



NSW SES ANNUAL REPORT

2016/17

Author

NSW State Emergency Service

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For emergency help relating to a flood, storm or tsunami, please call 132 500 to be connected directly to our call centre service. For other information, our contact number are shown under 'State Emergency Service' in the alphabetical section of the local Telstra White Pages Directory.

For general information about NSW SES, Storm, Flood and Tsunami Safety or to volunteer, please contact 1800 201 000. For further information visit the website at www.ses.nsw.gov.au. For ongoing updates, safety messages and news about NSW SES activities, like the NSW SES Facebook page at www.facebook.com/NSW.SES.

Availability

This annual report has been designed for accessible online use and distribution. A limited number of copies have been printed for statutory purposes.

This report is available at:

www.ses.nsw.gov.au/about/annual-reports

Front cover image: Damian Hofman (*photographer*)

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The Hon Troy Grant MP
Minister for Emergency Services
52 Martin Place
SYDNEY NSW 2000

Dear Minister

I am pleased to present the Annual Report of the NSW State Emergency Service for the year ending 30 June 2017, for submission to NSW Parliament.

This report has been prepared in accordance with the provisions of the *Annual Report (Departments) Act 1985* and the Annual Reports (Departments) Regulation 2015.

Yours sincerely



Mark Smethurst DSC, AM
Commissioner

COMMISSIONER'S REVIEW



“ Since my commencement with the NSW SES in February 2017, I've had the pleasure of visiting all NSW SES Region Offices, and many of the 246 NSW SES volunteer Units across the State. ”

Since my commencement with the NSW SES in February 2017, I've had the pleasure of visiting all NSW SES Region Offices, and many of the 246 NSW SES volunteer Units across the State. I have listened to what our members have had to tell me, and this active discussion has informed my three priorities for the Service:

1. Recruitment and retention of our members
2. Training
3. Increasing our operational capability

To further target our work and clarify our objectives we have now focused specifically on the next two years of work and produced an Action Plan for 2017-2019. It has been a collaborative effort to develop the Action Plan involving members from across the Service, including Volunteers, Region Controllers, Managers, the Strategic Leadership Team and the NSW SES Volunteers Association. This plan has a range of key goals for the Service and I see that this will greatly enhance the volunteer experience and build our operational capability.

In August to November 2016, the Western parts of New South Wales also experienced considerable flooding. The NSW SES worked with flood impacted communities of inland NSW as flood peaks moved down stream. NSW SES remained operational in these areas for 15 weeks, responding to 7,736 requests for assistance from the public.

Operationally, 2016-17 continued as a busy year for the NSW SES. Indeed, one month into my tenure, in March and April 2017, a strong cold front and surface trough associated with Ex-Tropical Cyclone Debbie produced heavy rain of up to 900mm in parts of northeast NSW. As a result, major flooding was experienced across three river basins including the Tweed River, Richmond/Wilson Rivers and Brunswick River during April leading to devastation for many communities who live along these rivers.

Many homes and business were destroyed and tragically people lost their lives.

In fact, the night of the 30th March 2017 when the heaviest rain was received in these areas the NSW SES State Operations Centre managed the most rescue events in a single 12 hour shift in its ten year history, with many of the rescues being life threatening.

Something I have also ensured during my time with the NSW SES is that as our communities grow and the risk of damage from severe weather events increases, the NSW SES is building greater capability to ensure we are prepared for nature's worst. Through the Volunteering Reimagined initiative, we intend to grow our volunteer base from some 8,235 volunteers to over 20,000 volunteers in two years. What we are doing is more effectively tapping into existing forms of volunteering such as spontaneous 'mud army' volunteers, formalising corporate volunteering partnerships and developing community action teams. This way we can have a source of trained volunteers working with us readily as surge capacity during major events, or embedded within communities as champions of resilience.

This will assist us in achieving our new mission of: 'NSW SES saving lives and protecting communities' alongside our vision to 'be the best volunteer emergency service in Australia'.

I look forward to working towards these goals, and harnessing the passion NSW SES staff and volunteers display in saving lives and protecting the communities of New South Wales.

Mark Smethurst DSC, AM
NSW SES Commissioner

NSW SES CHARTER

New South Wales State Emergency Service (NSW SES) was established in 1955 in response to extensive flooding that occurred in the Hunter Valley and North West New South Wales.

The NSW Government identified the need to involve communities in strategic planning for, and response to, flood and storm emergencies. NSW SES was formed to meet this need. Since that time, the Service has expanded to include preparing for and responding to tsunamis, with a wide variety of other emergency response roles becoming part of the services the volunteer-based organisation offers.

At the end of 2016-17, NSW SES was made up of 8,235 volunteer members, including reserves, and 366 staff members (including an FTE of 346.8 agency, contract and casual roles). The Service had 246 volunteer Units covering almost every Local Government Area in the State, led by a Unit or Local Controller. NSW SES Units are varied and unique in their response capabilities, which are based on the specific risks of the communities they serve. Often these risks are related to geographical features of the diverse landscapes in NSW. There are also some satellite units across the Service, particularly in areas with road-crash rescue or community first responder needs.

NSW SES Units are grouped into 17 Regions, with Region boundaries coinciding closely to major river systems. Regions are managed by a Region Controller, responsible for development of emergency management plans and overall control of emergency responses. Region and Unit headquarters are equipped with operations centres and many have a volunteer Unit assigned to the Region to help with training, planning and emergency operations. The Region Controller is assisted by four to five staff members, and all coastal regions have an additional staff member for community engagement. NSW SES manages its 17

Regions by dividing them into the Directorates of Regions East and Regions West.

The Directorate of Regions East includes Clarence Nambucca, Hunter, Illawarra South Coast, Mid North Coast, Richmond Tweed, Sydney Northern, Sydney Southern and Sydney Western. The Directorate manages the more heavily populated areas of NSW including Sydney and the East Coast. The Directorate of Regions West includes Central West, Far West, Lachlan, Macquarie, Murray, Murrumbidgee, Southern Highlands, Namoi and North West (trial). The Directorate covers the vast inland areas of NSW with such diverse landscapes as the remote un-incorporated northwest, major inland cities such as Wagga Wagga, Dubbo and Tamworth, and the remote alpine areas of the Snowy Mountains.

Together, the 17 Regions deliver capability, training and administrative support to all the Units that make up the service delivery arm of NSW SES, providing the highly experienced and professional volunteer workforce the communities of NSW have relied on for over 60 years.

NSW SES State Headquarters is located in Wollongong, in the Illawarra Region of NSW, and coordinates State-wide training, planning and emergency response activities. The State Headquarters also maintains the Service's corporate functions including People and Culture, Media and Communications, Information and Communications Technology, Finance and Asset Management, and Strategy, Planning and Innovation.

What We Do

NSW SES exists to mitigate the risk and consequence of emergencies in communities. It is the lead agency for floods, storms and tsunamis as specified by the *State Emergency Service Act 1989*. The range of emergency situations which NSW SES deals with is very broad, however, core business is the management of the effects of floods, storms and tsunamis. All NSW SES Units respond to damage caused by storms and have an active role in flood management. NSW SES volunteers

are highly-skilled, experienced and well-trained in the wide variety of roles they perform. Each Unit is unique in its pattern of work because of the vast mix of risks and roles required in the diverse locations and communities in which the Units are situated. In addition to responding to flood, storm and tsunami, NSW SES provides specialist capabilities including general land rescue, vertical rescue, road-crash rescue, driver reviver and alpine search and rescue. NSW SES frequently assists other emergency services in a variety of roles, including searches for evidence and missing people with NSW Police Force and community first responder roles in rural locations with the Ambulance Service of NSW.

NSW SES Leadership

In February 2017, a new NSW State Emergency Commissioner, Mark Smethurst DSC AM, was appointed.

Principal Legislation & Legal Change

The main piece of legislation administered by the NSW SES is the *State Emergency Service Act 1989*. Under the Act:

- (1) The State Emergency Service has the following functions:
 - (aa) To protect persons from dangers to their safety and health, and to protect property from destruction or damage, arising from floods, storms and tsunamis
 - (a) To act as the combat agency for dealing with floods (including the establishment of flood warning systems) and to co-ordinate the evacuation and welfare of affected communities
 - (b) To act as the combat agency for damage control for storms and to co-ordinate the evacuation and welfare of affected communities
 - (c) To act as the combat agency for dealing with tsunamis and to co-ordinate the evacuation and welfare of affected communities
- (2) The functions of the State Emergency Service are to be exercised in accordance with the *State Emergency and Rescue Management Act 1989* and, in particular, with the requirements under the State Emergency Management Plan or any state of emergency under that Act.
 - (d) As directed by the State Emergency Operations Controller, to deal with an emergency where no other agency has lawful authority to assume command of the emergency operation
 - (e) To carry out, by accredited SES units, rescue operations allocated by the State Rescue Board
 - (f) To assist the State Emergency Operations Controller to carry out emergency management functions relating to the prevention of, preparation for and response to, and to assist the State Emergency Recovery Controller to carry out emergency management functions relating to the recovery from, emergencies in accordance with the State Emergency and Rescue Management Act 1989
 - (g) To assist, at their request, members of the NSW Police Force, Fire and Rescue NSW, the NSW Rural Fire Service or the Ambulance Service of NSW in dealing with any incident or emergency
 - (h) To maintain effective liaison with all emergency services organisations,
 - (i) To carry out such other functions as may be assigned to it by or under this or any other Act, or by the State Emergency Operations Controller or the Minister

There have been no changes to this Act or any other relevant Acts or Regulations during 2016-17. There have also been no significant judicial decisions which have affected NSW SES and users of its services during this time.

NSW SES ORGANISATIONAL STRUCTURE

The Service's Principal Officers hold the following qualifications, as of 30th June 2017.

Mark Smethurst DSC, AM

Commissioner

Masters in Defence Studies; Masters in Strategic Studies; Bachelor of Arts; Member of the Order of Australia; Distinguished Service Cross; Member of Australian Institute of Company Directors.

Greg Newton

Deputy Commissioner

Bachelor of Arts; Graduate Diploma in Education; Graduate Certificate in Applied Management.

Scott Bridgement

Director Strategy, Planning and Innovation

Bachelor of Commerce; Fellow CPA Australia; Fellow Australian Institute of Management; (Member of Australian Institute of Company Directors); Member of Institute of Public Administration Australia.

Mark Morrow, JP

Assistant Commissioner

Graduate Diploma in Police Management; Advanced Diploma in Project Management; Executive. Masters in Public Administration.

Scott Hanckel ESM

Assistant Commissioner, Director Regions West

Julie Hately, CPA

Director Finance and Asset Management/CFO

Bachelor of Commerce (Major in Accounting); Graduate Certificate in Management - Professional Practice; Graduate Certificate in Organisational Change.

Nicole Hogan

Acting Assistant Commissioner,

Director Emergency Management

Emergency Management Graduate Diploma Public Administration; Diploma Business; Cert IV Frontline Management; Advanced Leadership Program - Women and Leadership Australia; Cert IV Project Management Cert IV Government; Diploma Call Centre Management and Cert Accounting.

Kathleen Iacurto, GAICD

Director People and Culture

Master of Business Administration; Master of Management; Bachelor of Mathematics (Mathematics and Computing Science); Diploma of Work Health and Safety; Certificate IV Training and Assessment.

Kaylene Jones, JP

Assistant Commissioner, Director Regions East

Diploma in Management.

Stephen McRobert

Acting Director Information and Communications

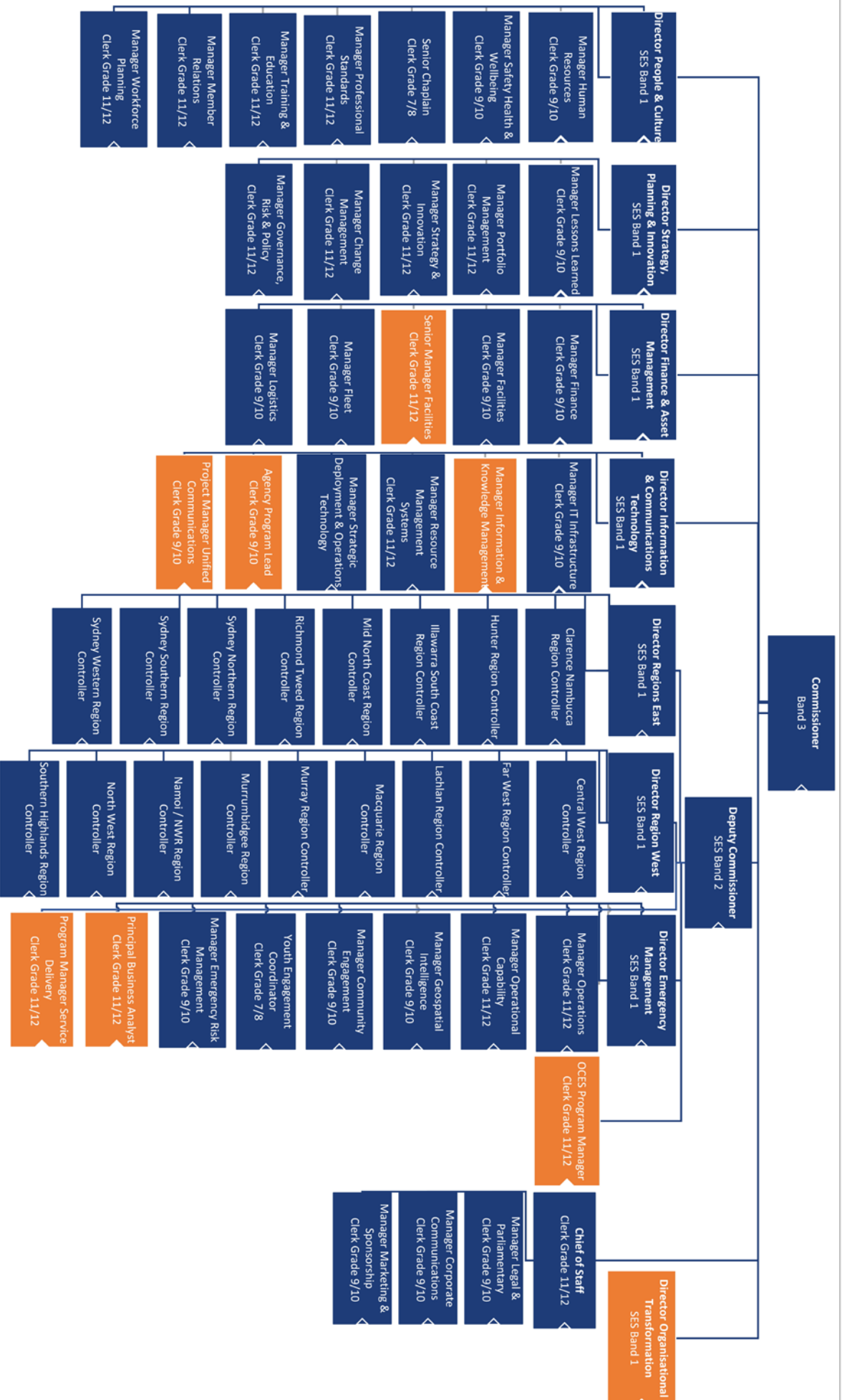
Technology/CIO

Graduate Diploma Public Administration; Diploma & Cert IV Frontline Management.

NSW SES REGION CONTROLLERS

REGION	NAME	LOCATION
Central West	Craig Ronan	Bathurst
Clarence Nambucca	Caroline Ortel	South Grafton
Far West	Graeme Craig	Cobar
Hunter	Stephen Hart	Metford
Illawarra South Coast	Greg Murphy	Coniston
Lachlan	Nicole Richardson	Parkes
Macquarie	David Monk	Dubbo
Mid North Coast	Anthony Day	Taree
Murray	Bernard Kates	Albury
Murrumbidgee	Jon Gregory (Acting)	Wagga Wagga
Namoi North West (trial joint Region)	Andrew Galvin	Gunnedah and Moree
Richmond Tweed	Mark Somers	Goonellabah
Southern Highlands	Joanne Humphries (Acting)	Goulburn
Sydney Northern	Barry Griffiths (Acting)	Hornsby
Sydney Southern	Samantha Colwell	Bankstown
Sydney Western	Peter Cinque	Seven Hills

NSW State Emergency Service



NSW SES REGION HEADQUARTERS

Central West

79 Corporation Avenue, Bathurst 2795
Phone: (02) 6334 8555
Email: cwr.admin@one.ses.nsw.gov.au

Clarence Nambucca

26 Induna Street, South Grafton 2460
Phone: (02) 6641 6900
Email: cnr.admin@one.ses.nsw.gov.au

Far West

PO Box 244, Cobar 2835
5 Bradley Street, Cobar 2835
Phone: (02) 6879 7100
Email: fwr.admin@ses.nsw.gov.au

Hunter

72 Turton Street, Metford 2323
Phone: (02) 4931 3222
Email: hur.admin@one.ses.nsw.gov.au

Illawarra-South Coast

PO Box 1460, Wollongong 2500
22–32 Masters Road, Coniston 2500
Phone: (02) 4251 1200
Email: isr.admin@one.ses.nsw.gov.au

Lachlan

55 Matthews Street, Parkes 2870
Phone: (02) 6863 8100
Email: lar.admin@one.ses.nsw.gov.au

Macquarie

160 Bultje Street, Dubbo 2830
Phone: (02) 6882 2222
Email: mqr.admin@one.ses.nsw.gov.au

Mid North Coast

14 Arkwright Crescent, Taree 2430
Phone: (02) 6592 5800
Email: mnr.admin@one.ses.nsw.gov.au

Murray

PO Box 523, Lavington 2641
25 Catherine Crescent, Lavington 2641
Phone: (02) 6058 5300
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Murrumbidgee

206 Fernleigh Road, Wagga Wagga 2650
Phone: (02) 6932 9199
Email: mer.admin@one.ses.nsw.gov.au

Namoi North West

PO Box 465, Gunnedah 2380
28 Borthistle Road, Gunnedah 2380
Phone: (02) 6740 2300
Email: nmr.admin@one.ses.nsw.gov.au

Richmond Tweed

PO Box 4044, Goonellabah 2480
7 Lancaster Drive, Goonellabah 2480
Phone: (02) 6625 7700
Email: rtr.admin@one.ses.nsw.gov.au

Southern Highlands

56–58 Knox Street, Goulburn 2580
Phone: (02) 4828 5555
Email: shr.admin@one.ses.nsw.gov.au

Sydney Northern

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Cnr Leonard and Hornsby Streets, Hornsby 2077
Phone: (02) 9987 3000
Email: snr.admin@one.ses.nsw.gov.au

Sydney Southern

PO Box M54, Manahan 2200
Unit 4, 150 Canterbury Road, Bankstown 2200
Phone: (02) 9766 9000
Email: SSR.admin@one.ses.nsw.gov.au

Sydney Western

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Email: admin@swd.ses.nsw.gov.au

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For emergency help in floods, storms and tsunami call 132 500.

For other information, the numbers are shown under 'State Emergency Service' in the alphabetical section of local Telstra White Pages Directory.

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REGISTERED NSW SES UNITS

Central West

Central West Region Headquarters
Bathurst
Blayney
Burruga
Canowindra
Eugowra
Lithgow
Molong
Oberon
Orange City
Portland
Sofala

Clarence-Nambucca

Clarence-Nambucca Region
Headquarters
Bellingen
Brushgrove
Coffs Harbour City
Copmanhurst
Corindi
Dorrigo
Grafton City
Lawrence
Maclean
Nambucca
Nymboida
Ulmarra
Urunga
Wooli- Yuraygir
Yamba

Far West

Bourke
Brewarrina
Broken Hill
Cobar
Euabalong
Ivanhoe
Menindee
Packsaddle
Tibooburra
White Cliffs
Wilcannia

Hunter

Aberdeen
Cessnock City
City of Newcastle
Cooranbong
Denman
Dungog
Lake Macquarie City
Maitland City
Merriwa
Murrurundi
Muswellbrook
Port Stephens
Scone
Singleton
Tomaree

Illawarra-South Coast

Illawarra South Coast Region
Headquarters
Batemans Bay
Bega
Bermagui
Coniston
Eden
Kiama

Moruya
Nowra
Shellharbour City
St Georges Basin
Ulladulla
Wingecarribee
Wollongong City

Lachlan

Lachlan Region Headquarters
Condobolin
Cowra
Forbes
Gooloogong
Grenfell
Lake Cargelligo
Parkes
Peak Hill
Trundle
West Wyalong

Macquarie

Macquarie Region Headquarters
Baradine
Carinda
Collarenebri
Coonamble
Dubbo
Dunedoo
Gilgandra
Glengarry
Lightning Ridge
Mudgee
Narromine
Nyngan
Rylstone
Walgett
Warren
Wellington

Mid North Coast

Camden Haven
Forster-Pacific Palms
Gladstone
Gloucester Shire
Harrington
Stroud
Kempsey Shire
Lord Howe Island
Nabiac
Port Macquarie Hastings
South West Rocks
Taree City
Wauchope
Wingham

Murray

Murray Region Headquarters
Albury
Balranald
Barham
Corowa
Culcairn
Deniliquin-Conargo
Holbrook
Jerilderie
Khancoban
Mathoura
Moama
Tocumwal

Tumbarumba Shire
Urana
Wentworth

Murrumbidgee

Murrumbidgee Region Headquarters
Coleambally
Coolamon
Cootamundra
Goolgowi
Griffith
Gundagai
Hay
Hillston
Jonee
Leeton
Narrandera
Temora
The Rock
Tumut
Wagga Wagga

Namoi

Namoi Region Headquarters
Armidale - Dumaresq
Barraba
Boggabri
Gunnedah
Guyra
Liverpool Plains Shire
Manilla
Narrabri
Nundle
Pilliga
Tambar Springs
Tamworth
Tingha
Uralla
Walcha
Wee Waa

North West

Ashford
Bingara
Boggabilla
Deepwater
Garah
Glen Innes
Inverell
Moree
Mungindi
Tenterfield
Warialda
Yetman

Richmond Tweed

Richmond Tweed Region
Ballina
Broadwater
Casino
Coraki
Kyogle
Lismore City
Mullumbimby
Murwillumbah
Tabulam
Tweed Coast
Tweed Heads
Urbenville
Woodburn

Southern Highlands

Southern Highlands Region
Headquarters
Bigga
Bombala
Boorowa
Braidwood
Bungendore
Captains Flat
Cooma-Monaro
Collector
Crookwell
Goulburn
Harden
Nimmitabel
Queanbeyan
Snowy River
Sutton
Windellama
Yass
Young

Sydney Northern

Gosford
Hornsby
Hunters Hill
Ku-ring-gai
Manly
Mosman
North Sydney
Ryde
Warringah-Pittwater
Willoughby-Lane Cove
Wyong

Sydney Southern

Sydney Southern Region Headquarters
Bankstown
Camden
Campbelltown
Canterbury
City of Sydney
Fairfield
Hurstville
Kogarah
Liverpool
Marrickville
Randwick
Rockdale
Sutherland
Waverley-Woolollahra
Wollondilly

Sydney Western

Sydney Western Region Headquarters
Ashfield-Leichhardt
Auburn
Blacktown
Blue Mountains
Burwood
Canada Bay
Hawkesbury
Holroyd
Mount Druitt
Parramatta
Penrith
Strathfield
The Hills

NSW SES PERFORMANCE IN 2016-17

The NSW SES is continuing to look for ways to improve our service delivery by building partnerships, working with other agencies and making our services more accessible to the community.

The NSW SES 2016-2021 Strategic Plan has been built collaboratively with input from across the Service. It is focused around the volunteer experience, communities, and ensuring our capability to deliver. With all members working together towards a common vision and in partnership with NSW communities and other emergency services, so will our plan. A full version of the Strategic Plan 2016-2021 is available on the NSW SES website.

With the Strategic Plan in the forefront of how we perform, the NSW SES Annual Report has reported this Financial Year's key achievements and performance against the NSW SES Strategic Plan's main strategic themes.

4.1 Strategic Theme 1: Strengthening our capability

Commitment:

Ensure that our people are equipped with the tools, knowledge, systems and skills they need to deliver an effective capability to our communities.

What we have achieved:

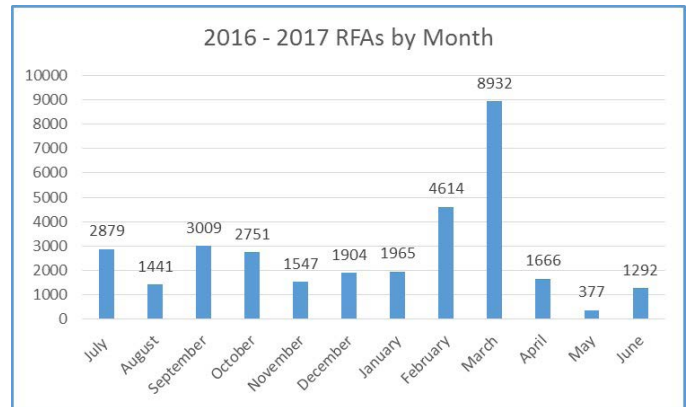
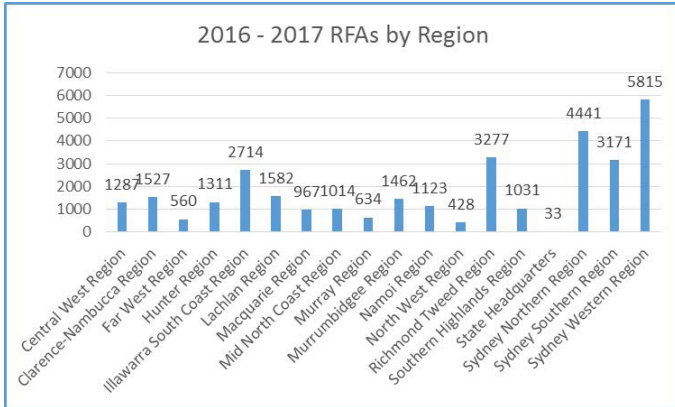
- Led nine major operational events
- Answered 118,074 calls at the State Operations Centre, and responded to 32,377 Requests for Assistance (RFAs)
- Managed the most rescue events in a single 12 hour shift in its 10 year history at the State Operations Centre on 30 March 2017
- Delivered a fixed radio network upgrade across the State resulting in a 20-50% improvement in communications for volunteers in a number of affected areas via the Operational Communications Equipment Systems (OCES) program.

Core Role

The NSW State Emergency Service (NSW SES) State Operations Centre maintained a centralised emergency response call taking capacity in State Headquarters (including the national Flood and Storm Assistance number 132 500), coordinating all priority lines as well as the Service's switchboard.

The NSW SES led nine major operational events in the 2016-2017 Financial Year period. During this period, 118,074 calls were received at the State Operations Centre including 54,716 calls to the Flood/Storm assistance line (132 500).

2016/2017	132 500 calls	Total calls
July	4063	9337
August	2475	6370
September	5715	13777
October	3815	9575
November	4063	8733
December	2519	7462
January	2816	7198
February	6501	12139
March	15543	25096
April	3979	7597
May	978	4373
June	2249	6417
TOTAL	54716	118074



During 2016-2017 the highest number of RFAs were received during March 2017 (8,932), followed by February 2017 (4,614), and then September 2016 (3,009).

A strong cold front and surface trough associated with Ex-Tropical Cyclone Debbie produced heavy rain of up to 900mm in parts of northeast NSW between 30th and 31st March 2017. Numerous weather stations recorded their wettest March day on record on the 29th, 30th or 31st, along with their wettest March rainfall on record.

2016/2017	Total RFA's
July	2879
August	1441
September	3009
October	2751
November	1547
December	1904
January	1965
February	4614
March	8932
April	1666
May	377
June	1292
TOTAL	32377

Major flooding was experienced across three river basins in NSW during April 2016 as a result of the heavy rainfall in late March 2016 including the Tweed River, Richmond/Wilson Rivers and Brunswick River. The State Operations Centre team on shift during this period answered 1,832 calls for help, which included 126 Flood Rescues and 120 Assisted Evacuations.

Regions East and West

NSW SES Regions East and West collectively provided services to the communities of NSW in preparation for and in response to flood, storm and tsunami events. Regions East and West comprised 17 Regions providing operational capability, training and administrative support to 246 volunteer Units, delivering a highly skilled and proficient volunteer workforce across the State.

Significant Operational Weather Events:

In August - November 2016 the Western parts of NSW experienced considerable flooding. The NSW SES worked with flood impacted communities of inland NSW as flood peaks moved down stream. NSW SES remained operational in these areas for 15 weeks, responding to 7,736 RFAs from the community.

Regions East and West performed a wide range of other emergency response and support roles to meet the diverse needs of the populations they serve. Over the last 12 months, in addition to the Commissioner's priorities, the focus was on safety, membership growth, retention, and leadership development.

Namoi North West Regions

As part of a two year trial, the combined NSW SES Namoi and North West Regions commenced operating on 1st March 2017, known as 'Namoi North West Region'. The trial management structure was undertaken by the Service to address a number of challenges that faced in both the Northern inland of NSW and Western parts of NSW. The trial involved the amalgamation of the former Namoi and North West Regions into one Region with a unique sectorised management structure. The trial was well received and supported by volunteers.

The 'Wellington Wombats' Training Exercise weekend continued to be a significant professional development opportunity attracting participants from across the State.

There was a continued focus on Local Controller professional development in the areas of Emergency Management and People Management.

The roll-out of the Scheduled Training And Recruitment Timetable (START) program delivered great improvements in Volunteer retention rates by ensuring new recruits become job-ready more quickly than in the past, and by making training available to existing members to maintain and develop their skills.

Murray Region

Grant funding was received to deliver a significant Community Resilience initiative across the joint Murray/Murrumbidgee Region. The project will deliver community-based planning and resources to the rural communities of Boree Creek, Uranquinty and Oura.

Operational Communications Equipment Systems upgrades to the Murrumbidgee and Murray Regions radio networks improved radio communications across the regions, which now have 24 hour direct communication with the State Operations Centre in Wollongong.

Southern Highlands Region

The NSW SES Southern Highlands Region commenced trialling a hub-and-spoke management model in the newly formed Queanbeyan-Palerang Regional Council area. This saw improved collaboration across four NSW SES Units in the newly formed Local Government Area under a volunteer management structure.

The NSW SES also benefited from new and refurbished vessels, including 53 Archangel Inflatable Flood Rescue Rafts purchased in 2016-17, greatly enhancing the NSW SES Flood Rescue Operators' ability to safely access and recover persons trapped or isolated by flash floods.

Sydney Northern Region

The NSW SES Ryde and Ku-ring-gai Units received a new flood boat, while the NSW SES Gosford Unit and the NSW SES Warringah-Pittwater Unit received new flood boat engines.

Sydney Southern Region

A large Generator was installed at the NSW SES Marrickville Unit to power its Operations Centre in time of power outages. The NSW SES Marrickville Unit will be receiving an upgrade to its Headquarters including the installation of a mezzanine area to provide additional storage for equipment.

Hunter Region

The new NSW SES Cessnock City Unit had a demountable building delivered as part of the capability development for the Unit and community.

The inaugural Masterclass for the NSW SES Operations Management System 'beacon' was held in the NSW SES Hunter Region Headquarters in October 2016. The masterclasses were a State funded two day course, which aimed at providing additional opportunities for members to be trained or further enhance their skills in beacon.

Illawarra-South Coast Region

The NSW SES Nowra Unit received an expansion to the Operations Centre, funded by Council and a grant from the NSW Government.

A number of 'Get Ready Girl' programs have been delivered by the NSW SES Kiama, Shellharbour and Wingecarribee Units. The program is aimed at empowering local women to protect themselves, their properties and their communities in times of emergencies.

The NSW SES Illawarra South Coast Region, together with the NSW SES Wollongong Unit and the NSW SES principal partner NRMA Insurance completed a 'Millennials' project at the University of Wollongong. This project used virtual reality software and hardware to engage with students.

Sydney Western Region

The NSW SES Blue Mountains Unit installed a modern audio visual system for the Unit's Operation Centre.

The NSW SES Hawkesbury Unit also entered a rescue team in the July 2016 National Australasian Rescue Challenge held by the Australasian Road Rescue Organisation (ARRO). The Hawkesbury rescue team won first place in the SES category.

The NSW SES Sydney Western Region provided significant input into the Hawkesbury-Nepean Valley Flood Risk Management Strategy. The Region continues to work closely with other agencies in the implementation of the Strategy.

The NSW SES Sydney Western Region worked with Parramatta Council in the tendering and establishment of the Parramatta River Flood Information System Hub (Parramatta River FISH) to provide a state-of-the-art flash flood warning system for the Parramatta CBD and surrounding area.

There were demonstrated significant increases in membership at the following NSW SES Units:

- Yass Unit
- Tamworth Unit

- Armidale Unit
- Glen Innes Unit
- Deepwater Unit
- Ashford Unit

Incident Management

The NSW SES invested in developing a highly capable workforce of Incident Management Team (IMT) personnel who are accredited for the roles they undertake. The Incident Management Project team have implemented the following outcomes:

- Introduction to AIIMS-4 eLearning module; AIIMS-4 Principles and Functions (22202VIC) blended learning solution
- Incident Management Policy
- The Incident Management Training Pathways and;
- Part 1 of the Incident Management Framework.

The NSW SES also increased capability in Incident Management Teams, specifically, since their release;

- 580 trained in Introduction to AIIMS-4
- 188 trained in AIIMS-4 Principles and Functions
- 391 trained in Control a Level 1 Incident.

Pilot programs have been delivered for the following capability:

- Community Liaison Officer
- Leadership Fundamentals
- Field Team Leader capability and;
- A review and development workshop conducted for Work in an Incident Control Centre.

The Incident Management Project also supported the design, development and provision of support resources including Incident Management Logbooks, posters, lanyards, brassards, an AIIMS-4 eBook and AIDES Memoir.

An initial review into the processes, policy and capability requirements for General Land Rescue was completed as part of a Multi-Agency Capability Matrix Working Group (CMWG), a sub-committee of State Rescue Board.

Incident Management Team Training Pathways have been developed; released for consultation and approved.

The NSW SES has further developed its operational systems and doctrine to support emergency response. This includes the development of a detailed program of work in response to the review of its operational response to flooding in Dungog in April 2015.

Partnerships

Through its Principal Partner, NRMA Insurance, the main focus of the partnership with the NSW SES in 2016-17 was building stronger communities, increasing brand presence, promoting safety as a priority, and investing in NSW SES volunteers for the future. Through leveraging the in-kind support and additional funding injection derived from NRMA Insurance, the NSW SES has increased its media capacity. This has been achieved through radio, print and digital media campaigns and supported volunteers across many training and leadership initiatives such as the Australasian Road Rescue Challenge and the NSW State Disaster Rescue Competition.

There has been an increase in public awareness of key safety messages, what volunteers do, and how they perform their work. The partnership with NRMA Insurance allowed the NSW SES to enhance its resources supporting community engagement, which continues to work with communities, educating and preparing communities to deal with storms, floods and tsunamis.

Technology & Innovation

The upgrade of networks and unified communications connectivity to all fixed locations across the State continued in 2016-17.

The Operational Communications Equipment Systems (OCES) program delivered a fixed radio network upgrade across the State in 2016-17, resulting in a 20-50% improvement in communications for volunteers in a number of affected areas across the State including the NSW SES Far West, Murray and Murrumbidgee Regions. Additionally, NSW SES worked with the NSW Telco Authority's Critical Communications Enhancement Program (CCEP) to deliver extended Government Radio Network coverage in the north-west region of the State.

A new Member Availability application ('App') was scoped and is currently under development. This App is part of a larger workforce management solution and is being implemented to enhance operational readiness across the Service. The Member Availability App allows members to enter the dates and time that they are available to respond to emergencies. Availability can be entered via a web portal or smartphone device. Members can select various response types which can be later matched to a member's capability.

NSW SES worked to implement Automatic Vehicle Location (AVL) devices into all designated General Land Rescue vehicles. This technology provides the ability for the closest available resource to be tasked to an incident.

Capability Needs

The fit-out of the new NSW SES State Headquarters was completed in July 2017. The new Headquarters has been purpose built with the volunteer in mind. Having outgrown its facility at Regent Street in Wollongong, a new site for NSW SES was identified in Burelli Street, Wollongong. The new Headquarters includes a Visitor Experience Area open to the public, and provision for a NSW SES Unit.

The new Headquarters also includes a substantially improved redundancy capability with a new purpose built electrical switchboard, large Uninterruptible Power Supply combined with a powerful 1250kva generator to maintain electrical

power in times of emergency. Training will also be enhanced with state-of-the-art training facilities being made available for volunteers to use.

The NSW SES has completed the transition of its operational vehicle fleet from local government. In 2016-17, operational fleet delivered:

- 42 light storm vehicles, worth \$6,750,765
- 12 medium storm vehicles, worth \$2,594,436
- 4 medium rescue vehicles, worth \$864,821
- 2 heavy rescue vehicles, worth \$688,252

As part of its commitment to ensuring its volunteers are equipped with the appropriate Personal Protective Clothing (PPC), a review on wet weather and cold weather clothing was undertaken. Five hundred wet weather jackets were distributed to operational volunteers for evaluation. The new jacket is part of an ensemble which includes primary and secondary thermal inner-liners delivering significant protection in cold, alpine areas.

Flexible Structure

The Organisational Transformation Project commenced in May 2017. The Project focuses on transformation not just structural realignment. The Service's systems and processes underpin our workforce formation, so ensuring those systems and processes are efficient and effective is important initial work. The design of a future operating model which meets our future needs can then be determined to support communities across NSW.

There are multiple elements involved in transforming the agency. Volunteering Reimagined is a key strategy in driving transformation. With an initial target of 20,000 volunteers, there will be various types of volunteering experiences created, which provide opportunities for volunteering based on available time and skill sets which complement our traditional volunteering model.

With systems and processes reviewed and key transformational actions occurring, applying a workforce which has the greatest capacity to deliver the transformed agencies functions at the ground level will reshape the NSW SES as a progressive and innovative organisation.

4.2 Strategic Theme 2: Supporting stronger communities

Commitment:

Ensure community participation is central in all aspects of emergency management.

What we have achieved:

- Over 366,000 interactions with the public at community events
- 15,043 news articles across television, radio, print and online media throughout NSW
- Improved access for hearing impaired members of the community to NSW State Emergency Service (NSW SES) services through the National Relay Service (NRS).

Resilience

The NSW SES was successful in receiving grant funding of \$57,000 under the Community Resilience Innovation Program for the launch of the 'Get Ready Narrabri' project. Get Ready Narrabri is a community engagement project that will pilot the use of a deliberative democracy approach of two Citizens' Juries (one adult, one youth) to engage with the Narrabri community on the issue of flood risk management.

Public Information strategies were developed and implemented including the western flooding NSW emergency response and Lismore flooding NSW emergency response, with a focus on community liaison and engagement. Following the flooding in Lismore, community forums were held to identify actions to sustain, together with strategies for improvements that might better meet the needs of the community during flood response activities.

NSW SES was awarded two Resilience Australia Awards under the Community Category for Get Ready: A Model for Deaf Community Leadership, and the Government Category for Measuring Community Engagement. NSW SES also received the Bushfire and Natural Hazard Cooperative Research Centres (CRC) Award for Outstanding Achievement in Research Collaboration for Connecting Communities in Resilience.

Engaging/Co-creation/Connection

NSW SES completed the Community Involvement in Planning pilot project, a State Emergency Management Programs funded project, at the end of 2016. The pilot investigated ways that the Service can involve local communities in the flood planning process and opportunities to build this process into service practicality.

Over 600 community engagement program activities were undertaken with information being distributed through the use of brochures, toolkits, radio and social media. Over 366,000 interactions with the public were undertaken to increase a shared understanding and responsibility for natural disasters.

Partnerships (Shared Responsibility)

The finalisation of the NSW Flood Data Access Program supports the collation and sharing of flood risk data from publicly funded local flood studies, across a range of stakeholders including the NSW SES, NSW Office of Environment & Heritage, Federal & Local Government, researchers, the insurance industry and the public.

Demographics/Future World

The NSW SES built strategic external partnerships by contributing to the NSW Impact Assessment Working Group and through providing subject matter expertise on flood, storm and tsunami hazards to inform development of the National Damage Assessment Dataset and Dictionary. Video messaging and live Facebook messaging were used by various areas in Operations to inform communities about emergency management across the State.

Community caches of flood response equipment were established in Uranquinty, Oura and Boree Creek in Murrumbidgee and Murray Regions to increase local community resilience by enhancing knowledge of local risks and ensuring there are appropriate resources to help prepare for and respond to an event. This initiative is a great example of how communities and NSW SES are working together to prepare and protect at-risk communities from future floods. Four additional caches have been purchased and will be deployed to at-risk areas in 2017-18 including Jingellic, Beckom, Ardlethan and Borellan.

Emergency Planning

The NSW SES contributed to the Office of Emergency Management State-wide Risk Assessment, which underpins the State Emergency Management Committee (SEMC) decision-making in areas such as funding and resourcing.

The NSW SES undertook a review of the Emergency Risk Management/Planning Framework currently in use by the Service. A new Planning and Risk Assessment Framework is currently under development and will be implemented in 2017-18.

Communication

The NSW SES developed and delivered a new website, providing easier access to information on operational responses, volunteering, emergencies and disasters preparedness. This new website is designed to be more resilient during high demand periods. The new website received high levels of traffic during the flooding on the north coast in March and April 2017 with more than 100,000 visits to the site between 30th and 31st March 2017.

In 2016-17, the Media and Communications team pro-actively engaged with major media outlets to gain maximum exposure of its key public safety and publicity events such as Wear Orange Wednesday (WOW Day) and the launch of Get Ready for storm season campaign as well as FloodSafe and TsunamiSafe initiatives.

During 2016-17, the NSW SES was mentioned in 15,043 news articles across television, radio, print and online media throughout NSW. This media coverage had an Advertising Space Rate (ASR) of AUD \$131,303,824 and reached a cumulative audience of 687,301,694 people.

Through the work of a NSW SES Operational Capability Focus Group for Deaf and Hard of Hearing People, the NSW SES improved access for hearing impaired members of the community to NSW State Emergency Service (NSW SES) services through the National Relay Service (NRS).

NSW SES Community Engagement translated a range of engagement products and messages to target certain community groups including personal stories of entering floodwater videos for social media which were captioned in English for the deaf and hard of hearing communities as well as translated into Arabic, Chinese, Dari, Hindi and Thai. A 'When to call the NSW SES' postcard was also translated into Chinese.

In 2016-17, the Emergency Management and Training for Diverse Communities Project has seen the development and delivery of a multi-hazard training package to community leaders and ambassadors.

The 2016 Get Ready campaign which ran from September 2017 through to March 2017 focused on Never Entering Floodwater and the risks associated with this risky behaviour. The agency supported its campaign messaging with statistics, research and activities with external partners in order to demonstrate the dangers and show how people can prevent loss of life by avoiding floodwaters and also being prepared when it comes to storms and floods. The general response to the 2016 campaign was overwhelmingly positive, with 81% of people surveyed agreeing that the proactive tips resonated strongly. There was also a higher recognition of NRMA/NSW SES Get Ready campaign in NSW than previous years with the main preventative messages resonating with NSW communities of cleaning gutters, securing items around the house and trimming trees.

4.3 Strategic Theme 3: Adapting to a changing world

Commitment:

As an agency we will understand the challenges of a changing world and pro-actively adapt to ensure our ability to respond.

What we have achieved:

- The main NSW SES Facebook Page has gained 131,471 likes
- 21 After Action Reviews and 2 Real Time Evaluations were undertaken by NSW SES
- NSW SES Units were successful in gaining funding support through a variety of grants programs.

Environment

In 2016-17, the NSW SES delivered targeted campaigns and engagement activities that educated communities about NSW SES services.

Economic and Political

The NSW SES supported the provision of high quality and timely advice to the Minister for Emergency Services, the Hon Troy Grant MP, and former Minister for Emergency Services, the Hon David Elliott MP. This included the preparation of Ministerial correspondence, briefings, event material, responses to Cabinet submissions and Parliamentary related matters.

2016 - 2017	Total
Ministerial Correspondence	42
Ministerial Briefings	59
Events	82
Subpoenas	4

Social Trends

Media and Social media monitoring in 2016-17 enabled the NSW SES to stay on top of trends and changes in the State's population and understand what it means for our Service.

The NSW SES is very active on social media with around 100 official pages on Facebook and Twitter as well as official accounts on LinkedIn, Youtube and Instagram.

The main NSW SES Facebook Page had 131,471 likes, and there were more than 61,000 followers of the main Twitter page.

The NSW SES harnessed technology and new and innovative digital applications including the Andy Grace Media application which will allow NSW SES members to disseminate important safety information and other content to their local media outlets.

Planning and Research

The NSW SES submitted conference abstracts to the following conferences;

- Eight to Floodplain Management Australia
- Five to AFAC Conference
- One to the NSW Coastal Conference
- One to the A & NZ Disaster Management
- One to the A & NZ Search & Rescue

Four new internal research projects received funding via the Office of Emergency Management (OEM)

NSW SES continued involvement with a number of research projects through the Bushfire and Natural Hazard Co-operative Research Centre.

Twenty one After Action Reviews and two Real Time Evaluations were undertaken by NSW SES, each involving all levels of the agency's operational response to ensure a thorough understanding of events that occurred, and how NSW SES responded during the severe weather event. Real Time Evaluations captured and analysed the

agency's operational response as it happened, in addition to conducting an After Action Review after the severe weather events.

Revenue and Funding

In 2016-17, many NSW SES Units were successful in gaining funding support through a variety of grants programs namely; Club NSW grants, Emergency Volunteer Support grants, NRMA Community Connect and various infrastructure grants from the NSW Office of Liquor and Gaming. These funding opportunities boost resources and allow extra support for local volunteer Units. Some great examples of innovative solution projects arising from grants are the Uranquinty Community Cache that was opened recently and the upgrades to the Shellharbour and Forbes NSW SES Unit Headquarters. The promoting, administration and reporting functions for many programs rest with the Branding and Strategic Partnerships Unit.

4.4 Strategic Theme 4: Developing and supporting our people

Commitment:

Develop modern sector leadership that instills a safe, positive workforce culture and promotes learning.

What we have achieved:

- 35.53% of all leadership roles in NSW SES are filled by women
- 5,678 nationally recognised Units of Competency have been issued to NSW SES members
- NSW SES developed a flexible volunteering model, Volunteering Reimagined

Agency of Choice

NSW SES is committed to ensuring that the proportion of women in leadership roles reflects the participation of women in the organisation. Approximately 24.24% of operational leadership roles are filled by women.

35.53% of all leadership roles in NSW SES are filled by women, while 64.47% are filled by men.

The NSW SES, as part of the AFAC Council joined the Male Champions of Change; a powerful initiative where men use their individual and collective leadership to elevate gender equality as an issue of importance. NSW SES is committed to identifying and implementing progressive and high impact actions to create a more diverse, respectful and inclusive culture, with the intention to change the low levels of women in executive positions.

During August 2016 a paper based performance management tool was implemented. To support this rollout, Performance Management training sessions for Managers and Executives were conducted, to enhance capability and understanding of performance management.

Professional Standards completed the development of a SuccessFactors online performance management system ready for launch across NSW SES at the commencement of 2017-18.

The NSW SES celebrated Wear Orange Wednesday (WOW Day) in 2017 on the 10th May 2017 as part of National Volunteer Week. Our community partnerships with NRMA Insurance and Origin Energy greatly assisted NSW SES in this national campaign, which was supported in all states and deemed a success. The centralised social media strategy incorporating selfies, photos and hashtags was again supported across all states, and this year, the NSW SES was fortunate enough to secure Ray Meagher (Alf Stewart, Home and Away) as an ambassador to help promote WOW Day and the #thankyouses.

The agency also utilised a Thunderclap social media post which assisted with the amplifying of our messages via social media platforms. In 2017, the WOW Day 2017 campaign was reported to be trending 4th in Australia at a given point in time which is the best it has ever done. Thousands of people wore orange and expressed their votes of thanks with #thankyouses. In support of the campaign, NSW SES saw many people wearing orange, from television hosts to elite sports

people and politicians, as well as some traditional landmarks lighting up orange.

Volunteering

The NSW SES developed a new flexible volunteering model, and released a discussion paper titled Volunteering Reimagined. The paper incorporates Research from the Bushfire and Natural Hazards Cooperative Research Centre and outlines new membership pathways. The NSW SES will increase engagement with spontaneous volunteers, implement a corporate volunteering program and support community safety groups. Flexible opportunities will also be made available to existing volunteers to improve retention of skilled and experienced members. These new volunteering opportunities will enhance the capability of the NSW SES, increase the resilience of local communities and create a positive volunteer experience.

The NSW SES is implementing a range of volunteer leadership development opportunities, including:

- a multi-agency program delivered by NSW SES in collaboration with Fire & Rescue NSW, NSW Rural Fire Service and Ambulance Service of NSW
- the Leading Self-Leading Others program, delivered by NSW SES staff and volunteers and sponsored by Origin Energy; and
- the NSW SES Adventure, a four day leadership and team building program facilitated by Outward Bound and sponsored by Origin Energy.

The NSW SES continued to develop a workforce management plan to sustain volunteer membership into the future. The plan will encourage membership at all levels to ensure that we have the capacity to meet community needs in the future.

The NSW SES is partnering with the NSW SES Volunteers Association to develop an engagement survey to provide an opportunity for all members to share feedback about their volunteer experience and identify areas for the Service to improve. The survey will be similar to the People Matters Survey completed by NSW SES staff.

Origin Energy completed the last year of its Community Partnership with the NSW SES by continuing to promote volunteering and highlighting the fantastic leadership and skills that volunteers obtain within the NSW SES. Origin Energy were program partners with the NSW SES Cadet Program and the Leading Self: Leading Others Program. These programs focused around investing quality training and skills into people, helping them realise their potential as individuals and striving for excellence in everything they do. Origin Energy enabled young NSW SES volunteers to participate in leadership programs such as the Developing Future Leaders course at the Australian Institute of Police Management, the Young Endeavour Youth Scheme, the Rotary Youth Leadership Program and the Outward Bound Adventure Experience.

The NSW SES thanks Origin Energy for their support over the last three years. The NSW SES will continue to support young volunteers and inspire the next generation of emergency service workers.

Talent Pipeline

In collaboration with internal and external partners, the NSW SES developed and delivered training and assessment products. In the past year, 5,678 nationally recognised Units of Competency were issued to NSW SES members.

36 Flood Rescue Levels 1 and 3, and refresher courses with a total of 446 participants were conducted at Penrith Whitewater Stadium.

A new course and Training Resource Kit in First Aid was released. Over 70 members were upskilled to deliver and assess in the new First Aid Unit of Competency. This course will be delivered by trainers and assessors across the State.

Drive Operational Vehicles, Vertical Rescue and Alpine Search and Rescue Training Resource Kits have been developed for implementation in 2017. Blended learning infrastructure is being established including an integrated Learning Management System for the delivery and recording of online

and face-to-face courses. Online courses for Introduction to AIIMS-4, Flood Rescue awareness, NSW SES Staff Induction and myPerformance were released.

Over 100 staff attended professional development activities and over 200 staff and volunteers attended development programs in the areas of leadership, vocational education and training and emergency management.

A review of the NSW SES Training and Development Model was conducted in the latter half of 2016-17. The new model along with a range of system and process improvements will be implemented in 2017-18. The new model will provide improved training service delivery that aligns to organisational capability requirements and supports the growth of membership via flexible volunteering.

The Training and Development Model provides options for volunteer members, options for staff members and options for NSW SES as an organisation. Members will be provided far greater choice in the type of training and development they receive. Training and development will be delivered flexibly, including increased adoption of blended delivery.

As an organisation, NSW SES will be able to target skills for development, encourage training where and when it is required and focus its training and development efforts on the right targets. This will be achieved through centralised decision making, outsourcing non-specialised training through external partnerships and a fully functional Learning Management System (LMS).

The NSW SES Secondary Schools Cadet program is a 'school based' experiential learning based program that is open to students in year nine and above. The program also helps to attract young people to the NSW SES and builds resilience in the 'new generation' of young people by educating them about how to respond in emergencies. This year, a total of 26 cadet programs were conducted across the State, with 453 cadets graduating from the program as a result.

Safety

During 2016-17, training was provided in mental health and psychological first aid to Peer Supporters and Chaplains to increase their capacity to assist NSW SES members. NSW SES Peer Supporters are trained to provide an empathetic listening ear and act as a conduit to longer-term support when required for members and their families. They provide on-scene support and psychological first aid as well as information about mental health and wellbeing through the My 5 Awareness education program. NSW SES Chaplains provide the same services as well as pastoral, spiritual and emotional support for members and their families. Chaplains also provide ceremonial services and support to the leadership of the NSW SES. There are currently 56 Peer Supporters and 18 Chaplains across the Service.

The Critical Incident Support Program continued to provide in total 2,868 hours of support on scene and post-event. The Peer Support area provided 1,640 hours of support, Chaplaincy provided 702 hours of support, and the Employee Assistance Program provided 525 hours of support.

NRMA Insurance's support secured to develop education sessions and resources for the Peer Support Program.

The Mental Health and Wellbeing Strategy for First Responder Organisations in NSW was released. Safety audits were undertaken to identify ways to better support Units in the implementation of safety systems at a local level.

The immunisation program recruited three new casual nurses.

Three Unit safety audits were undertaken to better understand safety issues at a local level. Further audits are scheduled for 2017-18.

A Safety Roadmap was released by SafeWork NSW. The NSW SES participated in the Get Healthy at Work initiative and will continue to promote a positive and safe workplace.

Diversity and Inclusion

NSW SES is committed to maintaining an inclusive culture that values diversity. Throughout the year, members were involved in many celebrations and awareness raising initiatives including; International Women's Day, NAIDOC Week, Harmony Day, R U OK? Day, International Day of People with a Disability and the Sydney Gay and Lesbian Mardi Gras.

The Service is also a key stakeholder in research through the Bushfire and Natural Hazards Cooperative Research Centre to better understand the necessary components that drive successful diversity and inclusion initiatives. This research will continue into 2017-18.

Diversity plans are being developed for women in leadership, aboriginal employment and disability inclusion.

The Service developed an online Diversity & Inclusion module for release in 2017-18. This will be available to all members to increase the Service-wide capability in working successfully with difference.

The Gender-balanced Leadership Plan was developed and is being reviewed by key stakeholders. Progress on an Aboriginal Employment Strategy, Multicultural Plan & Disability Inclusion Action Plan continues.

A Diversity Inclusion Action Plan was developed and the initial stages of consultation have commenced. A Multicultural Policies and Services Program is also under development.

4.5 Strategic Theme 5: Delivering service excellence

Commitment:

A leading organisation that is innovative, sustainable, and transparent delivering end to end excellence.

What we have achieved:

- Development of a Member Availability App
- Implementation of a new NSW SES volunteer online application process which has significantly increased new volunteer applications by more than 70%
- A NSW SES Strategic Planning Cycle has been developed

Business and Systems Excellence

A business proposal process was implemented to focus project and financial resources on the delivery of key strategic priorities.

After Action Reviews of major weather events were revised by introducing real time evaluations, as part of an 'as it happened' concept.

Simplified organisational reporting with a focus on smarter solutions and reporting against strategic deliverables was rolled out.

Project initiation workshops were piloted and successfully implemented to support delivery of key programs to volunteers including the Controller Development Program.

To reduce administration, a new volunteer online application process was released. Since the online process was implemented in October 2016, NSW SES has seen an increase in the number of volunteer applications by more than 70%.

A new Business Planning and Coordination (BPC) mode of SAP has been introduced and implemented across the service. The BPC mode has provided a capacity for more transparent and real time budget reporting for all cost centre managers each month. The BPC mode also enables a more efficient reforecast process to enable flexibility of budget allocation, to better address issues that may require immediate financial resources.

An improved stocktake process (SAP UI5) has been implemented across the service, including 17 Regions across the State, enabling the use of hand-held tablets to be used in the stocktake process. Additionally, Deloitte Australia were engaged to develop an Enterprise Asset Management (EAM) Review & Initiatives Roadmap Report, which will be delivered in 2017-18.

The Service's internal newsletter 'Member Connect' has been piloted to better streamline communications out of State and Region Headquarters.

The introduction of video conferencing by the Commissioner has been trialled in different forums including Town Hall style meetings with volunteers and staff. Delivery of Region Headquarters solutions will further enhance video conferencing capability across the agency and improve flexibility in communication solutions.

Working Together

NSW SES Members worked collaboratively with the Executive to develop a strategic two year Action Plan. The focus of the plan is about better supporting volunteers and enhancing operational capability. With clear outcomes and measures, this positions the NSW SES to deliver the five-year strategic plan.

A NSW SES Strategic Planning Cycle has been developed. Managers, Regional Controllers, Strategic Leadership Team and Volunteer Representatives continue to collectively plan at the Quarterly Strategic Planning Workshops.

A key focus over the past year was building change management capability via professional development workshops and implementing core Change Management processes across projects. This included providing direction and guidance in the planning, development and implementation of effective change management strategies and practices for key strategic initiatives. Preparing SHQ staff for relocation and new ways of working was a major focus to enable a smooth transition and minimise impact on daily operations.

The NSW SES developed programs that integrated toolkits and frameworks with coaching, guidance and mentoring to build a positive culture of accountability, achievement and performance against strategic projects.

The organisation's Project Management Framework was reviewed and redesigned, focusing on balancing rigour and discipline in project management with streamlined project governance and reduced project administration burden. The new framework provides easy to follow project methodology supported by simple tools and templates. It incorporates improved project initiation and planning processes, integrates change management methodology into projects and increases focus on project delivery and transition to 'business-as-usual'. The framework rollout is being supported by targeted coaching and training from the Portfolio Management Office.

Commercial Approach & Delivering on Budget

The Enterprise Asset Management (EAM) Review & Initiatives Roadmap Report has provided clear Business Process Improvement recommendations across Inventory & Asset Management and Procurement activities.

Station Inventory Management System (SIMS) is presently being implemented across several Regions with a view to supporting the maintenance of equipment at Unit level.

Governance

A Policy Framework and supporting procedure is being developed to reinforce systematic and sustainable policy doctrine across the NSW SES.

The Policy and Doctrine team worked with other business units to develop process on how to;

- Approve and release policy
- Manage and store policy, and;
- Implement and embed policy across NSW SES.

Fraud and Corruption prevention awareness training was delivered to 180 members. The Data Enterprise Data Management (DEDM) project is currently assessing architecture options while the data visualisation prototype is nearing completion. The project has established architecture for the enterprise data warehouse and design patterns for integration of data sources. The NSW SES Operational Management System (OMS) beacon has been integrated with a number of dashboards developed and made available to a pilot user group for review and testing. Further stakeholder consultation has taken place and usage cases identified for future dashboards, incorporating SAP and many other information sources.

An assessment of the Electronic Document and Records Management System (EDRMS) was conducted and an upgrade of Total Records and Information Management system (TRIM) to HPe Content Manager 9 has been planned.

Organisational Leadership

In February 2017, a new NSW State Emergency Commissioner, Mark Smethurst DSC AM, was appointed.

Organisational Transformation workshops were conducted with NSW SES Executive and managers from Regions and State Headquarters with a focus on positioning our leaders for transformation leadership.

Innovation

A number of innovations are under way as part of the NSW SES Strategic Plan. Taking a fresh approach to delivering innovative solutions includes;

- Developing a Member Availability App and Automatic Vehicle Locators (AVLs) to ensure NSW SES has a real time visibility of member capacity and capability

- A plan to increase volunteer numbers to 20,000 and doing it differently through flexible volunteering
- Placing a focus on training and having volunteers basic job ready in 30 days, and;
- Reimagining volunteering for those who have time constraints and may not have previously considered volunteering with the NSW SES

Building stronger communities, promoting safety as a priority, and investing in our volunteers for the future by maintaining an ongoing strategic partnership with NRMA Insurance and NSW SES. Through leveraging the in-kind support and additional funding injection derived from NRMA Insurance and Origin Energy, the NSW SES has increased its media capacity - through radio, print and digital campaigns.

NSW SES have seen an increase in public awareness of key safety messages, what volunteers do, and how they perform their work. The NSW SES have enhanced volunteer resources to allow them to better educate and prepare communities to deal with storms, floods and tsunamis. These public and private sector alliances are not about promoting products. The partnership program developed by the NSW SES is about a corporate relationship helping the Service increase its ability to get key safety messages out into the community in new and innovative ways, whilst supporting the development of young leaders and volunteers. NSW SES members are not involved in promoting products for any organisation.

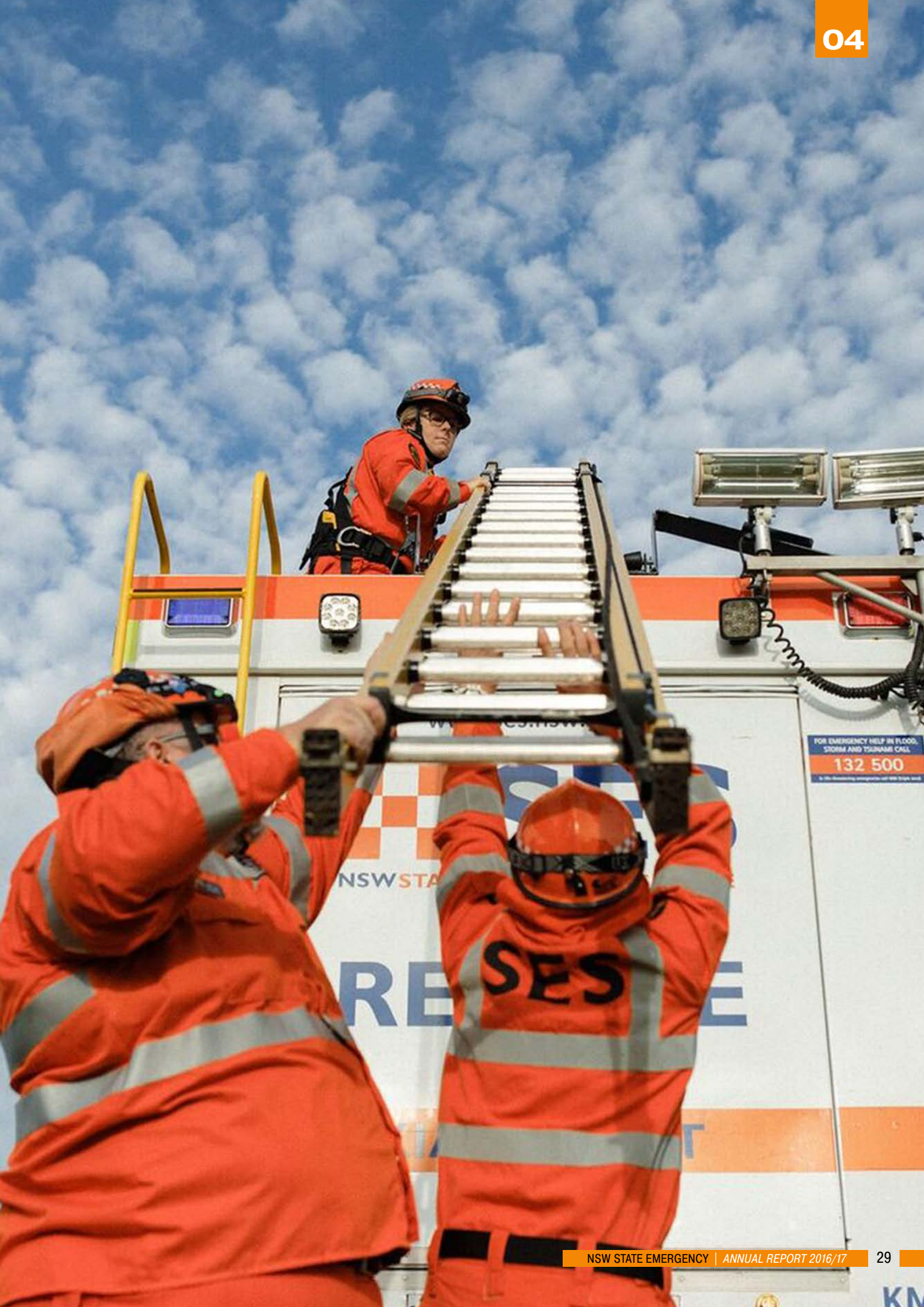
The partnership and the funds from the program are focused solely on community safety, preparedness, research and volunteer development. The NSW SES has received a combined amount of \$500,000 as direct financial support from NRMA Insurance and Origin Energy.

One of the key benefits of the partnership is providing access to community grants and awards program, which inspires and supports community engagement initiatives from NSW SES volunteers.

Through working together, sharing information, looking at innovation, developing strategies and campaigns, these community partners are able to strengthen the NSW SES focus on the needs of local communities. An example of this was the NSW SES delivering 'Operation Cockatoo' which involved rotational exercises on Cockatoo Island for 140 IAG Leaders. The exercises included an AIIMS Desktop scenario, a collapsed tunnel evacuation and some flood boat rescue initiatives. 'Operation Cockatoo' was a partnership initiative which was the first of its kind for the NSW SES. Through the partnership with NRMA Insurance, the NSW SES has continued to invest in innovative projects such as the Dipstik Flood Gauge Program, a Forward Command Centre Vehicle named 'Kevin', an interactive kiosk in the NSW SES Visitor Information Centre and a community engagement project called 'Millennials' which utilised Virtual Reality.

Dipstik is a purpose built, self-contained, flood level monitoring and alarm solution. NRMA Insurance requested NSW SES to take part in a pilot program which involved eight high-risk flood hot spots across NSW, each being provided with a Dipstik Flood Monitoring Device. Each solar powered Dipstik unit can be configured to provide flood alert information back to Incident Management Teams and broadcast safety alerts to the community via an SMS gateway service. Targeted outcomes include minimising risk to life and property and to alert high-risk vulnerable communities. NSW SES Units are working with Councils, IAG and Roads and Maritime Services to identify the impact of the Dipstik and future requirements.

The 'Millennials' project was initiated through a partnership between the NSW SES, NRMA Insurance and the University of Wollongong. NRMA Insurance has invested in a virtual reality program that educates millennials of the importance of insurance by taking them through a virtual reality experience highlighting risks and hazards. This project used virtual reality software and hardware to engage with students in a targeted and enjoyable way. The project was focused on delivering outcomes associated with what it takes to be resilient as an individual and as a community.



FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT

Office of the NSW State Emergency Service

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the Office of the NSW State Emergency Service (the Service), which comprise the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity, statement of cash flows, for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion the financial statements:

- give a true and fair view of the financial position of the Service as at 30 June 2017, 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.

Basis for Opinion

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

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

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

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

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

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

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

Commissioner's Responsibility for the Financial Statements

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

In preparing the financial statements, the Commissioner must assess the Service's ability to continue as a going concern except where the Service's operations will cease as a result of an administrative restructure. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

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

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

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

My opinion does not provide assurance:

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



David Nolan
Director, Financial Audit Services

29 September 2017
SYDNEY

**OFFICE OF THE NSW STATE EMERGENCY SERVICE
FINANCIAL STATEMENTS
For the Year Ended 30 June 2017**

STATEMENT BY COMMISSIONER

Pursuant to Section 45F of the *Public Finance and Audit Act 1983*, I state that:

- a) The accompanying financial report has been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the Financial Reporting Code for NSW General Government Sector Entities, the applicable clauses of the Public Finance and Audit Regulation 2015 and Treasurer's Directions;
- b) The financial report exhibits a true and fair view of the financial position and financial performance of the Service for the year ended 30 June 2017; and
- c) There are no circumstances which would render any particulars in the financial report to be misleading or inaccurate.



**Mark Smethurst DSC, AM
Commissioner**

29 September 2017

OFFICE OF THE NSW STATE EMERGENCY SERVICE

Statement of comprehensive income for the year ended 30 June 2017

	Notes	Actual 2017 \$'000	Budget 2017 \$'000	Actual 2016 \$'000
Expenses excluding losses				
Employee related expenses	2(a)	41,240	41,380	37,136
Operating expenses	2(b)	46,409	41,826	39,436
Depreciation	1(g)(vi) & 2(c)	5,500	11,386	4,460
Grants and subsidies	2(d)	3,797	4,740	3,997
Other expenses (Disaster Relief)	2(e)	14,042	10,000	6,902
Total expenses excluding losses		110,988	109,332	91,931
Revenue				
Sales of goods and services	3(a)	1	39	24
Investment revenue	3(b)	600	428	518
Grants and contributions	3(c)	128,033	119,800	110,313
Acceptance by the Crown Entity of employee benefits and other liabilities	1(k)(b) & 3(d)	388	142	403
Other revenue	3(e)	2,633	322	2,874
Total Revenue		131,655	120,731	114,132
Gain / (loss) on disposal	4	279	(149)	205
Other gains / (losses)	5	(25)	-	-
Net Result		20,921	11,250	22,406
Other comprehensive income				
Total other comprehensive income		-	-	-
TOTAL COMPREHENSIVE INCOME		20,921	11,250	22,406

The accompanying notes form part of these financial statements.

OFFICE OF THE NSW STATE EMERGENCY SERVICE

Statement of financial position as at 30 June 2017

ASSETS	Notes	Actual 2017 \$'000	Budget 2017 \$'000	Actual 2016 \$'000
Current Assets				
Cash and cash equivalents	7 & 12	39,108	16,759	28,959
Receivables	8	12,726	2,605	18,138
Inventories	1(i) & 9	5,114	5,649	5,601
Other	10	-	5	1
Total Current Assets		56,948	25,018	52,699
Non - Current Assets				
Property, Plant and Equipment				
- Land and buildings	11	11,711	13,194	150
- Plant and equipment	11	43,886	50,930	33,373
Total Property, Plant and Equipment		55,597	64,124	33,523
Total Non-Current Assets		55,597	64,124	33,523
Total Assets		112,545	89,142	86,222
LIABILITIES				
Current Liabilities				
Lease liabilities	13	29	-	-
Payables	14	14,219	10,814	12,930
Provisions	15	5,163	4,019	4,359
Total Current Liabilities		19,411	14,833	17,289
Non - Current Liabilities				
Lease liabilities	13	3,283	-	-
Provisions	16	87	69	90
Total Non - Current Liabilities		3,370	69	90
Total Liabilities		22,781	14,902	17,379
Net Assets		89,764	74,240	68,843
EQUITY				
Accumulated funds		89,764	74,240	68,843
Total Equity		89,764	74,240	68,843

The accompanying notes form part of these financial statements.

OFFICE OF THE NSW STATE EMERGENCY SERVICE

Statement of changes in equity for the year ended 30 June 2017

	Accumulated Funds \$'000	Total \$'000
Balance at 1 July 2016	68,843	68,843
Net result for the year	20,921	20,921
Total comprehensive income for the year	20,921	20,921
Balance at 30 June 2017	89,764	89,764
 Balance at 1 July 2015	 46,437	 46,437
Net result for the year	22,406	22,406
Total comprehensive income for the year	22,406	22,406
Balance at 30 June 2016	68,843	68,843

OFFICE OF THE NSW STATE EMERGENCY SERVICE

Statement of cash flows for the year ended 30 June 2017

	Notes	Actual 2017 \$'000	Budget 2017 \$'000	Actual 2016 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Employee related		(40,533)	(41,238)	(36,979)
Grants and subsidies		(3,797)	(4,740)	(3,997)
Other		(64,190)	(53,126)	(49,534)
Total Payments		(108,520)	(99,104)	(90,510)
Receipts				
Sale of goods and services		1	39	24
Interest received		608	428	481
Grants and contributions		132,790	119,800	105,899
Other		11,958	1,622	8,654
Total Receipts		145,357	121,889	115,058
NET CASH FLOWS FROM OPERATING ACTIVITIES	20	36,837	22,785	24,548
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of land and buildings, and plant and equipment		486	71	387
Purchases of land and buildings, and plant and equipment		(27,174)	(36,752)	(11,974)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(26,688)	(36,681)	(11,587)
CASH FLOWS FROM FINANCING ACTIVITIES				
NET CASH FLOWS FROM FINANCING ACTIVITIES		-	-	-
NET INCREASE/(DECREASE) IN CASH		10,149	(13,896)	12,961
Opening cash and cash equivalents		28,959	30,655	15,998
CLOSING CASH AND CASH EQUIVALENTS	7	39,108	16,759	28,959

The accompanying notes form part of these financial statements.

OFFICE OF THE NSW STATE EMERGENCY SERVICE
Notes to the financial statements for the year ended 30 June 2017

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OFFICE OF THE NSW STATE EMERGENCY SERVICE
Notes to the financial statements for the year ended 30 June 2017

1. Summary of Significant Accounting Policies

(a) Reporting entity

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

NSW SES is an emergency and rescue service dedicated to assisting the community. It is made up almost entirely of volunteers, with 234 units located throughout New South Wales. The units comprise approximately 8,000 volunteer members. NSW SES major responsibilities are for flood and storm operations. NSW SES also provides road accident rescue, vertical rescue, bush search and rescue, evidence searches (both metropolitan and rural) and other forms of specialist rescue. NSW SES also assists other emergency services when they are performing major operations.

These financial statements for the year ended 30 June 2017 have been authorised for issue by the Commissioner on 29 September 2017.

(b) Basis of preparation

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

- applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations);
- the requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2015*; and
- the Financial Reporting Directions mandated by the Treasurer.

Property, plant and equipment are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention.

Judgements, key assumptions and estimations management has 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.

OFFICE OF THE NSW STATE EMERGENCY SERVICE
Notes to the financial statements for the year ended 30 June 2017

(c) Statement of compliance

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

(d) Insurance

The entity'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 claims experience.

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

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

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

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

(f) Income recognition

Income is measured at the fair value of the consideration or contribution received or receivable. 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 the entity obtains control over the assets comprising the grant/contributions. Control over grants and contributions is normally obtained upon the receipt of cash.

The NSW SES received contributions from local government councils (11.7%) and insurance companies (73.7%). NSW Treasury (14.6%) provided the state government contribution by way of annual grants through the Department of Justice (DJ). Annual grants from DJ are now reported as grants and contributions revenue.

(ii) Sale of goods

Revenue from the sale of goods is recognised as revenue when the entity transfers the significant risks and rewards of ownership of the goods, usually on delivery of the goods.

OFFICE OF THE NSW STATE EMERGENCY SERVICE
Notes to the financial statements for the year ended 30 June 2017

(f) Income recognition (continued)

(iii) Rendering of services

Revenue from rendering of services is recognised when the service is provided.

(iv) Investment revenue

Interest income is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

(g) Property, plant and equipment

(i) Acquisition of property, plant and equipment

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

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. deferred payment amount is effectively discounted over the period of credit.

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

(ii) Capitalisation thresholds

Property, plant and equipment costing \$5,000 and above individually (or forming part of a network costing more than \$5,000) are capitalised. The asset classifications comprise Buildings, Plant and Equipment, Computers, Furniture and Fixtures, Operational Equipment, Communication Equipment, Vehicles and Vessels. All vehicles are capitalised.

(iii) Major inspection costs

When each major inspection is performed, the labour cost of performing major inspections for faults is recognised in the carrying amount of an asset as a replacement of a part, if the recognition criteria are satisfied.

OFFICE OF THE NSW STATE EMERGENCY SERVICE
Notes to the financial statements for the year ended 30 June 2017

(g) Property, plant and equipment (continued)

(iv) Restoration costs

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

(v) 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.

(vi) Depreciation of property, plant and equipment

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

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

Land is not a depreciable asset.

The useful lives of major categories of assets are:

Buildings	25 to 40 years
Plant and Equipment	3 to 25 years
Computers	2 to 20 years
Operational Equipment	8 to 15 years
Communication Equipment	3 to 15 years
Vehicles	3 to 15 years
Vessels	10 to 20 years

(vii) 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*, and AASB 116 *Property, Plant and Equipment* and AASB 140 *Investment Property*.

OFFICE OF THE NSW STATE EMERGENCY SERVICE
Notes to the financial statements for the year ended 30 June 2017

(g) Property, plant and equipment (continued)

(vii) Revaluation of property, plant and equipment (continued)

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

Fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer Note 11 and Note 21 for further information regarding fair value.

Revaluations shall be made with sufficient regularity to ensure the carrying amount of each asset in the class does not differ materially from its fair value at reporting date.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as an approximation of fair value. The entity has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

Revaluation increments are recognised in other comprehensive income and credited to revaluation surplus in equity. However, to the extent that an increment reverses a revaluation decrement in respect of the same class of asset previously recognised as a loss in the net result, the increment is recognised immediately as a gain in the net result.

Revaluation decrements are recognised immediately as a loss in the net result, except to the extent that it offsets an existing revaluation surplus on the same class of assets, in which case, the decrement is debited directly to the revaluation surplus.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciation is separately restated.

OFFICE OF THE NSW STATE EMERGENCY SERVICE
Notes to the financial statements for the year ended 30 June 2017

(g) Property, plant and equipment (continued)

(vii) Revaluation of property, plant and equipment (continued)

Where an asset that has previously been revalued is disposed of, any balance remaining in the revaluation surplus in respect of that asset is transferred to accumulated funds.

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

(viii) Impairment of property, 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 property, plant and equipment is carried at fair value, or an amount that approximates fair value, impairment can only arise in the rare circumstances where the costs of disposal are material. 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.

(h) Leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor does not transfer substantially all such risks and rewards.

Where a non-current asset is acquired by means of a finance lease at the commencement of the lease term, the asset is recognised at its fair value, or if lower, the present value of the minimum lease payments, at the inception of the lease. The corresponding liability is established at the same amount. Lease payments are allocated between the principal component and the interest expense.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the Statement of Comprehensive Income on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

OFFICE OF THE NSW STATE EMERGENCY SERVICE
Notes to the financial statements for the year ended 30 June 2017

(i) Inventories

Inventories held for distribution are stated at cost, adjusted when applicable, for any loss of service potential. A loss of service potential is identified and measured based on the existence of a current replacement cost that is lower than the carrying amount. Inventories (other than those held for distribution) are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average cost method.

The cost of inventories acquired at no cost or for nominal consideration is the current replacement cost as at the date of acquisition. Current replacement cost is the cost the entity would incur to acquire the asset. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(j) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in net result.

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

(i) Financial Assets

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

OFFICE OF THE NSW STATE EMERGENCY SERVICE
Notes to the financial statements for the year ended 30 June 2017

(i) **Financial Assets (continued)**

• **Receivables**

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. 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 unless the effect of discounting is material.

• **Impairment of financial assets**

All financial assets, except those at fair value through profit and loss, are subject to an annual review for impairment. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

For certain categories of financial assets, such as trade receivables, the entity first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. Assets are assessed for impairment on a collective basis if they were assessed not to be impaired individually.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the impairment loss is recognised in the net result for the year.

When an available-for-sale financial asset is considered to be impaired, the amount of the cumulative loss is removed from equity and recognised in the net result for the year, based on the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss previously recognised in the net result for the year.

OFFICE OF THE NSW STATE EMERGENCY SERVICE
Notes to the financial statements for the year ended 30 June 2017

(i) Financial Assets (continued)

• **Impairment of financial assets (continued)**

Any reversals of impairment losses are reversed through the net result for the year, where there is objective evidence. However, reversals of impairment losses on an investment in an equity instrument classified as 'available-for-sale' must be made through the revaluation surplus. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

(ii) Financial Liabilities

Financial liabilities are classified as either 'at fair value through profit or loss' or 'at amortised cost'.

• **Financial liabilities at amortised cost (including trade payables)**

Financial liabilities at amortised cost are initially measured at fair value, net of transaction costs. These are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

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

(iii) Derecognition of financial assets and financial liabilities

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if they entity transfers the financial asset:

- where substantially all the risks and rewards have been transferred or
- where the entity has not transferred substantially all the risks and rewards, if the entity has not retained control.

Where the entity has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the entity's continuing involvement in the asset. In that case, the entity also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the entity has retained.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

OFFICE OF THE NSW STATE EMERGENCY SERVICE
Notes to the financial statements for the year ended 30 June 2017

(k) Employee benefits

(a) Salaries and wages, annual leave, sick leave and on-costs

Salaries and wages (including non-monetary benefits), and paid sick leave that are due 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 twelve 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 using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave (calculated using 7.9% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The entity has assessed the actuarial advice based on the entity's circumstances and has determined that the effect of discounting is immaterial to annual leave. All annual leave is classified as a current liability even where the entity does not expect to settle the liability within 12 months as the entity does not have an unconditional right to defer settlement.

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

(b) Long service leave and superannuation

The entity's liabilities for long service leave (LSL) 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 described as 'Acceptance by the Crown Entity of employee benefits and other liabilities'.

NSW SES pays the Crown Entity an agreed annual amount for the growth in LSL entitlements. These payments discharge the NSW SES liability and the Crown Entity has accepted responsibility for any annual or cumulative shortfall.

Although the liability for LSL is assumed by the Crown, LSL related consequential costs are the responsibility of the NSW SES. In accordance with Treasury policy, the on-costs have been treated as a provision.

OFFICE OF THE NSW STATE EMERGENCY SERVICE
Notes to the financial statements for the year ended 30 June 2017

(k) Employee benefits (continued)

(b) Long service leave and superannuation (continued)

Long service leave is measured at the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to certain factors based on actuarial review, including expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using Commonwealth government bond rate at the reporting date.

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 amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax.

(l) Provisions

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

(m) Equity

Accumulated Funds

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

(n) 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

OFFICE OF THE NSW STATE EMERGENCY SERVICE
Notes to the financial statements for the year ended 30 June 2017

(n) Budgeted amounts (continued)

reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed in the financial statements are explained in Note 19.

(o) Comparative information

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

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

(i) Effective for the first time in 2016-17

The accounting policies applied in 2016-17 are consistent with those of the previous financial year except as a result of the following new or revised AAS that have been applied for the first time in 2016-17. The impact of these Standards in the period of initial application did not have any material impact on the financial performance or position of the NSW SES.

- AASB 14 *Regulatory Deferral Accounts*
- AASB 1056 *Superannuation Entities*
- AASB 1057 *Application of Australian Accounting Standards*
- AASB 2014-1 *Amendments to Australian Accounting Standards [Part D Regulatory Deferral Accounts]*
- AASB 2014-3 *Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations*
- AASB 2014-4 *Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation*
- AASB 2014-6 *Amendments to Australian Accounting Standards – Agriculture: Bearer Plants*
- AASB 2014-9 *Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements*
- AASB 2015-1 *Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle*
- AASB 2015-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101*
- AASB 2015-5 *Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception*
- AASB 2015-6 *Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities*
- AASB 2015-7 *Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities*

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Notes to the financial statements for the year ended 30 June 2017

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

(i) Effective for the first time in 2016-17 (continued)

- AASB 2015-9 *Amendments to Australian Accounting Standards – Scope and Application Paragraphs*
- AASB 2015-10 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128*

(ii) Issued but not yet effective

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

The following new AAS have not been applied and are not yet effective. These include:

- AASB 9 *Financial Instruments*
- AASB 15, AASB 2014-5, AASB 2015-8 and 2016-3 regarding *Revenue from Contracts with Customers*
- AASB 16 *Leases*
- AASB 1058 *Income of Not-for-profit Entities*
- AASB 2016-1 *Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses*
- AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107*
- AASB 2016-4 *Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities*
- AASB 2016-5 *Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions*
- AASB 2016-6 *Amendments to Australian Accounting Standards – Applying AASB 9 with AASB 4 Insurance Contracts*
- AASB 2016-7 *Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities*
- AASB 2016-8 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities*
- AASB 2017-1 *Amendments to Australian Accounting Standards – Transfer of investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments*
- AASB 2017-2 *Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle*
- Interpretation 22 *Foreign Currency Transactions and Advance Consideration*
- AASB 17 *Insurance Contracts (and Amending Pronouncements Appendix D)*
- AASB 1059 *Service Concession (Including Amending Pronouncement Appendix D)*

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Notes to the financial statements for the year ended 30 June 2017

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

(i) Issued but not yet effective (continued)

- AASB 2017-3 *Amendments to Australian Accounting Standards – Clarifications to AASB 4*
- AASB 2017-4 *Amendments to Australian Accounting Standards – Uncertainty over Income Tax Treatments*

The possible impact of these Standards in the period of initial application is not anticipated to have any material impact on the financial performance or position of the NSW SES with the exception of AASB 16 Leases.

AASB 16 applies to the annual reporting period beginning on or after 1 January 2019. All operating leases with a term of more than 12 months (unless the underlying asset is of low value) will be treated as finance leases and will require their value to be recorded on the balance sheet. The value of future lease payments at the time of recognition (30 June 2019) will be \$36.6m (as at 30 June 2017).

(q) Changes in accounting estimates

Effective, 15 March 2017, the entity changed the useful lives for the following categories of assets:

- Plant and equipment: 3 to 25 years (PY: up to 25 years)
- Computers: 2 to 20 years (PY: 3 to 20 years)
- Vessels: 10 to 20 years (PY: 8 to 15 years)

The implementation of these new rates is a change in accounting estimates as per AASB 108 and has resulted in changes to depreciation expense as follows:

- Plant and equipment: reduction of \$3,750
- Computers: increase of \$44,305
- Vessels: 10 to 20 years reduction of \$98,392

OFFICE OF THE NSW STATE EMERGENCY SERVICE
Notes to the financial statements for the year ended 30 June 2017

	2017	2016
2. Expenses Excluding Losses	\$'000	\$'000
(a) Employee related expenses		
Salaries and wages (including annual leave)	34,872	30,849
Superannuation - defined benefit plans	301	324
Superannuation - defined contribution plans	2,630	2,383
Long service leave	1,102	1,371
Workers' compensation insurance	300	425
Payroll tax and fringe benefit tax	<u>2,035</u>	<u>1,784</u>
	<u>41,240</u>	<u>37,136</u>
Employee related costs that have been capitalised in fixed asset accounts, and therefore excluded from Note 2(a) are \$0.61m (2016: \$nil)		
(b) Operating expenses include the following:		
Auditor's remuneration		
- audit of financial statements	124	161
Operating lease rental expense		
- minimum lease payments	5,948	2,182
Insurance	845	791
Cleaning	564	570
Utilities	645	890
Fleet expenditure	2,497	2,954
Travel	1,218	908
Freight, cartage and packing	168	134
Advertising and publicity	449	551
Telecommunication	3,667	3,462
Government Radio Network	8,281	8,080
Printing and Stationery	764	626
Fees for services rendered	1,268	1,047
Contractors	273	375
Consultants	959	1,701
Legal Fees	298	124
Training	2,355	2,784
Maintenance*	5,022	3,412
Computer Services	1,429	1,347
Minor Equipment	5,358	3,445
Cost of inventories held for distribution	3,047	2,621
General Expenses	<u>1,230</u>	<u>1,271</u>
	<u>46,409</u>	<u>39,436</u>
*Reconciliation - Total maintenance		
Maintenance expense - contracted labour		
and other (non-employee related), as above	5,022	3,412
Employee related maintenance expense included in 2(a)	-	-
Total maintenance expenses included in Note 2(a) + 2(b)	<u>5,022</u>	<u>3,412</u>
(c) Depreciation expense:		
Plant and equipment	<u>5,500</u>	<u>4,460</u>
	<u>5,500</u>	<u>4,460</u>
(d) Grants and subsidies		
Grants - Emergency workers compensation insurance contribution *	3,000	3,500
Grants - Unit accommodation	797	497
Contribution to Treasury Managed Fund (Hindsight Adjustment)	-	-
	<u>3,797</u>	<u>3,997</u>
	<u>3,797</u>	<u>3,997</u>
* Grants to Emergency workers compensation represents payments required under the Emergency and Rescue Workers Compensation Fund.		
(e) Other expenses		
Disaster Relief - Goods and services	10,704	4,930
Disaster Relief - Staff	<u>3,338</u>	<u>1,972</u>
	<u>14,042</u>	<u>6,902</u>

Flood, storm, tsunami and bushfire relief payments are made during emergencies for expenses directly attributable to Natural Disaster events. Parts of these payments are reimbursable through the Natural Disaster Relief Arrangements between the Commonwealth and NSW Governments.

OFFICE OF THE NSW STATE EMERGENCY SERVICE
Notes to the financial statements for the year ended 30 June 2017

	2017 \$'000	2016 \$'000
3. Revenue		
(a) Sale of goods and services		
Sale of goods and rendering of services	1	24
	<u>1</u>	<u>24</u>
(b) Investment revenue		
Interest revenue from financial assets not at fair value through profit or loss	600	518
	<u>600</u>	<u>518</u>
(c) Grants and contributions		
Disaster relief	5,888	2,962
Donations and fundraising*	1,738	1,913
Vesting of vehicles by Local Government	607	444
Insurance company contributions	84,902	77,966
Local Government contributions	13,479	12,377
Department of Justice Grants:		
Recurrent appropriation grant	18,304	12,256
Capital appropriation grant	3,115	2,395
	<u>128,033</u>	<u>110,313</u>
* Includes \$0.24m in bequeaths received (\$0.97m 2016).		
(d) Acceptance by the Crown Entity of employee benefits and other liabilities		
The following expenses have been assumed by the Crown Entity:		
Superannuation - defined benefit	301	324
Payroll tax	14	16
Long service leave	73	63
	<u>388</u>	<u>403</u>
(e) Other revenue		
Other revenue received by NSW SES units	508	665
Miscellaneous/Insurance Recoveries	1,091	722
NRMA Sponsorship	486	448
Origin Sponsorship	120	134
Natural Disaster Mitigation Program	428	905
	<u>2,633</u>	<u>2,874</u>
4. Gain / (Loss) on Disposal		
Proceeds from sale	485	387
Less: written down value of assets disposed	(206)	(182)
	<u>279</u>	<u>205</u>
5. Other Gains / (Losses)		
Impairment of receivables	(25)	-
	<u>(25)</u>	<u>-</u>

OFFICE OF THE NSW STATE EMERGENCY SERVICE
Notes to the financial statements for the year ended 30 June 2017

6. Service group statements

EXPENSES & INCOME	Service Group 1*		Service Group 2*		Not Attributable		Total	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Expenses excluding losses								
Employee related expenses	10,310	9,284	30,930	27,852	-	-	41,240	37,136
Operating expenses	11,602	9,859	34,807	29,577	-	-	46,409	39,436
Depreciation	-	-	5,500	4,460	-	-	5,500	4,460
Grants and subsidies	949	999	2,848	2,998	-	-	3,797	3,997
Other expenses (Disaster Relief)	-	-	14,042	6,902	-	-	14,042	6,902
Total expenses excluding losses	22,861	20,142	88,127	71,789	-	-	110,988	91,931
Revenue**								
Sale of goods and services	-	6	1	18	-	-	1	24
Investment revenue	150	130	450	388	-	-	600	518
Grants and contributions	25,182	23,174	81,432	72,488	21,419	14,651	128,033	110,313
Acceptance by the Crown Entity of employee benefits and other liabilities	97	101	291	302	-	-	388	403
Other revenue	1,006	929	1,627	1,945	-	-	2,633	2,874
Total revenue	26,435	24,340	83,801	75,141	21,419	14,651	131,655	114,132
Gain / (loss) on disposal	-	-	279	205	-	-	279	205
Other gains / (losses)	(6)	-	(19)	-	-	-	(25)	-
Net Result	3,568	4,198	(4,066)	3,557	21,419	14,651	20,921	22,406
TOTAL COMPREHENSIVE INCOME / (LOSS)	3,568	4,198	(4,066)	3,557	21,419	14,651	20,921	22,406

* The names and purposes of each service group are summarised below.

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

OFFICE OF THE NSW STATE EMERGENCY SERVICE

Notes to the financial statements for the year ended 30 June 2017

6. Service group statements (continued)

ASSETS & LIABILITIES	Service Group 1*		Service Group 2*		Total	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Current assets						
Cash and cash equivalents	8,424	5,832	30,684	23,127	39,108	28,959
Receivables	908	925	11,818	17,213	12,726	18,138
Inventories	1,279	1,400	3,835	4,201	5,114	5,601
Other	-	-	-	1	-	1
Total current assets	10,611	8,157	46,337	44,542	56,948	52,699
Non-current assets						
Land & Buildings	2,928	38	8,783	112	11,711	150
Plant and equipment	-	-	43,886	33,373	43,886	33,373
Total non-current assets	2,928	38	52,669	33,485	55,597	33,523
TOTAL ASSETS	13,539	8,195	99,006	78,027	112,545	86,222
Current liabilities						
Lease liabilities	7	-	22	-	29	-
Payables	3,555	3,233	10,664	9,697	14,219	12,930
Provisions	1,291	1,090	3,872	3,269	5,163	4,359
Total current liabilities	4,853	4,323	14,558	12,966	19,411	17,289
Non-current liabilities						
Lease liabilities	821	-	2,462	-	3,283	-
Provisions	22	23	65	67	87	90
Total non-current liabilities	843	23	2,527	67	3,370	90
TOTAL LIABILITIES	5,696	4,346	17,085	13,033	22,781	17,379
NET ASSETS	7,843	3,849	81,921	64,994	89,764	68,843

* The names and purposes of each service group are summarised below.

(a) Service Group 1 - Community and Organisational Preparedness

Purpose: This service group covers the preparedness and resilience of both communities and Volunteers when preparing for and dealing with the impact of storms, floods and tsunamis to ensure their safety and well being during emergency situations.

(b) Service Group 2 - Emergency Management

Purpose: This service group covers the capacity and capability to deliver emergency management services to reduce or mitigate property damage, injury and loss of life among the community and Volunteers.

OFFICE OF THE NSW STATE EMERGENCY SERVICE
Notes to the financial statements for the year ended 30 June 2017

	2017 \$'000	2016 \$'000
7. Current Assets - Cash and Cash Equivalents		
Cash at bank and on hand	39,108	28,959
	<u>39,108</u>	<u>28,959</u>

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and cash at bank.

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)	39,108	28,959
Closing cash and cash equivalents (per statement of cash flows)	<u>39,108</u>	<u>28,959</u>

Refer Note 21 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

Refer Note 12 for details regarding restricted assets.

8. Current Assets - Receivables

Sale of goods and services	161	140
Accrued interest receivable	308	316
Natural Disaster Relief and Recovery Receivable	8,934	14,298
GST Receivable	1,870	1,415
FBT Receivable	24	19
Prepayments	1,033	887
Other	396	1,063
	<u>12,726</u>	<u>18,138</u>

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 21.

9. Current Assets - Inventories

Held for distribution

Clothing, equipment and other items	5,114	5,601
	<u>5,114</u>	<u>5,601</u>

10. Current Assets - Other

Travel advances	-	1
	<u>-</u>	<u>1</u>

OFFICE OF THE NSW STATE EMERGENCY SERVICE
Notes to the financial statements for the year ended 30 June 2017

11. Property, Plant and Equipment

	Land and Buildings \$'000	Plant and Equipment \$'000	Total \$'000
At 1 July 2016 - fair value			
Gross carrying amount	151	68,065	68,216
Accumulated depreciation	(1)	(34,692)	(34,693)
Net carrying amount	150	33,373	33,523
At 30 June 2017 - fair value			
Gross carrying amount	11,712	82,752	94,464
Accumulated depreciation	(1)	(38,866)	(38,867)
Net carrying amount	11,711	43,886	55,597

Reconciliation

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

	Land and Buildings \$'000	Plant and Equipment \$'000	Total \$'000
Year Ended 30 June 2017			
Net carrying amount at start of year	150	33,373	33,523
Purchases	11,562	15,237	26,799
Vesting of vehicles by Local Government	-	607	607
Insurance replacements	-	375	375
Disposals	-	(1,531)	(1,531)
Depreciation expense	(1)	(5,499)	(5,500)
Accumulated depreciation written back on disposal	-	1,324	1,324
Net carrying amount at end of year	11,711	43,886	55,597

	Land and Buildings \$'000	Plant and Equipment \$'000	Total \$'000
At 1 July 2015 - fair value			
Gross carrying amount	9	57,627	57,636
Accumulated depreciation	-	(31,889)	(31,889)
Net carrying amount	9	25,738	25,747
At 30 June 2016 - fair value			
Gross carrying amount	151	68,065	68,216
Accumulated depreciation	(1)	(34,692)	(34,693)
Net carrying amount	150	33,373	33,523

Reconciliation

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

	Land and Buildings \$'000	Plant and Equipment \$'000	Total \$'000
Year Ended 30 June 2016			
Net carrying amount at start of year	9	25,738	25,747
Purchases	142	11,832	11,974
Vesting of vehicles by Local Government	-	444	444
Insurance replacements	-	-	-
Disposals	-	(1,840)	(1,840)
Depreciation expense	(1)	(4,459)	(4,460)
Accumulated depreciation written back on disposal	-	1,658	1,658
Net carrying amount at end of year	150	33,373	33,523

OFFICE OF THE NSW STATE EMERGENCY SERVICE
Notes to the financial statements for the year ended 30 June 2017

12. Restricted Assets

Items that are restricted assets are listed below:

	2017	2016
	\$'000	\$'000
Cash and Cash Equivalents	5,411	5,632

The funds held in the bank accounts of NSW SES Unit Accounts comprise receipt of bequeaths, donations and fundraising revenue. In accordance with the State Emergency Act 1989, these monies are to be utilised for the sole purpose of preparing the community and responding to emergencies in the state of NSW.

13. Lease Liabilities

Current	29	-
Non-current	3,283	-
Total lease liabilities	<u>3,312</u>	<u>-</u>

14. Current Liabilities - Payables

Accrued salaries, wages and on-costs	150	225
Creditors	13,294	12,189
Unearned revenue	775	516
	<u>14,219</u>	<u>12,930</u>

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, are disclosed in Note 21.

15. Current Liabilities - Provisions

Employee benefits and related on-costs

Annual leave	3,454	3,020
Long service leave on-costs	1,000	1,039
	<u>4,454</u>	<u>4,059</u>

Other provisions

Restoration costs*	709	300
	<u>709</u>	<u>300</u>

Total Provisions

	<u>5,163</u>	<u>4,359</u>
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* Restoration provision is an obligation under existing lease agreements for the make good of leased property assets requiring the dismantling, removal and/or restoration of property, plant and equipment. The provision is valued at fair value. The expected cash outflow of \$0.7m is less than one year.

16. Non-Current Liabilities - Provisions

Employee benefits and related on-costs

Long service leave on-costs	87	90
Total Provisions	<u>87</u>	<u>90</u>

Aggregate employee benefits and related on-costs

Provisions - current	4,454	4,059
Provisions - non-current	87	90
Accrued salaries, wages and on-costs (note 14)	150	225
	<u>4,691</u>	<u>4,374</u>

Current provisions expected to be settled within the next 12 months:

Annual leave	2,314	1,933
Long service leave on-costs	130	166
	<u>2,444</u>	<u>2,099</u>

Current provisions expected to be settled after more than 12 months:

Annual leave	1,140	1,087
Long service leave on-costs	870	873
	<u>2,010</u>	<u>1,960</u>

OFFICE OF THE NSW STATE EMERGENCY SERVICE
Notes to the financial statements for the year ended 30 June 2017

	2017 \$'000	2016 \$'000
17. Commitments		
(a) Capital Commitments		
Aggregate capital expenditure for the acquisition of non-current assets contracted for at balance date and not provided for:		
Within one year	1,186	2,344
Total (including GST)	<u>1,186</u>	<u>2,344</u>
GST included above which is expected to be paid to the Australian Taxation Office	108	213

(b) Operating Lease Commitments

Future minimum rentals payable under non-cancellable operating leases are, as follows:

Within one year	5,946	3,926
Later than one year but not later than five years	20,017	19,071
Later than five years	25,532	29,743
Total (including GST)	<u>51,495</u>	<u>52,740</u>
GST included above which is expected to be paid to the Australian Taxation Office	4,681	4,795

Lease commitments include rent on premises previously owned or leased by the entity that were vested to Government Property NSW during 2008/09. Also included are motor vehicle lease commitments with SG Fleet, leases on Government Radio Network sites and leases on IT servers.

18. Contingent Liabilities and Contingent Assets

The NSW SES had no contingent liabilities or contingent assets as at 30 June 2017. (2016: nil)

19. Budget Review

Net Result

The Net Result of \$20.9m surplus compared favourably with the budget of \$11.3m surplus. This is due to an increase of \$5.0m in total revenue (net of Disaster Relief) and a \$5.9m underspend on Depreciation. Note, the expenditure budget for Grants and subsidies was \$14.74m in the Budget Papers, however, for the purposes of the financial statements the budget for Disaster Relief (\$10.0m) was extracted from this amount. The budget for Grants and contributions revenue in the financial statements was an amalgamation of the budgeted figures for Retained taxes, fees and fines (\$84.902m) and Grants and contributions (\$34.898m) in the Budget Papers.

Assets and Liabilities

Actual net assets was \$15.5m higher than budget. This is mainly attributable to higher cash and cash equivalents, and receivables, that were not budgeted for.

Cash Flows

Cash flows from operating activities were \$14.1m over budget. This is mainly attributable to the recovery of declared Disaster Relief expenditure (\$11.3m) and the receipt of donations and other revenue not budgeted for (\$4.2m). Cash flows from investing activities were \$10.0m under budget. This is mainly attributable to delays in the new NSW SES headquarters and replacement of major communications equipment.

	2017 \$'000	2016 \$'000
20. Reconciliation of Cash Flows from Operating Activities to Net Result		
Net cash used on operating activities	36,837	24,548
Depreciation	(5,500)	(4,460)
Vesting of vehicles by Local Government	607	444
Net gain/(loss) on disposal of non-current assets	279	205
Decrease/(increase) in provisions	(801)	(361)
Increase/(decrease) in receivables	(5,413)	4,194
Increase/(decrease) in inventories	(487)	(48)
Decrease/(increase) in payables	(4,601)	(2,116)
Net result	<u>20,921</u>	<u>22,406</u>

OFFICE OF THE NSW STATE EMERGENCY SERVICE
Notes to the financial statements for the year ended 30 June 2017

21. Financial Instruments

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

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

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

(a) Financial instrument categories

Financial Assets	Note	Category	Carrying Amount	Carrying Amount
			2017	2016
			\$'000	\$'000
Cash and cash equivalents	7	N/A	39,108	28,959
Receivables ¹	8	Loans and receivables (at amortised cost)	9,799	15,817
Financial Liabilities	Note	Category	Carrying Amount	Carrying Amount
			2017	2016
			\$'000	\$'000
Payables ²	13 & 14	Financial liabilities measured at amortised cost	16,417	12,414

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

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

Credit risk associated with the entity's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

Cash and cash equivalents

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System as well as a small number of unit account balances held with external financial institutions. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (TCorp) 11am unofficial cash rate, adjusted for a management fee to NSW Treasury. Interest on external unit account balances is earned at the prevailing interest rate offered by the financial institution.

OFFICE OF THE NSW STATE EMERGENCY SERVICE
Notes to the financial statements for the year ended 30 June 2017

21. Financial Instruments (continued)

Receivables - trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade 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. Sales are made on 30 day terms.

The entity is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors.

The aging analysis of trade debtors is as follows:

	2017	2016
	\$'000	\$'000
Neither past due nor impaired	154	140
Past due but not impaired		
< 3 months overdue	7	-
3 months - 6 months overdue	-	-
> 6 months overdue	-	-
Total Receivables	<u>161</u>	<u>140</u>

Notes: The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7. Therefore, the 'total' may not reconcile to the receivables total recognised in Note 8.

(c) Liquidity risk

Liquidity risk is the risk that the entity will be unable to meet its payment obligations when they fall due. The entity continuously manages risk through monitoring future cash flows to ensure adequate holding of high quality liquid assets. No assets have been pledged as collateral. The entity's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

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

OFFICE OF THE NSW STATE EMERGENCY SERVICE
Notes to the financial statements for the year ended 30 June 2017

21. Financial Instruments (continued)

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

<i>Maturity analysis and interest rate exposure of financial liabilities</i>								
\$'000								
	Weighted Average Effective Int. Rate	Nominal Amount ⁽¹⁾	Interest Rate Exposure			Maturity Dates		
			Fixed Interest Rate	Variable Interest Rate	Non - Interest Bearing	< 1 yr	1-5 yrs	> 5 yrs
2017								
<i>Payables</i>	N/A	16,417			16,417	16,417		
2016								
<i>Payables</i>	N/A	12,414			12,414	12,414		

Notes:

1. The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the entity can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the Statement of Financial Position.

(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 market prices. The entity does not have any material exposure to market risk. The entity has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the entity operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the Statement of Financial Position date. The analysis is performed on the same basis as for 2016. The analysis assumes that all other variables remain constant.

Interest rate risk

The entity has a minimal exposure to interest rate risk from its holdings in interest bearing financial assets. The entity does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for-sale. Therefore, for these financial instruments, a change in interest rates would not affect the profit or loss or equity. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The entity's exposure to interest rate risk is set out overleaf.

OFFICE OF THE NSW STATE EMERGENCY SERVICE
Notes to the financial statements for the year ended 30 June 2017

21. Financial Instruments (continued)

	\$'000				
	Carrying Amount	Profit	(1%) Equity	Profit	1% Equity
2017					
<i>Financial assets</i>					
Cash and cash equivalents	39,108	(391)	(391)	391	391
2016					
<i>Financial assets</i>					
Cash and cash equivalents	28,959	(290)	(290)	290	290

(e) Fair Value

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.

22. Related Party Disclosures

The entity's key management personnel compensation are as follows:

	2017 \$'000
Short-term employee benefits:	
Salaries	2,143
Other monetary allowances	2
Non-monetary benefits	-
Other long-term employee benefits	172
Post-employment benefits	-
Termination benefits	-
Total remuneration	<u>2,317</u>

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

During the year, the NSW SES entered into transactions with other entities that are controlled/jointly controlled/significantly influenced by NSW Government. The aggregate value of the material transactions and related outstanding balances as at and for the year ending 30 June 2017 are as follows:

Government Entity	Nature of transaction	Transaction value Net Expenses/ (Revenue) \$'000	Net receivable /(payable) \$'000
NSW Telco Authority	Government Radio Network	9,109	-
Fire & Rescue New South Wales	SAP Services	1,003	(302)
Department of Justice	Grants and Contributions	(28,600)	6,088
NSW Public Works	New State Headquarters	9,834	(3,183)
NSW Rural Fire Service	Hire of helicopters	482	(3)
Government Property NSW *	Rent on leases	3,316	(4)
		<u>(4,856)</u>	<u>2,596</u>

* Commitments as at 30 June 2017 were \$44.35m (ex GST).

23. Events after the Reporting Period

There are no events after the reporting period requiring disclosure.

END OF AUDITED FINANCIAL STATEMENTS

APPENDICES

Finance and Asset Management

Consultancy Engagements greater than \$50,000

<i>NSW Public Works Management services - New State Headquarters Building</i>	\$91,172.36
<i>O'Connor Marsden - Audit & Risk</i>	\$222,833.58
<i>Lyall & Associates - Engineering (Flood planning)</i>	\$50,000
<i>Spatial Vision Innovations - Information Technology</i>	\$76,781.25

Consultancy Engagements less than \$50,000

<i>Nature of Consultancy - Information Technology</i> Total number of engagements = 11	Total Cost	\$354,236.82
<i>Nature of Consultancy - Organisational Review</i> Total number of engagements = 5	Total Cost	\$41,841.48
<i>Nature of Consultancy - Legal</i> Total number of engagements = 2	Total Cost	\$32,651.78
<i>Nature of Consultancy - Engineering (Flood planning and Intelligence)</i> Total number of engagements = 9	Total Cost	\$127,472.77
<i>Nature of Consultancy - Communication</i> Total number of engagements = 1	Total Cost	\$31,378.51
<i>Nature of Consultancy - Audit risk</i> Total number of engagements = 4	Total Cost	\$242,761.69
<i>Nature of Consultancy - Human resources</i> Total number of engagements = 4	Total Cost	\$31,001.01
<i>Nature of Consultancy - Engineering (new SHQ)</i> Total number of engagements = 2	Total Cost	\$95,372.36

Time for Payment of Accounts

The table below shows payments by quarter for the reporting year:

Aged analysis at the end of each quarter				
Payment Performance Indicator	Sept 2016	Dec 2016	Mar 2017	June 2017
Accounts payable (All Suppliers)				
Current (within due date)	207,995	1,490,345	1,755,920	13,290,322
Less than 30 days overdue	791	2,406	3,518	1,537
Between 30 & 60 days overdue	1,450	0	6,692	0
More than 60 days overdue	(5,319)	(3,213)	(1,016.53)	2,141
Accounts paid (All Suppliers)				
Number of accounts due for payment	8,030	7,985	5,201	8,506
Number of accounts paid on time	6,913	6,856	4,339	7,239
Actual percentage of accounts paid on time (based on number of accounts)	86.08%	85.86%	83.42%	85.10%
Dollar amount of accounts due for payment	\$21,493,898	\$18,062,187	\$20,106,488	\$23,566,133
Dollar amounts of accounts paid on time	\$16,576,690	\$14,159,989	\$18,008,501	\$16,428,322
Actual percentage of accounts paid on time (based on \$)	77.12%	78.39%	89.56%	69.71%

Promotion: Overseas Visits by Employees with Main Purposes Highlighted

The NSW SES incurred expenditure of \$1,068.79 on overseas travel in 2016-17. This amount represents the expense of:

- One staff member to undertake study for the Executive Masters in Public Administration associated with the Australia and New Zealand School of Government in Singapore in July 2017. This overseas travel was approved by the Minister.

A total of \$25,000 was provided through NRMA Insurance funding for:

- Three staff members and seven volunteers to compete in the annual Australasian Road Rescue Organisation competition in New Zealand in July 2017. This overseas travel was also approved by the Minister.

Credit Card Policy

All corporate credit cards issued to NSW SES members and policies developed for their usage is done-so in accordance with Treasury direction 205.01 and Treasury Policy Paper 05-01, Credit Card Use - Best Practice Guide. No late fees or interest payments were incurred in 2016-2017.

A policy on credit cards is maintained and adjustments to the policy are made available to all card holders on occurrence. All NSW SES cardholders sign a statement of responsibility confirming that they are aware of significant responsibility they have been entrusted with. All Cardholders receive a system generated electronic reminder each week of corporate card expense transactions that they have yet to account for.

Annual Report Costs

No external cost was incurred in the preparation and production of the NSW SES Annual Report 2016-17. Six hard copies were photocopied in-house for submission to the Minister for Emergency Services.

Risk Management and insurance:

NSW SES insurance is provided by the Treasury Managed Fund Insurance Scheme. The Director Finance and Assets Management is the appointed Risk Manager under the scheme.

The Contract of Coverage encompasses:

- Workers' compensation insurance
- Public liability insurance
- Motor vehicle comprehensive insurance
- Property insurance
- Personal Property insurance
- Miscellaneous insurance

Audit Risk Committee

The NSW SES has an independent Audit and Risk Committee which is established and conducted in line with Treasury Policy Paper 15-03 (Internal Audit and Risk Management Policy for the NSW Public Sector).

The Committee meets quarterly and assists the Commissioner in ensuring the NSW SES has appropriate audit, risk and governance frameworks in place.

Government and Risk Management

Internal Audit and Risk Management Policy Attestation:



14 September 2017

Mr Sean Osborn
 Director Financial Management & Accounting Policy Branch
 NSW Treasury
 GPO Box 5469
 SYDNEY NSW 2000

Dear Mr Osborn

Internal Audit and Risk Management Attestation Statement for the 2016-2017 Financial Year for the NSW State Emergency Service

I, as Commissioner for the NSW State Emergency Service (NSW SES) am of the opinion that the NSW SES has internal audit and risk management processes in operation that are, in all material respects, compliant with the eight (8) core requirements set out in the Internal Audit and Risk Management Policy for the NSW Public Sector, specifically:

Core Requirements

Risk Management Framework	
1.1 The agency head is ultimately responsible and accountable for risk management in the agency	Compliant
1.2 A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO 31000:2009	Compliant
Internal Audit Function	
2.1 An internal audit function has been established and maintained	Compliant
2.2 The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing	Compliant
2.3 The agency has an Internal Audit Charter that is consistent with the content of the 'model charter'	Compliant



STATE HEADQUARTERS
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 93-99 Burrelli Street, Wollongong NSW 2500
 PO Box 6126, Wollongong DC NSW 2500
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 ABN: 88 712 649 015

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Audit and Risk Committee	
3.1 An independent and Audit and Risk Committee with appropriate expertise has been established	Compliant
3.2 The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations	Compliant
3.3 The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'	Compliant

The NSW SES does not have any controlled entities.

Membership

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

Role	Name	Start Term Date	Finish Term Date
Independent Chair	Jon Isaacs	September 2014	September 2019
Independent Member 1	Jennifer Alexander	September 2015	September 2019
Independent Member 2	Terry Clout	December 2015	December 2018

Yours sincerely



Mark Smethurst DSC, AC
Commissioner

Digital Information Security Policy Attestation:



Digital Information Security Annual Attestation Statement for the 2016-2017 Financial Year for NSW State Emergency Service

I, Mark Smethurst DSC AM, am of the opinion that NSW State Emergency Service had an Information Security Management System in place during the 2016-2017 financial year that is consistent with the Core Requirements set out in the *NSW Government Digital Information Security Policy*.

The controls in place to mitigate identified risks to the digital information and digital information systems of NSW State Emergency Service are adequate.

- A. There is no agency under the control of NSW State Emergency Service which is required to develop an independent ISMS in accordance with the *NSW Government Digital Information Security Policy*.
- B. Risks to the digital information and digital information system NSW State Emergency Service have been assessed with an independent ISMS developed in accordance with the *NSW Government Digital Information Security Policy*.

Information security is a key focus area for NSW SES and a risk based approach has been taken to implement improvements. The NSW SES will continue to enhance awareness of security requirements and the classification and labelling of information to ensure efficient and effective management of sensitive information.

Mark Smethurst DSC, AM
Commissioner

26 October 2017



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Government Information (Public Access) Act 2009

The NSW State Emergency Service received and processed a total of 29 informal requests under the Government Information (Public Access) Act 2009.

Clause 7A: Details of the review carried out by the agency under section 7 (3) of the Act during the reporting year and the details of any information made publicly available by the agency as a result of the review.

Reviews carried out by the agency	Information made publicly available by the agency
2	0

Clause 7B: The total number of access applications received by the agency during the reporting year (including withdrawn applications but not including invalid applications)

Total number of applications received
29

Clause 7C: The total number of access applications received by the agency during the reporting year that the agency refused either wholly or partly, because the application was for the disclosure of information referred to in Schedule 1 to the Act (information for which there is conclusive presumption of overriding public interest against disclosure)

Number of Applications Refused	Wholly	Partly	Total
	0	1	1

Schedule 2: Statistical information about access applications to be included in Annual Report

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	Total
Media	0	0	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0	0
Private sector business	1	0	0	0	0	0	0	0	1
Not for profit organisations or community groups	0	0	0	0	0	0	0	0	0
Members of the public (by legal representative)	4	0	0	1	0	0	0	0	5
Members of the public (other)	13	4	0	2	1	3	0	1	23
Total	18	3	0	3	1	3	0	1	29

* 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.

	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	Total
Personal information applications*	1	4	0	0	1	0	0	1	7
Access applications (other than personal information applications)	17	0	0	3	0	0	0	0	20
Access applications that are partly personal information applications and partly other	1	0	0	0	0	2	0	0	2
Total	18	4	0	3	1	2	0	1	29

* 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	No 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 Act

	Number of times consideration used*
Responsible and effective government	3
Law enforcement and security	0
Individual rights, judicial processes and natural justice	3
Business interests of agencies and other persons	1
Environment, culture, economy and general matters	0
Secrecy provisions	1
Exempt documents under interstate Freedom of Information legislation	0
Total	8

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

Number of applications*	
Decided within the statutory timeframe (20 days plus any extensions)	25
Decided after 35 days (by agreement with applicant)	1
Not decided within time (deemed refusal)	3
Total	29

Table F: Timeliness

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

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

	Decision varied	Decision upheld	Total
Internal review	0	1	1
Review by Information Commissioner*	0	1	1
Internal review following recommendation under section 93 of Act	1	0	1
Review by NCAT	0	0	0
Total	1	2	3

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

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

Number of applications for review	
Applications by access applicants	2
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0
Total	2

Table I: Applications transferred to other agencies.

Number of applications transferred	
Agency - initiated Transfers	0
Applicant - Initiated Transfers	0
Total	0

Public Interest Disclosures

The NSW SES is required to prepare an annual report on its obligations under the Public Interest Disclosures Act 1994. This is to be prepared in accordance with section 4 of the Public Interest Disclosures Regulation 2011.

(a) The number of public officials who have made a public interest disclosure 6

(b) The number of public interest disclosures received by the public authority in total and the number of public interest disclosures received by the public authority relating to each of the following:

i) Corrupt conduct..... 5

ii) Maladministration 1

iii) Serious and substantial waste of public money or local government money (as appropriate) 0

iv) Government information contraventions 0

v) Local government pecuniary interest contraventions 0

(c) The number of public interest disclosures finalised by the public authority 1

(d) Whether the public authority has a public interest disclosures policy in place... The NSW SES has a Public Interest Disclosures Policy in place.

(e) What actions have been taken to ensure awareness of responsibilities under the Act... The Public Interest Disclosures Policy is available on the NSW SES intranet. The NSW Ombudsman's Office conducted PID training for members of the Senior Executive, Nominated Disclosures Officers and Region Controllers in 2016-17.

Privacy and Personal Information Protection Act 1998

- The Privacy and Personal Information Protection Act 1998 (PPIP Act) outlines how New South Wales public sector agencies manage personal information and the functions of the NSW Privacy Commissioner. The PPIP Act includes
- 12 Information Protection Principles (IPPs) and sets up ways to protect personal information and to allow the investigation of complaints into breaches of privacy.
- The NSW SES complies with the PPIP Act through the appropriate collection, secure storage, access, use and disclosure of information. Personal information is either collected from the members who are joining the organisation or from members of the public that require assistance.
- The collection, retention and disposal of information under this Act is carried out according to government regulations. For example, disposal of documents is in accordance with government record disposal guidelines. All personal information is retained on site in secure facilities or offsite with appropriately accredited document contractors. The NSW SES Code of Conduct and Ethics outlines the required standard for all NSW SES members in dealing with personal information.
- There were no reviews of the NSW SES application of the PPIPA Act by or on behalf of the Service during 2016-17.

Disclosure of Controlled Entities

NSW SES has no controlled entities to disclose.

Research and Development

The NSW SES continued its involvement with the Bushfire and Natural Hazard Cooperative Research Centre during the year. The Service is involved in 14 projects on a range of topics including

communications and warnings, emergency management capability, tsunami and coastal hazards. A number of these projects are drawing to a close, with additional projects commencing in July 2017. Research findings from many of these projects are already being utilised by the Service.

A research register has also been established, identifying research questions that the Service is interested in exploring post disasters. The focus of these research questions is community behaviours and community engagement.

The Post Disaster Research and Innovation project, a State Emergency Management Projects (SEMP) Program funded project, was undertaken in 2016 and engaged the University of Newcastle to undertake research to gain a better understanding of community behaviour and responses during the April 2015 Hunter regions storm. This project also developed a 3 year NSW SES Research Agenda.

The Post Disaster Research and Innovation project also developed four true stories of people's experience of entering floodwater. The stories were based on the themes emerging from the Stronger for the Storm report and complementary research from the Bushfire and Natural Hazards Cooperative Research Centre regarding flood fatalities and targeted particular at risk populations.

In addition the Service was involved in a number of other research projects during the 2016-17 Financial Year:

- Understanding of factors that influenced decision of community members not to evacuate during flooding.
- Capability needs for emergency and disaster management organisations.
- Framework and tools to support a total flood storm.
- Community severe weather plans.
- Project U-Turn: Reversing the trend of drivers entering floodwater.
- Get Ready Narrabri: Community engagement and resilience.

The NSW State Emergency Service is in the process of receiving \$114,000 funding through the NSW Emergency Volunteer Support Scheme (EVSS) funding scheme. This provided grants for projects involving development in Volunteer recruitment, engagement, training and resources. Projects are to commence in 2017-18.

Human Resources

Number of officers and employees by category

Staff profile: The NSW SES staff profiles as of June 2017

Salary Bands	2017/2016			2015/2016			2013/2014		
	Total Staff	Women	Racial Ethnic Ethno Religious Minority	Total Staff	Women	Racial Ethnic Ethno Religious Minority	Total Staff	Women	Racial Ethnic Ethno Religious Minority
\$60,154 - \$65,396 Grade 1/2	56	39	4	65	45	2	39	34	3
\$67,248 - \$73,635 Grade 3/4	93	64	2	90	63	1	71	52	6
\$79,384 - \$87,591 Grade 5/6	105	57	1	108	53	1	78	37	3
\$90,215 - \$99,862 Grade 7/8	75	33	4	68	24	4	54	17	3
\$102,838 - \$113,324 Grade 9/10	39	12	2	38	14	2	34	10	1
\$118,943 - \$137,557 Grade 11/12	16	6	0	11	3	0	6	3	0
ABOVE A & C GRADE 12	11	3	0	9	3	0	9	0	0
Totals	366	243	13	389	205	10	291	153	16

Representation of employees by level compared with the three previous years.

Note: Total staff for 2016-17 is inclusive of an FTE of 325.41 agency, contract and casual roles engaged to support specific projects.

Workforce Diversity

Reporting of workforce diversity statistics is based on data collected voluntarily from NSW SES members. Since data is only voluntary, these statistics are not an accurate representation of the complete population of NSW SES members as a whole.

Workforce Diversity Statistics	% Change Jun 2017	% Change June 2016	% Change June 2015
TOTAL	418	408	375
Yes (An employee of the agency at census)	348	358	329
No (Not an employee at census)	44	46	41
Casual employee not working on census	26	4	5
EEO Survey Response Rate			
EEO Survey Response Rate	0.7752	0.7635	0.6854
Non- casual employees	347	351	322
Respondents to EEO Survey	269	268	222
Gender			
All genders	348	358	329
Male	154	171	153
Female	194	187	176
Indeterminate/intersex			
ATSI			
Total respondents to ATSI	284	205	177
Aboriginal and Torres Strait Islander			
Aboriginal	6	5	5
Torres Strait Islander	0		
Non Aboriginal & Torres Strait islander	221	200	172
Withdrawn	57	70	68
Missing	63	76	77
Disability			
Total EEO respondents to Disability	296	351	216
Total disabilities	9	10	11
Disability requiring adjustment at work	3	5	4
Disability requiring no adjustment at work	6	5	7
Disability where adjustment is not recorded			
No disability	256	253	205
Withdrawn	31	33	39
Missing	51	55	67
Ethnicity			
Total EEO respondents to Ethnicity	191	157	101
Person from a Racial, Ethnic/Ethno-religious minority	9	8	4
Person not from a Racial, Ethnic/Ethno-religious minority group	157	149	97
Withdrawn	25	20	19
Missing	156	174	202
Language			
Total EEO respondent to language	297	211	158
Other language	20	18	12
English	199	193	146
Withdrawn	78	87	98
Missing	50	53	66

The 2016-2019 NSW SES Diversity and Inclusion Strategy has been released. The strategy is a commitment to enhancing the diversity of our membership and to maintaining an inclusive and respectful culture that values different perspectives. It is our way to embody our TARPS values.

A Diversity and Inclusion eLearning module was developed for release in September 2017 to complement the eLearning Induction module and the Code of Conduct and Ethics eLearning module for use in onboarding processes and as a refresher for current staff and volunteers.

Disability Inclusion Action Plans

NSW SES continued with stakeholder engagement and consultation to further develop the action plan to enhance and support people with disabilities, with release scheduled for 2017-2018. This plan is focusing on increasing opportunities for people with disabilities to join NSW SES, as well as considering options to improve emergency response services for all people, regardless of mental or physical abilities.

Multicultural Policies and Services Program

NSW SES has begun preparations to develop a Multicultural Plan 2016-2020 and consulted with key stakeholders to assist in developing the action plan.

Development of strategic partnerships are a key focus of diversity initiatives as well as establishing a robust framework to provide insight into the Service's workforce. The action plan is in draft and sets out the direction for NSW SES to increase capability, confidence and capacity to operate with excellence and integrity in a diverse cultural, linguistic and religious world by providing links to resources and services on the intranet.

Agreements with Multicultural NSW

NSW SES is committed to partnership opportunities with multicultural agencies and there are currently no agreements in place.

Numbers and numeration of senior executives:

Band	Total
Band 4 (Secretary)	0
Band 3 (Deputy Secretary)	1
Band 2 (Executive Director)	1
Band 1 (Director)	8
Totals	10

Performance and numbers of senior executive's roles as of 30 June 2017.

Brand	Range \$	Average remuneration	
		20X2 \$	20X1 \$
Band 4 (Secretary)	-	-	
Band 3 (Deputy Secretary)	\$322,901 to 452,250	\$350,000	
Band 2 (Executive Director)	\$255,051 to \$320,900	\$262,656	
Band 1 (Director)	\$178,850 to \$255,050	\$205,282	

Consumer Response: Details of allegations and feature of complaints table

During 2016-17, the NSW SES Professional Standards Branch received a total of 135 complaints relating to allegations of misconduct. During the same time period the Professional Standards Branch commenced and formally investigated 23 complaints which included seven initially reported during the previous Financial Year. The remaining complaints were either addressed by way of informal management action, referred to managers to be dealt with at the local level, or

assessed as not requiring formal action. See below table of the extent and main features of complaints received by the Professional Standards Branch:

Details of allegations received in FY 2016-17

	Total
Bullying and Harassment	24
Criminal Convictions; includes reported charges	4
Misconduct includes; Code of Conduct breach, Social Media Policy breach and Conflicts of Interest	104
Safety Breaches	3
Complaints in Totals	135

In relation to the 23 matters investigated, six complaints were sustained, seven not sustained, five members resigned prior to outcomes being finalised and five matters are ongoing. Outcome actions implemented in relation to the sustained allegations of misconduct ranged from formal caution or reprimand, through to NSW SES membership withdrawal.

Seven matters required NSW Police involvement, including court actions external to NSW SES.

Eight registered cases were handled by the Department of Justice and two investigations were conducted by external providers.

New Professional Standards Policy and supporting Procedures were implemented across the Service in December 2016. Implementation was supported through member engagement at a regional roadshow, where a presentation was delivered to Unit Controllers to support the rollout of the new Policy.

A Performance Management development program was delivered to managers and executive staff to improve their skills in enhancing conversations and providing support in giving and receiving feedback. Stage one of the program was extremely well received by staff, with stage two of the program expected to be implemented in 2017/18.

The Professional Standards Branch completed the development of a SuccessFactors online performance management system, ready for launch across NSW SES at the commencement of 2017-18. Implementation of this system will also include face-to-face training, four eLearning modules and supporting documentation.

Work Health and Safety - Details of injuries and prosecutions table

The NSW SES Work Health and Safety (WHS) Branch is responsible for developing, implementing and monitoring the safety management systems used for the protection and wellbeing of all members.

In 2016-17, further progress was made on the implementation of the NSW SES Safety Management System. In 2017-18 the WHS Team will focus on Unit visits, reviewing and updating WHS policy and procedures and improving business processes.

In 2016-17, NSW SES was not subject to prosecution under the Work Health and Safety Act 2011.

The WHS Electrical Test and Tag program entered its third year with positive results achieved in inspecting and maintaining portable electrical items across the Service, to ensure NSW SES members maintain a safe workplace and complies with electrical safety laws.

NSW SES improved the way it manages and minimises the effects of hazardous material incidents through the implementation of an online hazardous substances management system, Material Safety Data Sheets Online (MSDS Online).

This system enables the identification of the variety of hazardous substances used across the Service and the capacity to develop appropriate storage requirements with supporting documentation.

Members from the WHS Branch undertook 19 visits to Regions and Units in 2016-17 to provide education, advice and support to members across all areas of safety, health and wellbeing. A successful immunisation program was also undertaken with over 2,000 vaccines provided to members across the Service.

Compensable Injury Statistics

Compensation Claims 2016-17	NSW State Emergency Service
Total Employees	378
Total Claims	16
Total Operational Employees	125
Total Operational Claims	0
Total Volunteer Members	8114
Total Volunteer Claims	89 injury claims 45 personal property claims

Injury Analysis (All Members)

The top three bodily locations include:	The top three locations of all incidents include:	The top three nature of injury include:	The top three activities at time of injury include:
Knee (51)	Away from SES premises (297)	Strain/Sprain (85)	Away from SES premises (297)
Ankle (42)	At SES premises (169)	Bruising/ Crushing (57)	At SES premises (169)
Hand (40)	Journey to or from SES premises/ incident (50)	Cut/ Lacerations (50)	Journey to or from SES premises/ incident (50)

Awards

In 2016-17, NSW SES had the privilege of awarding 1,693 awards to members of the Service.

Three Emergency Service Medals (ESM) were awarded to the following members:

- Mr Shannon Crofton, NSW SES Sutherland Unit
- Mr Stephen Cliffe, NSW SES Wollongong City Unit
- Ms Nichole Richardson, NSW SES Lachlan Region

Other awards presented included 414 Commissioner's Awards, 1036 Long Service Awards, and 243 National Medals.

The winner of the NSW SES Cadet of the Year Award for 2017 was awarded to Sasha Cox from Broken Hill High School. The Andy Roberts Memorial Award winner for 2017 was awarded to Michael Sweetman from Lake Macquarie High School.

The NSW SES Young Volunteer of the Year Award for 2017 was awarded to Yvette Amos, from the Snowy River Unit. Yvette joined the NSW SES at 16 years of age and became a Local Controller at the age of 21, which makes her youngest person in NSW SES history to be appointed to that role.

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