, including systems for handling, investigating and monitoring complaints against police. There were concerns about duplication of oversight in some areas, gaps or lack of clarity in other areas of oversight.

The Ministry supported the Government to implement its 2015 election commitment to appoint former Shadow Attorney-General Mr Andrew Tink AM to review the police oversight system.

Mr Tink's terms of reference included: options for establishing a single oversight model for NSW Police; clarifying gaps in the current police oversight system and identifying measures to improve efficiency and effectiveness of oversight; and consideration of best practice models from around the world.

Ministerial Coordination and Parliamentary Services

Objectives

- Provide direct support to the Ministers in their statutory, Parliamentary, Cabinet and other portfolio responsibilities.
- Prepare ministerial correspondence, briefings and parliamentary documentation.

Overview

The Ministerial Coordination and Parliamentary Services Branch supported the Ministers in their Parliamentary responsibilities and prepared correspondence and briefings for the Ministers to carry out their Ministerial duties.

The Ministerial Coordination and Parliamentary Services Branch was responsible for ensuring that Ministerial correspondence and briefings were of high quality, submitted in a timely manner, accurate, and complied with government directions. To meet these goals, regular liaison was maintained with the Minister's Office and portfolio agencies.

The Branch administered Ministerial grant disbursements made by the Minister. These were 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 Coordination and Parliamentary Services Branch co-ordinated and prepared correspondence for the Ministers. It also prepared briefings for various functions and other purposes, including visits by the Ministers and the Premier to regional and metropolitan centres in NSW.

The Branch processed 6,492 items of Ministerial correspondence for the reporting period.

Reporting

During the reporting period, the Branch was responsible for all portfolio coordinating and reporting, including NSW 2021, the annual report, election commitments and Regional Action Plans for portfolio agencies and the Ministry.

Parliament

The Branch monitored Parliamentary Questions and speeches relevant to the Police and Emergency Services portfolios and provided responses as required.

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

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

	Question on Notice	Question Without Notice	Private Members Statement/Adjournment Debates
Legislative Assembly	75	8	37
Legislative Council	171	24	10
Totals	246	32	47

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

[Portfolio overseas travel](#)

The Police and Emergency Services Ministers must approve all overseas travel applications within their portfolios. The Division processed portfolio applications for overseas travel and provided briefings to the Ministers on travel requests. No Ministry employees travelled overseas on business in the reporting period.

[Ministerial grants program](#)

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

The total allocation of grants for the reporting period was \$330,873.68 (\$138,328.68 – Police, \$192,545.00 – Emergency Services). The details of the recipient organisations and other grants for the full financial year are included in Appendix C – Ministerial Grants 2014-15.

Finance and Corporate Governance Branches

Objectives

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

Overview

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

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

Outcomes

Corporate systems, policies and procedures

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

- Business Continuity Plan
- Code of Conduct
- Mobile Telecommunications Policy
- Motor Vehicle Policy
- Project Governance Guidelines
- Records Management Policy
- Site Security Plan

Financial management

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

- A revised Internal Control Questionnaire Framework which is consistent with TPP 14-5 'Certifying the Effectiveness of Internal Controls over Financial Information
- A new Overnight Travel Policy
- Updating the Emergency Services Contributions Scheme accounting procedures
- Developing a revised Memorandum of Understanding governing the Emergency Services Contribution Scheme

- Developing a framework and suite of procedures to support the financial management of natural disaster expenditure, which started 1 July 2015.

Strategic initiatives

During the reporting period, both branches worked to support strategic initiatives to enhance the Ministry's operations. These included the implementation of the executive structure and other changes flowing from the commencement of the *Government Sector Employment Act 2013*, and the relocation of the Ministry's three former offices to a single location.

Audit and risk

The Audit and Risk Committee held seven meetings during the year. The Ministry's organisational risk assessment was updated and the internal audit program included audits and reviews of Work Health & Safety and the Emergency Services Contributions system in 2014-15.

The Ministry collected \$834 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.

Counter Terrorism and Disaster Resilience Division

Service description

The Counter Terrorism and Disaster Resilience Division became the Emergency Management and Counter Terrorism Division in April 2015. The Division initiated and developed prevention, preparedness, response and recovery policies and strategies to improve the delivery of emergency management services across the State. The Division also provided operational support to the State Emergency Operations Controller and the State Emergency Recovery Controller.

The Division was comprised of the following branches: Natural Disaster Expenditure Government Review; Resilience and Planning; Response and Recovery; Disaster Welfare; and Counter Terrorism Policy and Emergency Management Support.

Service measures for the full financial year of 2014-15

Disaster Resilience Grants Projects administered: 269 new projects

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

Support to emergency management operations: 100%

Training courses, workshops and exercises delivered:

- 121 courses covering the six topic areas of:
 - Emergency Management Overview
 - Introduction to Emergency Management
 - Emergency Operations Centre Concepts
 - Evacuation Management
 - Managing Emergencies
 - Exercise Management
- 18 Welfare Services Training Courses
- 18 courses in Recovery and Welfare Services

Resilience and Planning Branch

Objectives

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

Overview

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

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

Outcomes

New Emergency Management Training Modules and Increased Student Participation

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

Two eLearning modules were offered; Emergency Management Overview and Welfare Services Overview, with a total of 2,076 participants enrolling this year. A further 1,205 participants attended 86 face-to-face training programs including two new face-to-face courses; Evacuation Management and Managing Emergencies.

In total, 3,281 participants from across government and non-government organisations, with a role in NSW emergency management arrangements undertook multi agency emergency management training. This was a 36 per cent increase from the previous year.

The Resilience and Planning Branch also funded ten multi agency exercises to test emergency management arrangements, with over 400 participants attending.

National Partnership Agreement on Natural Disaster Resilience

The 2013-15 National Partnership Agreement on Natural Disaster Resilience was signed by the Premier in June 2014 for the two years ending 30 June 2015. \$27.1 million of joint NSW/Commonwealth funding under the Agreement finances the NSW Natural Disaster Resilience Program. The Commonwealth is considering future funding along with the recommendations of the Productivity Commission's Report on Natural Disaster Funding.

NSW Natural Disaster Resilience Program

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

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

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

During 2014-15, \$13.1 million was expended on mitigation and resilience projects. Examples of such projects include the development of flood studies and flood management plans, maintenance of fire trails and fire towers, increasing the emergency preparedness of people with disabilities, developing a community action framework for disaster and emergency preparedness for the Blue Mountains, developing smart phone Apps for floods and ambulance community first responders and for the community fire units, and recruitment and training of emergency volunteers. Details on all projects funded under the Natural Disaster Resilience Program are available at:

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

Water Safety Black Spots Fund

The Water Safety Black Spots Fund aimed 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 was available for 2011-2015.

In 2014-15, the Minister approved \$2 million for 16 projects.

Funded activities included: accredited swim teacher training for Indigenous adults in rural and remote NSW, partial fit-out of the new Boating Safety Education Centre in Sydney, safety courses for boat operators throughout NSW, and continued swim safety for the most at-risk groups of swimmers including those from Asian and African communities and young people who consume alcohol in aquatic environments.

An additional \$1 million was also made available to Surf Life Saving NSW to enhance their rescue capabilities. Details on all projects funded under the Water Safety Black Spots fund are available at www.watersafety.nsw.gov.au.

Community Engagement Stakeholder Group

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

Resilient Australia Awards

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

The NSW Resilient Australia Awards were presented to State winners at a ceremony at NSW Parliament House on 16 October 2014. Six category winners were awarded which became finalists for the national level awards. A further four were recognised as highly commended. All six NSW finalists received Resilient Australia Awards at the national ceremony held in Canberra on 24 November 2014.

Get Ready NSW

In July 2014, Cabinet approved the Get Ready key messages for all hazard disaster preparedness. The 'Get Ready' messages are designed to complement and strengthen the hazard specific public awareness and preparedness messaging delivered by NSW emergency services agencies. They provide a set of standard key messages for disaster preparedness that summarise actions for household preparedness that are common for all hazard types.

Get Ready messages present five clear, concise actions grouped under the catchphrases:

- Know your risk
- Plan for what to do
- Get your home ready
- Be informed
- Look out for each other

The key messages reinforce the personal responsibility of community members to reduce their risk of property damage and loss and to protect their family. They have been developed to appeal to 'motivating triggers' identified in research evidence, such as orientating messages toward the individual's desire to protect family members and safety of pets.

In December 2014, the messages were featured in the 'Get Ready for Summer' disaster preparedness which included a media conference with the Minister for Police and Emergency Services and the Emergency Services Commissioners. The messages have also been promoted through the NSW Government website.

Response and Recovery Branch

Objectives

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

Overview

Specifically, the Branch:

- provided operational support to the State Emergency Recovery Controller and Deputy State Emergency Recovery Controller
- developed and maintained recovery policies, plans and procedures
- managed the State Emergency Operations Centre
- provided high level advice on emergency response and disaster recovery matters to the Minister for Justice and Police and the Minister for Emergency Services, the State emergency Recovery Controller, the State Emergency Operations Controller and the Deputy State Emergency Operations Controller
- provided executive support to the State Disaster Recovery Advisory Group
- supported the NSW State Emergency Management Committee including Functional Area Committees and working groups
- represented NSW at national, state, district and local level forums as required
- contributed to the development and delivery of training and exercises
- contributed to developing and maintaining emergency plans.

Outcomes

Martin Place Siege

Following the Martin Place siege on 15 – 16 December 2014, the Ministry convened agencies to coordinate recovery activities. The Martin Place Siege - Government Coordination Committee was convened on 17 December 2014 and comprised membership from across Government and representatives from City of Sydney Council.

The purpose of the Committee was to:

- identify needs of the victims and families, the community and small business
- provide a forum for information exchange between all agencies
- coordinate activities between agencies to address emerging needs
- ensure public communications were consistent and coordinated.

Response and Recovery Branch took a lead role in providing administrative support to the Government Coordination Committee, liaising between agencies to ensure appropriate access to essential information to meet the needs of hostages and families.

A major piece of work involved the management of floral tributes which amassed in Martin Place and which emerged as a community focus in the aftermath of the siege. Liaising across multiple stakeholders and with the wishes of hostages and families at the fore, arrangements were made for the tributes to be respectfully removed with cards and notes to be preserved.

Hunter and Central Coast Storm and Flood Recovery

An East Coast Low affecting the Hunter and Central Coast regions occurred from 20-23 April 2015. It resulted in over 21,500 requests for assistance to the NSW State Emergency Service with numerous communities isolated, extensive loss of telecommunications and up to 220,000 people without power for extended periods of time. Natural Disaster Declarations were immediately declared for 12 Local Government Areas with a subsequent 10 Local Government Areas declared.

Staff from the Response and Recovery Branch managed the State Emergency Operations Centre in support of the NSW State Emergency Service during the Response phase of the emergency.

On 26 April 2015, the Premier of NSW, the Hon Mike Baird MP, appointed retired Brigadier Darren Naumann as the Regional Recovery Coordinator for the Hunter and Central Coast regions. The Response and Recovery Branch supported the Recovery Coordinator as he worked across the region to coordinate the recovery process at the Regional Level. This included the establishment, support of and participation in the Regional Recovery Committee which met weekly from 5 May to 24 June 2015.

The Response and Recovery Branch commenced recovery operations on 25 April 2015 with the first of four Recovery Centres opening in Dungog on 29 April 2015. This was closely followed by the opening of the Raymond Terrace Recovery Centre on 1 May 2015 and the Cessnock Recovery Centre on 2 May 2015. The final Recovery Centre opened in Wyong on 6 May 2015. The Recovery Centres provided direct support to the affected

communities, operating for a cumulative total of 46 days and providing assistance to 1,466 individuals.

Following the closure of the Recovery Centres, the team shifted its focus to supporting the development and delivery of Recovery Outreach services and continued to support the isolated town of Torryburn.

Formal recovery activities wound up shortly after the final Regional Recovery Committee meeting was held on 24 June 2015, and while some recovery services are continuing in Dungog, the Response and Recovery Branch provided remote support by email and telephone as required.

Blue Mountains Bush Fire Recovery

Following bushfires in October 2013, which destroyed 197 properties and damaged a further 110, the Response and Recovery Branch provided a major investment in the Blue Mountains Recovery. The Blue Mountains Local Community Recovery Steering Group continued to meet on a monthly basis, supported by a Community Reference Group. Meetings of the Steering Group are attended by members of the Response and Recovery Branch.

The Commonwealth and NSW Governments provided funding under the Natural Disaster Relief and Recovery Arrangements for the Blue Mountains Bush Fire Grants program, which was launched on 7 May 2014. Under this program, funding was provided to successful applicants to implement innovative social or economic projects that will benefit the bush-fire-affected Blue Mountains community.

It is anticipated funded projects will end in December 2015. Additionally, a transition plan is being developed to support the exit from formal recovery, with the term of the Blue Mountains City Council Community Recovery Manager due to wind up in December 2015.

Following this, the Response and Recovery Branch will facilitate a review of the overall Community Recovery Fund.

NSW Recovery Plan and Arrangements

The Branch implemented a range of activities in 2013-2014 aimed at strengthening NSW recovery arrangements. The revised NSW Recovery Plan and the creation of the NSW Recovery Operations Manual were finalised in February 2015.

State Recovery Exercise

A State Recovery Exercise, held on 15 September 2014, tested the draft NSW recovery arrangements using the scenario of Hawkesbury-Nepean flooding.

Whole of Government Impact Assessments

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

The Impact Assessment Pilot was activated during the Hunter and Central Coast storms of April 2015.

The outcome of this project is the completion of the Impact Assessment Data Management Framework which was due to be finalised in mid 2015.

Natural Disaster Declarations and Grant Applications

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

State Emergency Operations Centre

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

Key responsibilities included:

- maintaining 24/7 operational capabilities
- monitoring actual or potential emergencies impacting on NSW or that may require NSW resources
- coordinating requests for support to and/or from other states, territories and/or the Commonwealth Government
- maintaining the State Emergency Operations Centre procedures, plans and arrangements
- training State Emergency Operations Centre Duty Officers, Management personnel and liaison officers
- developing, maintaining and managing the State Emergency Operational Centre Operational Information System 24/7
- representing NSW at national, State, district and local level forums as required
- supporting the recovery function in NSW.

Disaster Welfare Branch

Objectives

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

Overview

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

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

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

Outcomes

[Response to disaster events](#)

Number and Type of Disaster Welfare Services

Type of Disaster	2012-13	2013-14	2014-2015
Natural	20	19	10
Other	4	4	7
Total	24	23	17

During the 2014-15 financial year, the Disaster Welfare Branch responded to 17 discrete events. These were three bushfires, seven storms and seven non-natural events, including the Martin Place Siege. Evacuation centres were required at two of the bushfire areas. The largest deployment for the year was from 21 April-26 June 2015 when the Welfare Services Functional Area responded to severe storms and floods impacting a footprint from the mid north coast to Sydney, generating most damage in the Hunter and Central Coast regions.

Key Statistics

- Approximately 31,900 calls to the Disaster Welfare Assistance Line
- Over 700 homes damaged and significantly more with damage to contents
- Significant isolation for specific communities and power and communications outages
- 10 evacuation centres established providing services for up to 7 days
- 3 additional assistance points
- 2,863 people assisted
- Extraordinary resupply arrangements provided for isolated communities
- 300 Personal Hardship Grants approved with over 100 undergoing assessment as at 30 June.

Significant numbers of staff and volunteers were deployed from within the Ministry, FACS, and Community Partner agencies throughout the two month period, including FACS Housing Contact Centre staff, and 25 Disaster Welfare Alumni deployed to the field until 26 June 2015. Complete figures were not available from all agencies at the time of completing this report. Disaster Welfare staff and volunteers provided services via outreach, recovery centres and home visits, in addition to the Disaster Welfare Assistance Line.

On 15 June 2015, a Community Support Worker Project was commenced at Dungog Shire Community Centre. This service was established in close consultation with Family and Community Services, NSW Treasury and the Regional Social Recovery Coordinator, jointly funded by the NSW and Commonwealth Governments under the Natural Disaster Relief and Recovery Arrangements. The project focuses on the needs of the 89 households in the Dungog community whose homes were damaged or destroyed. Two support workers have been engaged through this project for a period of nine months and will work closely with FACS Housing NSW and Dungog Shire Council. The University of Newcastle has been engaged to conduct an evaluation of this service.

Non-Government Partner Agency Funding

Welfare Services Functional Area Community Partner agencies received \$200,000 of allocated funding to train their volunteers to ensure that their capability to provide core services could be maintained. These organisations also accessed other grants programs to implement projects that further enhanced the quality of their services.

The Memorandum of Understanding between the Uniting Church and the Ministry was revised and executed. This arrangement delivers pastoral care and support to communities impacted by disasters.

Training and Exercises – Staff and Volunteers

The Disaster Welfare Services Branch delivered 18 training courses to over 200 Welfare Services Functional Area Agency staff and volunteers. The majority of courses targeted FACS staff, with the aim of maintaining an appropriate number of trained staff in the changing workforce within the Department.

Welfare Services Functional Area courses included:

- Introduction to FACS Disaster Welfare Course

- multiagency evacuation centre course
- FACS centred module packages.

The Welfare Services Functional Area Overview e-learning module was launched on 31 July 2014. Over the period, 296 people enrolled in the module with 90% of the participants completing the module. The overview addresses introductory content such as the roles and functions of the Welfare Services Functional, the principles of Psychological First Aid and the role of an evacuation centre.

Disaster Welfare Services sponsored and supported the 17 evacuation centre exercises that were conducted by the Australian Red Cross. Over 450 people attended the exercises from a range of agencies including Department of Family and Community Services, ADRA, Anglicare, Red Cross, Salvation Army, Disaster Recovery Chaplains, NSW Police, Department of Primary Industries, Local Land Services, NSW Health and local government.

Team members within the Branch also conducted four discussion exercises with District Welfare Services committees. These exercises explored issues such as activation processes, general resource coordination and delivering disaster welfare services in various scenarios.

The Welfare Services Functional Area participated and, or supported a range of state, region and local emergency management exercises.

Disaster Welfare Services was also involved in the Ministry's two Emergency Management Surge Programs. The first program targeted Ministry for Police and Emergency Services staff and involved briefing staff on Disaster Welfare operational roles with the aim of using staff to assist in the initial stages of an operation. The second program targeted NSW Government agencies, once again briefing staff on disaster welfare operational roles, with the aim of seconding external staff to assist in significant operations.

Disaster Welfare Alumni

Disaster Welfare Alumni staff numbers remained at 40 with minimal turnover within the group. All available Alumni were deployed during the April 2015 severe weather event, with the majority deployed for two months.

Alumni participated in a professional development forum in October 2014 to ensure that policy knowledge and skills were maintained despite the casual nature of their employment. All Alumni are debriefed at the conclusion of a deployment and lessons learned incorporated into policy and practice.

State Welfare Services Committee

The Disaster Welfare Branch convened regular State Welfare Services Committee meetings during the reporting period. The Committee is comprised of representatives from government and non-government agencies that help deliver disaster welfare services. During 2014-15, the Committee reviewed major activations including the Martin Place Siege in collaboration with the Response and Recovery Branch, and state level exercises including the Greater Sydney Mass Care Strategy.

Counter Terrorism Policy & Emergency Management Support Branch

Objectives

In April 2015, the separate branches of Counter Terrorism and Boards & Committees were merged into the single Counter Terrorism Policy and Emergency Management Support Branch.

The larger Branch coordinated, developed and implemented policies and projects relating to the prevention, preparedness, response and recovery from a terrorist incident.

It provided executive support to the State Emergency Management Committee, the State Rescue Board, State Counter Terrorism Committee and other relevant committees and sub committees.

The Branch also provided support to NSW members of national committees, including the Australia-New Zealand Emergency Management Committee, the Australia-New Zealand Counter Terrorism Committee and the Law, Crime and Community Safety Council on issues relating to emergency management.

Overview

In terms of its counter terrorism responsibilities, the Branch worked closely with NSW Government, Commonwealth and other state and territory agencies to develop initiatives, strategies, projects and arrangements.

During the past twelve months, terrorism related issues have had a growing profile, due to the elevation of the National Terrorism Public Alert to High in September last year, the conflict in the Middle East and the tragic events that occurred at the Lindt Café in Martin Place in December 2014.

These significant events, and other related issues, have required the coordination of government agencies and resources to develop innovative and sensitive projects to respond to a changing environment.

Staff with emergency management responsibilities have worked closely with the NSW Rural Fire Service, and other NSW government agencies, examining the implications of the new laws that commenced in August 2014 enabling residents in designated bush fire areas to protect their homes. These are the 10/50 Vegetation Clearing Entitlement Areas.

However, following significant feedback from the community, a formal review of the scheme commenced on 1 October 2014, led by the NSW Rural Fire Service and supported by our staff. The outcomes of the review will result in further legislative reform, to be progressed in the second half of 2015.

Outcomes

Martin Place Siege Response

The Counter Terrorism Branch established the NSW State Crisis Centre to support the Premier and relevant portfolio Ministers in response to the Martin Place Siege in December 2014.

The State Crisis Centre supports the overall policy management and coordinates the Government's media strategy in a terrorist incident. The Centre is the liaison point with the Commonwealth Government and other State/Territory Governments.

The December activation was the first time that an Australian State Crisis Centre has been activated for terrorism.

Australia New-Zealand National Counter Terrorism-Committee

The Ministry for Police and Emergency Services was a member of the Australia New-Zealand Counter-Terrorism Committee (ANZCTC) in 2014-15. This Committee has responsibility for coordinating an effective nationwide counter terrorism capability. The ANZCTC holds two annual meetings and more if circumstances require. NSW hosted the meeting in Sydney in October 2014.

Counter Terrorism Branch staff represent NSW on a number of ANZCTC sub committees including the Crisis Coordination and Communications Capability Sub Committee and the associated Crisis Centre Forum; the Countering Violent Extremism Sub Committee and the Legal Issues Working Group.

Countering Violent Extremism (CVE)

The Ministry for Police and Emergency Services was a member of the Countering Violent Extremism Sub Committee of the Australia-New Zealand Counter Terrorism Committee. Counter Terrorism Branch staff were represented on a number of this Sub Committee's working groups.

The Ministry chaired the NSW Countering Violent Extremism Advisory Group (CVEAG). The group reported to the State Counter Terrorism Committee and oversaw the NSW Government approach to countering violent extremism and the radicalisation of at-risk individuals. In addition, the CVEAG met monthly in its capacity as the Steering Group for the National CVE Intervention Pilot Program.

In 2014-15, the work of the NSW CVEAG was primarily focused on developing a program to mitigate the domestic implications and local impact on community safety of Australians returning from overseas conflicts. Initially a scoping study has been commissioned for a humanitarian referral and transition program/service for Australians returning from overseas conflict zones.

National Countering Violent Extremism Intervention Framework – NSW Pilot Program

In September 2014, the Australian Government announced \$10.8 million to establish a national framework to connect people at high risk of committing an act of violent extremism with support services. This commitment recognises that a preventative community-based approach is needed to curtail the number of people becoming violent extremists, and assist those who are radicalised to disengage from violence.

The National CVE Intervention Framework aims to identify, assess, refer and deliver case managed support to individuals at high-risk of adopting violent extremism views and committing a criminal offence. The NSW Government agreed to host a Pilot of the program in the first half of 2015. The purpose of the Pilot was to test the underlying structures, governance arrangements and the risk, need and assessment tools before the national roll-out.

The Pilot commenced on 23 February 2015 and will continue until the permanent intervention model is implemented. The Pilot is being led by the Branch with the support of the NSW Police Force, Community Contact Unit. The Pilot has been successful in informing other jurisdictions' development of their models and the NSW permanent model.

NSW response to the elevation of the National Terrorism Public Alert System

Following the Prime Minister's increase of the National Terrorism Public Alert System to HIGH in September 2014, the Branch coordinated the NSW response which included development of a NSW Implementation Plan to guide relevant NSW agencies in coordinating their activities resulting from the increase to the alert level.

Chemicals of Security Concern

The Branch represents the Ministry on the National Government Advisory Group (NGAG) into Chemicals of Security Concern, which was established by the Council of Australian Governments. NSW continued to support the implementation of the National Chemical Security Management Framework during 2014-15. The NGAG held its last meeting in September 2014, and it was agreed the chemical security body of work will now be progressed by a related committee through the Australia-New Zealand Counter Terrorism Committee structure.

secureNSW

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

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

In late 2014, a thorough review of the secureNSW website was undertaken by a multi-agency committee. As a result, a new site was developed in conjunction with the NSW Police Force's Counter Terrorism and Special Tactics Command and Public Affairs Branch, which went live on 24 April 2015 at www.secure.nsw.gov.au. The new site is on a more modern technology platform, has an 'incident live capability' that integrates the use of social media.

State Crisis Centre

The Counter Terrorism Branch maintained the readiness of the NSW State Crisis Centre. In addition to lessons learnt due to the Martin Place Siege response, a range of training and continuous improvement activities have been completed throughout the reporting period. These were tested in May 2015 as part of the ANZCTC Exercise 'Hermes Castle'.

National security clearances for NSW Government personnel

The Branch was responsible for coordinating the security clearance process for NSW Government personnel (excluding NSW Police Force members) who, on a routine basis, will access, handle or store national security information. In the 2014-15 reporting period, the Branch oversaw the vetting process and aftercare of 78 Government personnel, and an additional 10 temporary clearances following the Martin Place Siege.

Rural Fires Amendment Bill 2014

The Branch worked closely with the NSW Rural Fire Service to amend the *Rural Fires Act 1997* via the *Rural Fires Amendment Bill 2014* to strengthen the NSW Rural Fire Service's ability to take action when unauthorised fires are lit during a Total Fire Ban and to streamline measures for issuing fire permits.

The Bill was passed by both Houses of Parliament, and assented to on 28 October 2014.

Review of the 10/50 Vegetation Clearing Scheme

The preparatory work for further amendments to the *Rural Fires Act 1997* commenced in the first half of 2015, with consultation occurring with the Office of Environment and Heritage and the Department of Planning and Environment which resulted from the *Review into the 10/50 Vegetation Clearing Entitlement Scheme* – led by the NSW Rural Fire Service.

Ministry staff were involved in the development of the changes to the 10/50 Scheme, which will result in an education campaign, amendments to the initial vegetation clearing code of practice and the NSW Rural Fire Service online tool. A number of legislative amendments to improve the scheme are scheduled to progress through Parliament in the latter part of 2015.

State Rescue Policy Review

In September 2014, the review of the NSW State Rescue Policy continued with a detailed examination of the marine rescue sections which had been identified as inconsistent with

current practice and procedures. The updates also reflected that all accredited NSW volunteer marine rescue bodies have merged into a single organisation, Marine Rescue NSW. The revised Policy was published on the Emergency NSW website in December 2014.

A holistic update of the Policy is due to recommence upon finalisation of the statutory review of the *State and Rescue Emergency Management Act 1989*.

State Emergency Management Committee

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

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

The State Emergency Management Committee has also established several working groups to assist in the exercise of its functions. These include:

- NSW Chemical Biological Radiological Nuclear and Hazardous Materials Steering Committee
- Urban Search and Rescue Advisory Committee
- CBD Emergency Plan Working Group
- Major Evacuation Centre Working Group
- Climate Change Working Group
- Lucas Heights Emergency Sub Plan Working Group
- Mitigation Standing Committee
- Strategic Training Group (Known as the Training Advisory Group)
- Major Hazard Facilities Committee
- Emergency Management Spatial Information Group.

The Standing Committees and Working Groups provide quarterly reports to the State Emergency Management Committee.

State Rescue Board

The State Rescue Board is also established under the *State Emergency and Rescue Management Act 1989*. Membership is comprised of:

- NSW Rural Fire Service (Chair)
- NSW Police Force
- State Emergency Operations Controller
- NSW State Emergency Service
- Fire & Rescue NSW
- NSW Volunteer Rescue Association
- Marine Rescue NSW

- NSW Ambulance.

Executive support to the State Rescue Board is provided by the Counter Terrorism Policy and Emergency Management Support Branch.

The primary function of the Board is to ensure the maintenance of efficient and effective rescue services throughout NSW. The Board meets immediately following each State Emergency Management Committee meeting, on a quarterly basis.

The Counter Terrorism Policy and Emergency Management Support branch also provided executive support to the State Rescue Board's many sub-committees and working groups, including the 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 required. The Committee comprises senior representatives of emergency service agencies and organisations.

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

- State Rescue Policy Review Working Group
- Rescue Training Working Group
- Vertical Rescue Working Group
- Rural Service Delivery Model Working Group
- Rescue Data Working Group
- Capability Matrix Working Group
- State Marine Consultative Committee
- Flood/Swift Water Aerial Operations Group.

State Counter Terrorism Committee

The State Counter Terrorism Committee has responsibility for the oversight and development of the State's preparedness for preventing, responding to and recovering from acts of terrorism.

The State Counter Terrorism Committee met five times during the reporting period.

Annual pre-season briefing with Emergency Management Australia

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

The 2014 briefing was held on 9 September. The Boards and Committees Branch worked with Emergency Management Australia on the coordination of the briefing and provided secretariat support for the session as well as dissemination of the information as required.

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

Disaster Funding Policy Branch

Objectives

- Manage the implementation of recommendations arising from the NSW Natural Disaster Expenditure and Governance Review (NDEGR).
- Lead and support a strategic statewide approach to consideration of disaster funding policy reforms proposed by the Commonwealth Government.
- Support the Response and Recovery and Finance Branches with issues emanating from the Natural Disaster Relief and Recovery Arrangements (NDRRA), in partnership with the Commonwealth and other key stakeholders at the state and jurisdictional level.

Overview

The Branch:

- provided advice on natural disaster funding policy matters to the Minister for Justice and Police and the Minister for Emergency Services, the Chief Executive Officer and the NDEGR Steering Committee.
- provided support to the Response and Recovery and Finance Branches on NDRRA funding policy and administrative matters.
- developed and maintained the NSW Disaster Assistance Guidelines.
- liaised with NSW Treasury on natural disaster funding policy issues.
- Represented NSW at national and state level forums as required.

Outcomes

State and Commonwealth Natural Disaster Funding Reforms

In overseeing the implementation of recommendations arising from the Natural Disaster Expenditure and Governance Review (NDEGR), the Disaster Funding Policy Branch provided advice to the NDEGR Steering Committee (NSW Treasury and the Ministry) on a range of governance and funding policy reforms noted in the Review. This included the provision of advice on: agency disaster funding Memorandums of Understanding (MoUs) the NSW Disaster Assistance Guidelines, mitigation funding options, treatment of essential public assets (as defined under the NDRRA), and the clean-up and removal of debris containing asbestos contaminated materials.

On 1 May 2015, the Commonwealth Government tabled the Productivity Commission's *Inquiry Report: Natural Disaster Funding Arrangements* and a report on current NDRRA arrangements conducted by the Australian National Audit Office (ANAO).

In the period following the release of this Final Report, the Disaster Funding Policy Branch coordinated a strategic statewide approach to the consideration of disaster funding policy reforms proposed by the Commonwealth Government. This included

briefing the then Minister for Police and Emergency Services, the Ministry's Chief Executive Officer, NSW Treasury officials and other key stakeholders.

Natural Disaster Funding Arrangement Memorandum of Understanding (MoU)

Working closely with the Finance Branch, the Disaster Funding Policy Branch oversaw the development of MoUs with agencies involved with disaster response and recovery activities. This advice included liaison with NSW Treasury on the structure of the MoUs, eligibility considerations and governance processes associated with the Ministry assuming responsibility (from NSW Treasury) for the Disaster Relief Account from 1 July 2015.

NSW Disaster Assistance Guidelines

A no-policy change review of the NSW Disaster Assistance Guidelines was undertaken during the year to assist improving the clarity, communication and understanding of assistance available across local councils and other key stakeholders.

The purpose of the review and associated User Survey was to:

- implement some of the recommendations from the NDEGR
- align the NSW Disaster Assistance Guidelines with the latest Commonwealth Government natural disaster policy, including changes contained in the NDRRA
- update the NSW Disaster Assistance Guidelines for recent terminology changes and recent NSW Government policy decisions.

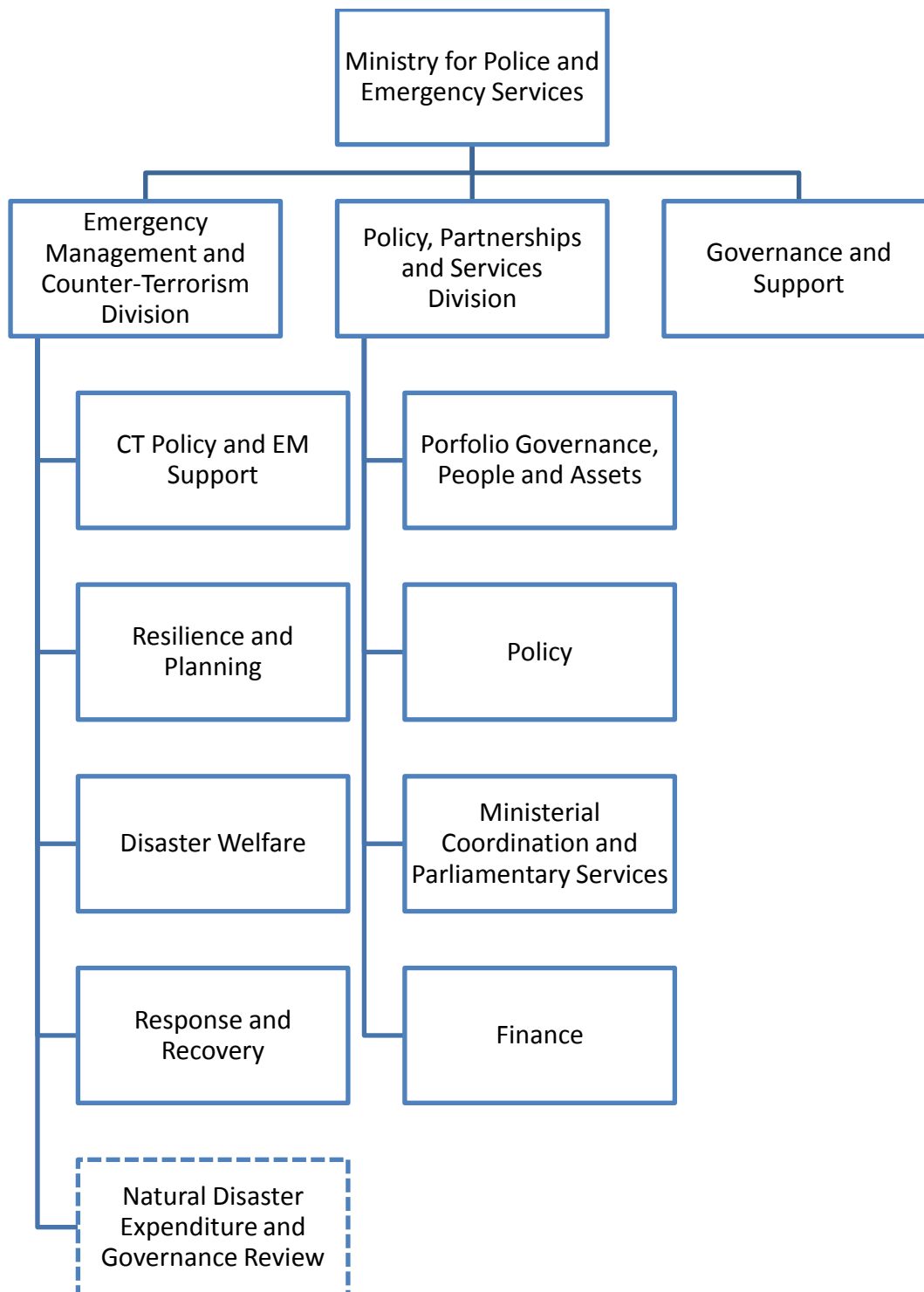
Natural Disaster Declarations and Grant Applications

The Response and Recovery Branch was responsible for the high level coordination of the NSW Disaster Assistance Arrangements, including Natural Disaster Declarations and the activation of disaster assistance. The Disaster Funding Policy Branch assisted with these processes, particularly during periods of intense recovery activity.

Human Resources

Organisational structure

The Organisational Chart shows the Ministry for Police and Emergency Services' structure as at 30 June 2015.



Senior Staff Profiles

The Chief Executive Officer was responsible to the Ministers for the strategic direction and efficient operation of the Ministry. The Ministry provided a single source of advice and coordination in the Police and Emergency Services portfolios.

The Divisions that supported the Chief Executive Officer were the Policy, Partnership and Services Division and the Counter Terrorism and Disaster Resilience Division.

Vicki D’Adam, Chief Executive Officer

In July 2013, Ms D’Adam was appointed as Acting Chief Executive Officer for the Ministry. Ms D’Adam’s appointment as Chief Executive Officer was confirmed in October 2013.

Ms D’Adam previously held the position of Deputy Director-General in the Department of Premier and Cabinet and has held a range of positions in The Cabinet Office and the Commonwealth public sector.

Feargus O’Connor, Executive Director

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.

Mary-Louise Battilana, Executive Director - 1 July 2014 to 7 April 2015

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

Ms Battilana is currently on secondment to the NSW Police Executive.

Michelle Batterham, A/Executive Director – 27 April 2015 to 30 June 2015

Ms Batterham was appointed as acting Executive Director, Policy, Partnership and Services in April 2015.

Ms Batterham has held a range of senior managerial roles across the Transport, Ageing, Disability and Justice Departments.

Staff Overview

Ministry for Police and Emergency Services staff profile and classifications

	2014-15		2013-14	
Band	Female	Male	Female	Male
Band 3 (Chief Executive Officer)	1	-	1	-
Band 2 (Executive Director)	1	1	1	1
Band 1 (Director)	5	4	8	4
Total	7	5	10	5
Band	Range (\$)	Average remuneration		
		2014-15	2013-14	
Band 3 (Chief Executive Officer)	305,401 – 430,450	389,500	389,500	
Band 2 (Executive Director)	242,801 – 305,400	267,224	259,850	
Band 1 (Director)	170,250 – 242,800	186,825	175,189	
Total				

Total executive employee-related expenses	3,172,000
Total MPES employee-related expenses	11,572,000
%	27.4%

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 - \$43,593	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$43,593 - \$57,256	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$57,256 - \$64,008	1	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$64,008 - \$80,997	9	22.2%	77.8%	0.0%	0.0%	11.1%	0.0%	0.0%
\$80,997 - \$104,743	24	33.3%	66.7%	0.0%	4.2%	12.5%	0.0%	0.0%
\$104,743 - \$130,929	31	29.0%	71.0%	0.0%	6.5%	6.5%	3.2%	0.0%
\$130,929 > (Non SES)	6	33.3%	66.7%	0.0%	0.0%	0.0%	0.0%	0.0%
\$130,929 > (SES)	9	55.6%	44.4%	0.0%	0.0%	0.0%	0.0%	0.0%

Equal Employment Opportunity (EEO)

Trends in the Representation of EEO Groups

Workforce Diversity Group	Benchmark/ Target	2013	2014	2015
Women	50%	70.4%	72.6%	67.5%
Aboriginal People and Torres Strait Islanders	2.6%	0.0%	0.0%	0.0%
People whose First Language Spoken as a Child was not English	19.0%	7.4%	7.1%	7.5%
People with a Disability	N/A	0.0%	0.0%	1.3%
People with a Disability Requiring Work-Related Adjustment	1.5%	0.0%	0.0%	0.0%

Trends in the Distribution of EEO Groups

EEO Group	Benchmark	2013	2014	2015
Women	100	101	96	95
Aboriginal people and Torres Strait Islanders	100	N/A	N/A	N/A
People whose first language spoken as a child was not English	100	N/A	N/A	N/A
People with a disability	100	N/A	N/A	N/A
People with a disability requiring work-related adjustment	100	N/A	N/A	N/A

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

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

Disability Plan

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

Work Health and Safety (WHS)

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

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

- good safety performance requires planning, training, consultation, supervision and accountability

- risks are identified and either eliminated or effectively managed
- all requirements of work health safety legislation are met
- we are all responsible for safety.

Further work was undertaken during the reporting period to enhance the Ministry's Work Health and Safety System. The Work Health and Safety Committee met eight times during the year. The WHS risk assessment was finalised and WHS site inspections were undertaken, and remedial action implemented to reduce any identified risks. Fieldwork WHS Guidelines and supporting documentation were developed and staff were briefed on WHS policy and procedures.

There was only one Notifications of Illness, Injury, Exposure or Near-Miss received during the reporting period, relating to a minor injury that did not need medical treatment.

Organisational Management

The Ministry for Police and Emergency Services aimed to be an organisation that facilitates and encourages the achievement of government and organisational objectives.

Ethics and Values

The Ministry for Police and Emergency Services' mission was to enhance community safety and resilience in New South Wales. Employees of the Ministry demonstrated to the government and people of New South Wales a high standard of conduct and ethics in the performance of their duties that maintained confidence and trust.

The Ministry Code of Conduct established standards of behaviour expected of staff and provided guidelines on solving ethical issues which may have arisen in the course of their duties.

The principles and values underlying the Code were that:

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

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

Guarantee of Service

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

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

Consultancies

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

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

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

Category	Count	Cost
Human Resource Advisory	1	38,163
		38,163

Consumer Response

The Ministry did not receive any formal complaints or suggestions about its services. The Chief Executive Officer dealt with service quality issues, in consultation with the Ministers, as they arose.

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 had a Privacy Management Plan to provide guidance to Ministry staff in relation to information privacy.

Multicultural Policies and Services Program

The Ministry for Police and Emergency Services recognised that it operated within a culturally diverse society.

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

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

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

Planning and preparedness in disaster welfare includes consideration of culturally diverse groups at local government level and arrangements for appropriate support such as involvement of Islamic, Buddhist and Jewish community welfare and religious organisations. Partner organisations responsible for emergency catering are well versed in arranging appropriate food for specific groups, for example in evacuation centres.

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

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

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

Waste Reduction and Purchasing Policy

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

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

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

Public Interest Disclosures

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

Financial Management

Financial Summary 2014-15

The Ministry's financial performance in the reporting period was sound. The Ministry operated within its Net Cost of Services, Labour Expense Cap and Capital Authorisation Limit set by Treasury.

The Ministry's Net Result for the year was \$5.8 million, some \$7.5 million favourable compared to budget. The favourable result was largely due to under expenditure on the national Emergency Alert system and grants and subsidies.

Auditor-General's Opinion

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

Major Assets

The Ministry's major assets include its office fit-out and equipment such as photocopiers and computers.

Credit Card certification

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

Risk Management and Insurance Activities

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

Annual Report production

The Annual Report production costs were kept to a minimum.

Overseas Travel

No overseas travel was undertaken by staff from the Ministry during the reporting period.

Internal Audit and Risk Management Attestation for the 2014-2015 Financial Year for the Ministry for Police and Emergency Services

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

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

- Independent Chair: Mr Ken Barker (27 March 2012 to 17 September 2015)
- Independent Member: Mr John Stubbs (27 March 2012 to 17 September 2015)
- Non-independent Member: Ms Mary-Louise Battilana (27 March 2012 to 6 April 2015)
- Non-independent Member: Mr Feargus O'Connor (7 April 2015 to 17 September 2015)



Feargus O'Connor

A/Deputy Secretary

Appendices

- A. Attestation
- B. Executive Performance
- C. Ministerial Grants 2014-15
- D. Account payment performance
- E. Government Information (Public Access) Act 2009
- F. Financial reports

A. Attestation

Digital Information Security Annual Attestation Statement for the 2014-15 Financial Year for the Ministry for Police and Emergency Services

The Ministry for Police and Emergency Services implemented an information security management system and initial security policy based on ISO 27001. A minimum security control baseline based on NSW Government Digital Information Security Policy, M2012-15 guidelines was put in place.

The Ministry had an independent third party review of its Information and Communications Technology (ICT) strategy and governance controls in 2014-15. Several risks were identified, and the Ministry worked to address those issues.

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

I, Feargus O'Connor, am of the opinion that the security controls in place mitigated many of the identified risks to the digital information and digital information systems.

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

The Ministry for Police and Emergency Services also adopted the NSW Government Information Classification and Labelling Guidelines.

The business units of the Ministry will continue to address digital information security issues as the Ministry is integrated into the Department of Justice in 2015-16.

B. Executive Performance

SES Remuneration

There was one senior executive service officer in the Senior Executive Band 3, or equivalent, in the Ministry for Police and Emergency Services during the reporting period.

Ms Vicki D'Adam

Chief Executive Officer

Appointed: 1 July 2013, CES Level 7

Total Remuneration Package as at 30 June 2015: \$389,500

C. Ministerial Grants 2014-15

2014-15 MINISTERIAL GRANTS - POLICE		
RECIPIENT	AMOUNT	PURPOSE OF GRANT
NSWPF – Eastern Suburbs LAC	\$11,040	Youth diversionary program
NSWPF – Macquarie Fields LAC	\$5,000	Youth diversionary program
Countrywide Austral (Police News)	\$2,970	Police News Remembrance Day Issue
Maitland PCYC	\$9,000	Support ongoing work
Police Legacy Blue Ribbon Ball	\$6,000	Support ongoing work
NSWPF – Irene Juergens Fellowship Award	\$1,000	VIP awards
VIP Program Conference	\$10,000	Volunteers in Policing conference
Sydney Special Children's Xmas Party	\$1,980	Sponsorship for disadvantaged children's event
NSW Police Legacy (Associated Media Group)	\$5,940	Child Safety Handbook (issue 2, 2014)
NSWPF – St Marys + Green Valley LACs	\$14,633.68	Crime prevention and other equipment
NSWPF – Brisbane Water LAC	\$20,000	Crime prevention and other equipment
Countrywide Austral (Police News)	\$2,970	December 2014 issue of Police News
NSWPF – Camden LAC	\$9,250	Community engagement trailer
Remember A Soldier	\$995	100 Poppies for Poppy Park, Penrith
NSW Police RSL Sub-Branch	\$550	2015 Anzac Day luncheon
NSWPF – Holroyd LAC	\$10,000	Anti-crime safety packs
NSWPF – Oxley LAC	\$5,000	Police technology
NSWPF – Rosehill LAC	\$10,000	Anti-theft carpark signs
NSWPF – Sutherland LAC	\$3,000	Diversionary program for Aboriginal youth
NSWPF – Sutherland LAC	\$3,000	Drink Think – program for teenagers
NSWPF – Liverpool LAC	\$5,000	Crime prevention/upgrade to facilities
NSWPF – Bev Lawson Memorial Award winner	\$1,000	Annual award
TOTAL: \$138,328.68		

2014-15 MINISTERIAL GRANTS – EMERGENCY SERVICES		
RECIPIENT	AMOUNT	PURPOSE OF GRANT
Bushwalkers Wilderness Rescue Squad	\$10,000	26 th NavShield event
SES – Parramatta	\$3,000	Road repairs
NSW RFS	\$15,000	Memorial Service for Emergency Services volunteers
Marine Rescue NSW	\$5,000	Emergency Helicopter Landing Site
RFS – Blue Mountains	\$14,000	Signage
RFS – Calderwood	\$6,403	Thermal Imaging Camera
RFS – Shoalhaven	\$5,300	GPS navigators, computer, portable radio
SES – Kiama	\$5,400	LED community safety sign
RFS – Hilltop, Balmoral and Colo Vale	\$10,350	Rescue equipment
RFS – Blue Mountains (Glenbrook)	\$14,386	Radios
SES – Campbelltown City	\$12,000	Archangel rafts
SES – Camden	\$9,350	Community engagement trailer
RFS – Camden	\$1,070	Radio
SES – Baulkham Hills	\$3,700	Light Tower
RFS – FCC Regentville	\$25,000	Signage
RFS – Gerringong	\$10,000	Generator
SES – Strathfield	\$6,000	Upgrade to facilities
SES – Burwood	\$6,000	Training equipment
RFS – Bendemeer	\$4,686	Upgrade to facilities
SES – Manilla	\$6,400	Upgrade to facilities
RFS – Heathcote	\$6,500	Thermal imaging camera
Volunteer Fire Fighters Association	\$5,000	Community engagement, education + safety activities
NSW RFS Association	\$4,000	Community engagement, education + safety activities
NSW SES Volunteers Association	\$4,000	Community engagement, education + safety activities
TOTAL : \$192,545		

D. Account Payment Performance

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

There were 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 were 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

2014-15					
Quarter	Current (i.e. within due date)	Less than 30 days overdue	Between 30 and 60 days overdue	Between 61 and 90 days overdue	More than 90 days overdue
All Suppliers					
September	597,726	6,502	82		394
December	1,930	3,650	681		313
March	158,713	7,988	5,189		2,498
June	61		1,309		394

Accounts due or paid within each quarter

2014-15				
Measure	Sep	Dec	Mar	Jun
Number of accounts due for payment	458	396	306	420
Number of accounts paid on time	424	323	240	387
Actual percentage of accounts paid on time (based on number of accounts)	93%	82%	78%	92%
	\$'000	\$'000	\$'000	\$'000
Dollar amount of accounts due for payment	7,810	8,114	15,611	6,177
Dollar amount of accounts paid on time	7,682	6,049	15,171	4,726
Actual percentage of accounts paid on time (based on \$)	98%	75%	97%	77%
Number of payments for interest on overdue accounts	0	0	0	0
Interest paid on overdue accounts	0	0	0	0

E. Government Information (Public Access) Act 2009

Government Information (Public Access) Act 2009 (GIPAA)

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

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

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

A total of seven access applications were received by the agency during the reporting year. One access application was also the subject of an internal review.

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

Government Information (Public Access) Act 2009

Statistical Information about Access Applications 2014-15

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

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	0	1	0	1	0	0	0	0
Members of Parliament	0	1	0	0	0	0	0	0
Private sector business	0	0	0	0	0	0	0	0
Not for profit organisations or community groups	0	0	1	0	0	0	0	0
Members of the public (application by legal representative)	0	0	0	0	0	0	0	0
Members of the public (other)	3	0	0	0	0	0	0	0

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

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

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

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

Table C: Invalid applications

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

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

	Number of times consideration used*
Overriding secrecy laws	0
Cabinet information	2
Executive Council information	0
Contempt	0
Legal professional privilege	1
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

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

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

	Number of occasions when application not successful
Responsible and effective government	2
Law enforcement and security	1
Individual rights, judicial processes and natural justice	0
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

Table F: Timeliness

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	3
Decided after 35 days (by agreement with applicant)	1
Not decided within time (deemed refusal)	3
Total	7

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

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

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

	Number of applications for review
Applications by access applicants	1
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0

F. Financial Reports



INDEPENDENT AUDITOR'S REPORT

Ministry for Police and Emergency Services

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Ministry for Police and Emergency Services (the Ministry), which comprise the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity, statement of cash flows, service group statements for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion the financial statements:

- give a true and fair view of the financial position of the Ministry as at 30 June 2015, 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* (PF&A Act) and the Public Finance and Audit Regulation 2015

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

The Acting Deputy Secretary, Liquor Gaming and Emergency Management's Responsibility for the Financial Statements

The A/ Deputy Secretary, Liquor Gaming and Emergency Management is responsible for preparing 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 A/ Deputy Secretary, Liquor Gaming and Emergency Management determines is necessary to enable the preparation of financial statements that give a true and fair view and 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 an 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 entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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 carried out its activities effectively, efficiently and economically
- about the effectiveness of the 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

18 September 2015
SYDNEY

Financial Statements for the Year Ended 30 June 2015

Ministry for Police & Emergency Services

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Ministry for Police & Emergency Services

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Pursuant to section 45F(1B) of the *Public Finance and Audit Act 1983*, I, in my capacity as A/Deputy Secretary, Liquor Gaming and Emergency Management, Department of Justice declare that in my opinion:

1. The accompanying financial statements exhibit a true and fair view of the financial position and financial performance of the Ministry for Police & Emergency Services as at 30 June 2015.
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 2015* and the provision of Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities 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.



Feargus O'Connor
A/Deputy Secretary, Liquor Gaming and Emergency Management
Department of Justice
Date: 17 September 2015

Ministry for Police & Emergency Services
Statement of comprehensive income
for the year ended 30 June 2015

	Notes	Actual 2015 \$' 000	Budget 2015 \$' 000	Actual 2014 \$' 000
Expenses excluding losses				
Operating expenses				
Employee related	2(a)	11,572	11,211	10,928
Other operating expenses	2(b)	6,745	10,686	6,347
Depreciation and amortisation	2(c)	488	492	260
Grants and subsidies	2(d)	29,769	33,734	24,801
TOTAL EXPENSES EXCLUDING LOSSES		48,574	56,123	42,336
Revenue				
Investment revenue		565	116	592
Grants and contributions	3(a)	51,455	53,373	35,075
Other revenue	3(b)	1,707	414	1,191
Acceptance by the Crown Entity of employee benefits and other liabilities	4	683	521	736
Total revenue		54,410	54,424	37,594
Gain/(loss) on disposal	5	(59)	-	11
Net result		5,777	(1,699)	(4,731)
Other comprehensive income		-	-	-
TOTAL COMPREHENSIVE INCOME		5,777	(1,699)	(4,731)

The accompanying notes form part of these financial statements

Ministry for Police & Emergency Services
Statement of financial position
as at 30 June 2015

	Notes	Actual 2015 \$' 000	Budget 2015 \$' 000	Actual 2014 \$' 000
ASSETS				
Current Assets				
Cash and cash equivalents	7	15,850	8,916	14,975
Receivables	8	3,519	571	491
Total Current Assets		19,369	9,487	15,466
Non-Current Assets				
Receivables	8	1,082	-	-
Property, plant & equipment	9			
- Plant and equipment		1,154	133	29
- Leasehold improvements		1,948	2,701	193
- Assets under construction		-	-	100
Total property, plant and equipment		3,102	2,834	322
Intangible assets	10	17	28	21
Total Non-Current Assets		4,201	2,862	343
Total Assets		23,570	12,349	15,809
LIABILITIES				
Current Liabilities				
Payables	11	1,995	1,072	936
Provisions	12	1,346	1,462	1,945
Total Current Liabilities		3,341	2,534	2,881
Non-Current Liabilities				
Payables	11	1,082	-	-
Provisions	12	458	196	16
Total Non-Current Liabilities		1,540	196	16
Total Liabilities		4,881	2,730	2,897
Net Assets		18,689	9,619	12,912
EQUITY				
Accumulated funds		18,689	9,619	12,912
Total Equity		18,689	9,619	12,912

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 2015

	Accumulated Funds \$' 000	Total \$' 000
Balance at 1 July 2014	12,912	12,912
Net result for the period	5,777	5,777
Other comprehensive income	-	-
Total other comprehensive income	-	-
Total comprehensive Income for the period	5,777	5,777
Balance at 30 June 2015	18,689	18,689
 Balance as at 1 July 2013	 17,643	 17,643
Net result for the year	(4,731)	(4,731)
Other comprehensive income	-	-
Total other comprehensive income	-	-
Total comprehensive loss for the year	(4,731)	(4,731)
Balance at 30 June 2014	12,912	12,912

The accompanying notes form part of these financial statements

Ministry for Police & Emergency Services
Statement of cash flows
for the year ended 30 June 2015

	Notes	Actual 2015 \$' 000	Budget 2015 \$' 000	Actual 2014 \$' 000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Employee related		10,657	10,761	10,065
Grants and subsidies		29,769	33,734	24,801
Other		8,502	10,686	8,254
Total payments		<u>48,928</u>	<u>55,181</u>	<u>43,120</u>
Receipts				
Interest received		542	116	599
Grants and contributions		51,455	53,373	35,075
Other		731	413	3,128
Total receipts		<u>52,728</u>	<u>53,902</u>	<u>38,802</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	14	<u><u>3,800</u></u>	<u><u>(1,279)</u></u>	<u><u>(4,318)</u></u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from the sale of property, plant and equipment		-	-	10
Purchases of property, plant and equipment		(2,925)	(3,174)	(100)
NET CASH FLOWS FROM INVESTING ACTIVITIES		<u><u>(2,925)</u></u>	<u><u>(3,174)</u></u>	<u><u>(90)</u></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>-</u></u>	<u><u>-</u></u>
NET INCREASE/(DECREASE) IN CASH		875	(4,453)	(4,408)
Opening cash and cash equivalents		14,975	13,369	19,383
CLOSING CASH AND CASH EQUIVALENTS	7	<u><u>15,850</u></u>	<u><u>8,916</u></u>	<u><u>14,975</u></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 2015

	Service Group 1 *		Service Group 2*		Not Attributable		Total	
	2015 \$' 000	2014 \$' 000	2015 \$' 000	2014 \$' 000	2015 \$' 000	2014 \$' 000	2015 \$' 000	2014 \$' 000
ENTITY'S EXPENSES & INCOME								
Expenses excluding losses								
Operating expenses								
- Employee related	5,517	5,883	6,055	5,045	-	-	11,572	10,928
- Other operating expenses	2,822	3,220	3,923	3,127	-	-	6,745	6,347
Depreciation and amortisation	-	-	-	-	488	260	488	260
Grant and subsidies	2,250	4,707	27,519	20,094	-	-	29,769	24,801
TOTAL EXPENSES EXCLUDING LOSSES	10,589	13,810	37,497	28,266	488	260	48,574	42,336
Revenue**								
Investment revenue	-	-	-	-	565	592	565	592
Grants and contributions	1,797	3,455	7,085	9,632	42,573	21,988	51,455	35,075
Acceptance by the Crown Entity of employee benefits and other liabilities	326	396	357	340	-	-	683	736
Other revenue	661	604	1,046	587	-	-	1,707	1,191
Total revenue	2,784	4,455	8,488	10,559	43,138	22,580	54,410	37,594
Gain/(loss) on disposal	-	-	-	-	(59)	11	(59)	11
Net result	(7,805)	(9,354)	(29,009)	(17,707)	42,591	22,331	5,777	(4,731)
Total Comprehensive Income/(loss)	(7,805)	(9,354)	(29,009)	(17,707)	42,591	22,331	5,777	(4,731)

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

** Cluster grant funding is made on an entity basis and not to individual service groups. Consequently, this is included in the 'Not Attributable' column.

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

ENTITY'S ASSETS AND LIABILITIES	Service Group 1 *		Service Group 2*		Not Attributable		Total	
	2015 \$' 000	2014 \$' 000	2015 \$' 000	2014 \$' 000	2015 \$' 000	2014 \$' 000	2015 \$' 000	2014 \$' 000
Current Assets								
Cash and cash equivalents	-	-	-	-	15,850	14,975	15,850	14,975
Receivables	1,457	105	1,780	7	282	379	3,519	491
Total current assets	1,457	105	1,780	7	16,132	15,354	19,369	15,466
Non-current Assets								
Receivables	487	-	595	-	-	-	1,082	-
Property, plant and equipment								
-Plant and equipment	-	-	-	-	1,154	29	1,154	29
-Leasehold improvements	-	-	-	-	1,948	193	1,948	193
-Assets under construction	-	-	-	-	-	100	-	100
Intangible assets	-	-	-	-	17	21	17	21
Total non-current assets	487	-	595	-	3,119	343	4,201	343
TOTAL ASSETS	1,944	105	2,375	7	19,251	15,697	23,570	15,809
Current Liabilities								
Payables	835	224	1,160	367	-	345	1,995	936
Provisions	642	726	704	622	-	597	1,346	1,945
Total current liabilities	1,477	950	1,864	989	0	942	3,341	2,881
Non-Current Liabilities								
Provisions	14	8	14	8	430	-	458	16
Payables	487	-	595	-	-	-	1,082	-
Total Non-Current Liabilities	501	8	609	8	430	0	1,540	16
TOTAL LIABILITIES	1,978	958	2,473	997	430	942	4,881	2,897
NET ASSETS	(34)	(853)	(98)	(990)	18,821	14,755	18,689	12,912

* 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) was a New South Wales (NSW) Government entity until 30 June 2015. On 1 July 2015, it was abolished under the *Administrative Arrangements (Administrative Changes - Public Service Agencies) Order 2015*. Its functions, assets and liabilities and staff were transferred to the Department of Justice. Up to 30 June 2015, MPES was a not-for-profit entity as profit was not its principle objective and it had no cash generating units. The reporting entity was consolidated as part of the NSW Total State Sector Accounts.

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

These financial statements for the year ended 30 June 2015 have been authorised for issue by the A/Deputy Secretary, Liquor Gaming and Emergency Management, Department of Justice on 17 September 2015.

(b) Basis of Preparation

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

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- the requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2015*; and
- the Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities or issued by the Treasurer.

Despite being abolished on 1 July 2015, the financial statements have been prepared on a going concern basis because the transfer of MPES' functions to the Department of Justice represents a Contribution by Owner under Interpretation 1038 and Treasury Policy Paper TPP 09-3 (see note 1(m) for accounting policy).

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

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

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

(c) Statement of Compliance

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

(d) Insurance

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

Ministry for Police & Emergency Services

Notes to the Financial Statements

(e) Administered activities

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

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

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

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

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

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

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

(g) Income Recognition

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

(i) Grants and Contributions

Grants and contributions from other bodies are recognised as income when MPES obtains control over the assets comprising the grants and contributions. Control over grants and contributions are normally obtained upon the receipt of cash, unless it relates to reimbursement of voluntary redundancy or natural disaster expenditure. Reimbursement of natural disaster expenditure is recognised on an accrual basis given that MPES has incurred the expenditure, it meets the eligibility criteria for reimbursement and the conditions in Treasury Circular TC 12/02 have been met, meaning MPES has established a right to the reimbursement.

(ii) Rendering of Services

Revenue is recognised when the service is provided or by reference to the stage of completion.

(iii) Investment revenue

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

Ministry for Police & Emergency Services

Notes to the Financial Statements

(h) Assets

(i) Acquisition of assets

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

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

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

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

(ii) Capitalisation thresholds

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

(iii) Revaluation of Property, Plant and Equipment

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

MPES' plant and equipment consists of non-specialised assets with short useful lives which are measured at depreciated historical cost as a surrogate for fair value. MPES has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

(iv) Impairment of Plant and Equipment

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

Ministry for Police & Emergency Services

Notes to the Financial Statements

(v) Depreciation of Property, Plant and Equipment

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

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

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

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

Leasehold improvements are depreciated over the term of the lease.

(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 (nil in 2013-14).

(viii) Intangible Assets

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

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

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

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

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

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

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

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

Ministry for Police & Emergency Services

Notes to the Financial Statements

b) Long Service Leave and Superannuation

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

Long service leave is measured at present value in accordance with AASB 119 *Employee Benefits*. This is based on the application of certain factors (specified in NSWTC 15/09) 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.

c) Consequential on-costs

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

(j) Other Provisions

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

(k) Accumulated funds

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

(l) Budgeted Amounts

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Subsequent amendments to the original budget, (e.g. adjustment for transfer of functions between entities as a result of Administrative Arrangements Orders) are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed in the primary financial statements is explained in Note 15.

(m) Equity Transfer

The transfer of net assets between entities as a result of an administrative restructure, transfers of programs / functions and parts thereof between NSW public sector entities and equity appropriations are designated or required by Australian Accounting Standards to be treated as contributions by owners and recognised as an adjustment to 'Accumulated Funds'. This treatment is consistent with AASB 1004 Contributions and Australian Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities.

Transfers arising from an administrative restructure involving not-for-profit and for-profit government entities are recognised at the amount at which the assets and liabilities were recognised by the transferor immediately prior to the restructure. Subject to below, in all instances this will approximate fair value because of the short term nature of MPES' assets and liabilities. This includes MPES' property, plant and equipment, most of which was acquired during the current financial year.

All other equity transfers are recognised at fair value, except for intangibles. Where an intangible has been recognised at (amortised) cost by the transferor because there is no active market, the entity recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, the entity does not recognise that asset.

Ministry for Police & Emergency Services
Notes to the Financial Statements

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

ii) Issued but not yet effective

Standard	Effective date	Requirements	Impact
AASB 9, AASB 2010-7, AASB 2012-6, AASB 2014-7 and AASB 2014-8 regarding financial instruments	30-Jun-18	Revised requirements for recognition, de recognition, classification and measurement of financial instruments.	No material impact
AASB 2014-4 regarding Depreciation and Amortisation	30-Jun-16	Amends AASB 116 and AASB 138 to establish the principal for the basis of depreciation and amortisation as being expected patterns of consumption of an asset and clarifies the use of revenue based methods to calculate depreciation is not appropriate.	No material impact as MPES' depreciation and amortisation is based on consumption pattern of the asset
AASB 15-1 Annual improvements (2012-2014 cycle)	30-Jun-16	Amends and clarifies IFRS 5 - reclassification from held for sale to held for distribution to owners, IFRS 7 - adds basis of conclusion to clarify disclosure requirements for transferred financial assets and offsetting arrangements, IAS 19 - confirms bonds rates used to determine discount rates must be in the same currency and IAS 34 - clarifies information about cross references in the interim financial report.	No material impact
AASB 2015-2 Disclosure initiative Amendments to AASB 101	30-Jun-16	Provides clarification regarding disclosure requirements in AASB 101.	No material impact
AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, AASB 124 & AASB 1049]	1-Jul-16	Amends existing AASB 124 to extend the scope of that standard to include non-for-profit public sector entities. This Standard also makes related amendments to AASB 10 Consolidated Financial Statements and AASB 1049 Whole of Government and General Government Sector Financial Reporting, and an editorial correction to AASB 124	No material impact in accounting related party transactions but financial statements will require related party disclosures.
AASB 2014-1 and 2013-9 regarding the Conceptual Framework, Materiality and Financial Instruments (Parts B and C)	30-Jun-15	Amendments to Conceptual Framework and amendments to not-for-profit specific paragraphs for further clarity	No material impact

(o) 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

	2015 \$' 000	2014 \$' 000
2. EXPENSES EXCLUDING LOSSES		
(a) Employee related expenses		
Salaries and wages (including annual leave)	9,008	8,762
Voluntary redundancy payment	508	137
Superannuation - defined contribution plans	741	679
Superannuation - defined benefit plans	105	136
Long service leave	573	593
Workers compensation insurance	27	34
Payroll Tax and Fringe Benefits Tax	585	579
Overtime	25	8
	<u>11,572</u>	<u>10,928</u>
(b) Other operating expenses include the following:		
Auditor's remuneration - audit of the financial statements	61	62
Operating leases - minimum lease payments	1,333	1,660
Maintenance *	23	20
Insurance	10	8
Rates, utilities and cleaning	155	118
Vehicles running costs	29	29
Stores and minor equipment	9	50
Uniforms	1	-
Communications	258	275
Travel and subsistence	86	85
Computer services	26	14
Printing and stationery	67	81
Emergency Alert system	3,190	2,651
Training	400	332
Contractors	24	90
Consultancies	38	69
Fees for services	882	690
Other expenses	153	113
	<u>6,745</u>	<u>6,347</u>
 <i>* Reconciliation - Total maintenance</i>		
Maintenance expense, as above	23	20
Maintenance related employee expenses included in Note 2(a)	-	-
Total maintenance expenses included in Note 2(a) + 2(b)	<u>23</u>	<u>20</u>

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	2015	2014
	\$' 000	\$' 000
(c) Depreciation and amortisation expense		
Depreciation		
Leasehold improvements	338	236
Plant and equipment	143	17
Total depreciation	481	253
Amortisation		
Websites	7	7
Total amortisation	7	7
Total depreciation and amortisation	488	260
(d) Grants and subsidies		
Grants to Marine Rescue NSW	6,707	7,252
Grants to Volunteers	1,699	1,685
Grants NDRP/NDMP*	13,119	7,427
Grants to other agencies	3,591	4,393
Grant to Surf Life Saving	1,700	1,700
Grants - Natural disaster	2,953	2,344
	29,769	24,801

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

3. REVENUE

(a) Grants and contributions

Recurrent grant from the Department of Justice	39,455	21,888
Capital grant	94	100
Claims for natural disaster expenditure	3,117	2,380
NSW Roads and Maritime Services funding for Marine Rescue NSW	7,034	7,252
Operational funding grant from other agencies	1,755	1,755
Grants -other	-	1,700
	51,455	35,075

(b) Other revenue

Rental income	167	409
Salary recoup from other Government Departments	21	-
Support service income	159	220
Redundancy Recoup	509	137
Community partner funding reimbursement	143	143
Reimbursement of unspent grants	214	197
Sundry income	494	85
	1,707	1,191

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	105	136
Long service leave	573	593
Payroll tax	5	7
	683	736

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	2015 \$' 000	2014 \$' 000
5. GAIN/(LOSS) ON DISPOSAL		
Gain/(loss) on disposal of plant and equipment:		
Proceeds from disposal	-	11
Written down value of assets disposed	59	-
Gain/(loss) on disposal of non-current assets	(59)	11

6. SERVICE GROUPS OF THE AGENCY

(a) Service group 1: Policy & finance

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

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

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

7. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents

Cash at bank and on hand	15,850	14,975
	<u>15,850</u>	<u>14,975</u>

For the purpose of the statement of cash flows, cash and cash equivalents include cash at bank, cash on hand, cash in transit and short term deposits.

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)	15,850	14,975
Closing cash and cash equivalents (per statement of cash flows)	<u>15,850</u>	<u>14,975</u>

Restricted Cash and Cash Equivalents

At the reporting date, MPES' cash balance includes unspent grants funding of \$7.4 million (\$5.7 million at 30 June 2014) received under the Natural Disaster Resilience Program and Natural Disaster Mitigation Program. This cash is considered restricted as it can only be used for a specific purpose and it is not available to fund MPES' general operating expenses.

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

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	2015 \$' 000	2014 \$' 000
8. CURRENT/NON-CURRENT ASSETS - RECEIVABLES		
Sundry debtors	2,919	32
Goods and services tax receivable	243	365
Prepayments	71	7
Interest accrual	39	16
Lease incentive asset (Current)	247	-
Lease incentive asset (Non- Current)	1,082	-
Other	-	71
	<u>4,601</u>	<u>491</u>

Refer to Note 16 for details regarding credit risk, liquidity risk and market risk including financial assets that are past due. None of the amount were considered impaired (nil at 30 June 2014).

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

	Leasehold Improvements \$' 000	Assets Under Construction \$' 000	Plant & Equipment \$' 000	Totals \$' 000
At 1 July 2014 - fair value				
Gross carrying amount	945	100	111	1,156
Accumulated depreciation	(752)	-	(82)	(834)
Net Carrying Amount	<u>193</u>	<u>100</u>	<u>29</u>	<u>322</u>

At 30 June 2015 - fair value

Gross carrying amount	2,149	-	1,311	3,460
Accumulated depreciation	(201)	-	(157)	(358)
Net Carrying Amount	<u>1,948</u>	<u>-</u>	<u>1,154</u>	<u>3,102</u>

Reconciliation

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

	Leasehold Improvements \$' 000	Assets Under Construction \$' 000	Plant & Equipment \$' 000	Totals \$' 000
Year ended 30 June 2015				
Net carrying amount at start of year	193	100	29	322
Additions	2,050	-	1,270	3,320
Disposals	(57)	-	(2)	(59)
Depreciation expense	(338)	-	(143)	(481)
Transfers between asset classes	100	(100)	-	-
Net carrying amount at end of year	<u>1,948</u>	<u>-</u>	<u>1,154</u>	<u>3,102</u>

All additions relate to MPES' consolidation into a new single premise.

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

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

Reconciliation

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

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

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

	Websites \$' 000	Total \$' 000
At 1 July 2014		
Cost (gross carrying amount)	46	46
Accumulated amortisation	(25)	(25)
Net carrying amount	21	21
At 30 June 2015		
Cost (gross carrying amount)	49	49
Accumulated amortisation	(32)	(32)
Net carrying amount	17	17
Year ended 30 June 2015		
Net carrying amount at start of year	21	21
Reclassifications/Adjustments	-	-
Additions	3	3
Disposals	-	-
Amortisation	(7)	(7)
Net carrying amount at end of year	17	17

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

	Websites \$' 000	Total \$' 000
At 1 July 2013		
Cost (gross carrying amount)	46	46
Accumulated amortisation	(18)	(18)
Net carrying amount	<u>28</u>	<u>28</u>
At 30 June 2014		
Cost (gross carrying amount)	46	46
Accumulated amortisation	(25)	(25)
Net carrying amount	<u>21</u>	<u>21</u>
	Websites \$' 000	Total \$' 000
Year ended 30 June 2014		
Net carrying amount at start of year	28	28
Additions	-	-
Disposals	-	-
Amortisation	(7)	(7)
Net carrying amount at end of year	<u>21</u>	<u>21</u>

	2015 \$' 000	2014 \$' 000
11. CURRENT/NON-CURRENT LIABILITIES - PAYABLES		
Accrued salaries, wages and on-costs	475	254
Lease incentive liability (Current)	247	-
Lease incentive liability (Non-Current)	1,082	-
Creditors	<u>1,273</u>	<u>682</u>
	<u>3,077</u>	<u>936</u>

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

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

Employee benefits and related on-costs

Annual leave	1,008	1,040
Long service leave on-costs not assumed by the Crown	362	324
Fringe benefits tax	6	-
	<u>1,376</u>	<u>1,364</u>

Other Provisions

Restoration costs	428	597
	<u>428</u>	<u>597</u>
Total Provisions	<u>1,802</u>	<u>1,961</u>

Aggregate employee benefits and related on-costs

Provisions- current	1,346	1,348
Provisions- non-current	29	16
Accrued salaries, wages and on-costs (note11)	475	254
	<u>1,850</u>	<u>1,618</u>

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	2015 \$' 000	2014 \$' 000
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12. CURRENT/NON-CURRENT LIABILITIES (contd.)

Aggregate other provisions

Restoration costs - current	30	597
Restoration costs - non-current	398	-
	<u>428</u>	<u>597</u>

Restoration costs provision relate to the expected costs required to restore the leased premise back to its original form when the lease expires in 2020.

Movement in provisions (other than employee benefits):

Restoration costs

Carrying amount at the beginning of financial year	597	597
Provision recognised during the period	398	-
Provision paid during the period	(194)	-
Unused amounts reversed *	(373)	-
Carrying amount at the end of the period	<u>428</u>	<u>597</u>

* The reversal of unused restoration provision relates to premises previously leased by MPES. MPES achieved a favourable make good settlement upon the expiry of the leases.

13. COMMITMENTS FOR EXPENDITURE

Operating Lease Commitments

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

Not later than one year	587	776
Later than one year and not later than five years	2,875	13
Later than five years	-	-
Total (including GST)	<u>3,462</u>	<u>789</u>

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

315	72
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MPES' operating lease commitments comprises the following;

Motor vehicle leases

MPES leases three motor vehicles from State Fleet Services. The total lease rental not provided for and payable is approximately \$30,000 (\$30,000 at 30 June 2014).

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13. COMMITMENTS FOR EXPENDITURE (Contd.)

Property leases

MPES has entered into a six year lease for its office premises, with annual fixed increases of 3.75 per cent per annum. The lease expires November 2020, with a four year option to extend.

14. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET RESULTS	2015 \$' 000	2014 \$' 000
Net cash used on operating activities	3,800	(4,318)
Depreciation and amortisation	(488)	(260)
Decrease/ (increase) in provisions	555	(159)
Increase/ (decrease) in receivables	3,027	(198)
Increase/ (decrease) in lease incentive assets	1,082	-
Decrease/ (increase) in payables	(1,058)	193
Decrease/ (increase) in lease incentive liability	(1,082)	-
Net gain / (loss) on sale of assets	(59)	11
Net results	<u>5,777</u>	<u>(4,731)</u>

15. BUDGET REVIEW

Net Result

The actual Net Result was \$7.5 million better than budget, primarily due to:

- Other Operating expenses being \$3.9 million below budget, largely due to under expenditure on the Emergency Alert system. There was minimal usage of the system during the year. Furthermore, MPES did not spend the allocation to fund an upgrade to the system. The upgrade will occur in 2015-16
- Grants and subsidies being \$4.0 million below budget - the main reason for this was under expenditure on the Natural Disaster Resilience Program (NDRP). This was largely due to some of the recipients of NDRP funds experiencing project delays. The NDRP funds government and non government programs/projects aimed at reducing the impact of, and increasing resilience to, natural disasters

- Interest income being \$0.4 million higher than budget due to MPES maintaining a higher than expected cash balance throughout the year

- Other Revenue being \$1.3 million higher than budget largely due to MPES recognising \$507K of voluntary redundancy recoups from the Crown Entity, as well as MPES settling its make good obligations at an amount significantly less than what it had set aside.

The favourable variances referred to above was partly offset by the Department of Justice withholding some of MPES' recurrent grant funding because of the under expenditure.

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15. BUDGET REVIEW (contd.)

Assets and Liabilities

Total assets at 30 June 2015 exceed the budgeted position by \$11.2 million. This is mainly due to MPES' under expenditure, which has contributed to a higher than expected cash balance at 30 June 2015. The other reason for the variance is that MPES has recognised a lease incentive asset of \$1.3 million.

MPES' total liabilities at 30 June 2015 are \$2.2 million higher than budget. This is mainly due to MPES recognising a lease incentive liability of \$1.3 million, as well a provision to make good the new leased premises at the end of the lease.

Cash flows

Net cash flows from operating activities was \$5.1 million better than budget, primary due to under expenditure on the NDRP grant program and the Emergency Alert system. The under expenditure was offset by grants and contributions cash inflows being \$1.9 million lower than budget, largely due to MPES not drawing down its full recurrent grant funding for the year.

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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 Executive Team had overall responsibility for establishment and oversight of risk management and reviewed and agreed 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 was reviewed by internal audit and Audit and Risk Committee on a periodic basis.

(a) Financial instrument categories

Financial Assets	Note	Category	Carrying Amount	Carrying Amount
			2015	2014
Class:			\$'000	\$'000
Cash and cash equivalents	7	N/A	15,850	14,975
Receivables ¹	8	Loans and receivables (at amortised cost)	2,958	119
Financial Liabilities	Note		Carrying Amount	Carrying Amount
			2015	2014
Class:			\$'000	\$'000
		Financial liabilities measured at amortised cost		
Payables ²	11	cost	1,273	682

Notes

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

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

(b) Credit risk

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

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

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Cash

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

Receivables - debtors

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

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

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

	Total ^{1,2} \$'000	Past due but not impaired ^{1,2} \$'000	Considered impaired ^{1,2} \$'000
2015			
< 3 months overdue	221	221	
3 months - 6 months overdue	1	1	
> 6 months overdue	-	-	-
2014			
< 3 months overdue	3	3	
3 months - 6 months overdue			
> 6 months overdue			-

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 \$1.3 million (2014: \$0.7 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 assumes that all other variable remain constant.

Interest rate risk

Following the Government's recent Cash Management Reform, MPES' cash at bank will be held in a non interest bearing account from 1 July. MPES is also precluded from investing any monies in TCorp cash facilities. Therefore the future interest rate risk is nil.

In the previous year, management's assessment of a reasonably possible change in interest rate was in the range of +1% to -1% based on the economic environment at the time. A change in either direction by 1% would have impacted MPES' net result by \$0.15 million with no direct impact to equity.

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	2015 '000	2014 '000
Cash facility	cash, money market instruments	upto 1.5 years	3	13,417

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

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

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

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

	Change in unit price	2015 '000	2014 '000
Hour Glass Investment - Cash facility	+/- 1 %	0	134

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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. There were no transfers between level 1 or 2 during the periods.

17. TRUST FUNDS

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

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

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

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

	CDRF Account	CDRF Trust Account
	\$	\$
Cash balance at 1 July 2014	1,404	107
Receipts (interest earned)	16	1
Expenditure	0	0
Cash balance at 30 June 2015	<u>1,420</u>	<u>108</u>
Cash balance at 1 July 2013	1,648	110
Receipts (interest earned)	29	2
Expenditure	(273)	(5)
Cash balance at 30 June 2014	<u>1,404</u>	<u>107</u>

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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), the NSW Rural Fire Service (RFS) and the NSW State Emergency Service (SES). MPES is accountable for the transactions relating to those administered activities but does not have the discretion to deploy the resources for the achievement of its own objectives.

	2015 \$' 000	2014 \$' 000
Administered Income		
Contributions Revenue	833,804	829,785
	<u>833,804</u>	<u>829,785</u>
Administered Expenses		
Contributions Expenses	833,804	829,785
	<u>833,804</u>	<u>829,785</u>
Administered Assets		
Cash	415	184
Contributions Receivable	598	1,855
	<u>1,013</u>	<u>2,039</u>
Administered Liabilities		
Contributions payable	1,013	2,039
	<u>1,013</u>	<u>2,039</u>

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 (nil at 30 June 2014).

20. AFTER BALANCE DATE EVENTS

MPES was abolished on 1 July 2015 under the *Administrative Arrangements (Administrative Changes - Public Service Agencies) Order 2015*. Its functions, assets, liabilities and staff were transferred to the Department of Justice as an equity adjustment in accordance with Treasury Policy Paper TPP09-3 and Australian Accounting Interpretation 1038. As a result, these financial statements represent the final statements for MPES as a separate reporting entity.

Effective 1 July 2015, MPES (now the Department of Justice) is now responsible for natural disaster expenditure policy and the financial management of the State's Disaster Relief Account. As a result of this change, the Department of Justice's 2015-16 budget includes the State's \$120 million Disaster Relief Account. The Crown Entity was previously responsible for managing this account.

Some of the new responsibilities include preparing and submitting NSW Government reimbursement claims to the Commonwealth Government, reimbursing NSW Government agencies for natural disaster expenditure from Disaster Relief Account, advising agencies about disaster spending and eligibility criteria and maintaining the NSW Disaster Assistance Guidelines.

End of Audited Financial Statements

Contacts

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