

Annual Report of the Overarching Body

For the year ended 30 June 2007



Volunteer Fire Brigades Victoria Inc.

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VFBV Board Members and Office Bearers 2006/2007

Gary Lyttle, AFSM

Chairman
2005/2007
Board Member
2006/2009
garylyttle@vfbv.com.au



Quentin Turner, AFSM

Board Member
2004/2007
quentinturner@vfbv.com.au



Mick Taylor, AFSM

Deputy Chairman 2005/2007
Board Member
2006/2009
micktaylor@vfbv.com.au



Rob Waterson, AFSM

Board Member
2005/2007
robwaterson@vfbv.com.au



Tom Brodie

Board Member
2005/2008
tombrodie@vfbv.com.au



Hans van Hamond, AFSM

Board Member
2005/2008
hansvanhamond@vfbv.com.au



Peter Downes

Board Member
2004/2007
peterdownes@vfbv.com.au



Peter Davis, AFSM

Treasurer
vufba@vfbv.com.au



Bernie Pearson

Deceased 26 May, 2007
Board Member
2005/2007



Bob MacDonald

Public Officer
vrfba@vfbv.com.au



Andrew Ford

Chief Executive Officer
VFBV@vfbv.com.au





**CHAIRMANS
REPORT
Gary Lyttle, AFSM**

Having completed my second year as Chairman of Volunteer Fire Brigades Victoria, I have much pleasure in submitting my report on some of the activities over the year 2006/07.

Last year in my report I said it had been a very challenging year and I believe this year has been even more so. However, I believe as an organisation we strived to represent volunteers faithfully and to the best of our ability.

As in the previous year, I think the personal highlight has been the opportunity to travel to various parts of the state and interstate to meet with volunteers and to get a real appreciation of the issues that concern them. Whilst we are volunteers on the VFBV Board we have to understand that our fire service is very diverse and the issues vary from one part of the state to the next.

In a further step to the eventual amalgamation of the two volunteer associations into a unified body, VFBV has facilitated joint meetings of the state bodies and an open forum for all brigades whether they were urban or rural risk classification. More meetings are scheduled for 2007/08 with a combined Executive Meeting and State Council Meeting in November.

The appointment of Andrew Ford as our CEO in February 2007 has been a real boost to the organisation. Andrew's appetite and his enthusiasm for the task ahead have raised VFBV's profile markedly. I am confident the Board and Andrew will enjoy a good working relationship to achieve the goals we set.

Much work has been done in the past twelve months in developing a strategic direction for the organisation and this is progressing most satisfactorily.

An amalgamation reference group that includes Board members and Association representatives alike has produced a discussion paper on a possible structure for a unified body which will be circulated early in the 2007/08 year for the consideration of and feedback from regions.

During the year under review VFBV introduced two committees separate to the Board to undertake specific roles. The first was called "The Volunteer First Working Party" and its purpose is to concentrate on making sure that neither CFA nor Government take decisions that would impact on volunteers without consultation and due consideration of volunteer rights and interests. It has carried out an extensive media campaign, developed a state-wide communications networking and contacted MPs on a regular basis.

Following the significant fires of this year, it was decided VFBV should conduct a review on issues of strategic concern to and to this end "The Summer Review Working Party" was introduced. Its members are primarily Group Officers with significant experience in fire affected areas. A report on their finding was produced and presented to CFA's Chief Officer for consideration.

We have continued to produce a quarterly newsletter with VUFBA and VRFBA for distribution to Association officials, all brigade Secretaries and Captains as well as Group Officers. It is hoped this in some way helps to improve the lines of communication.

In another attempt to improve our communication with volunteers,

funding has been sought and obtained to significantly upgrade our website. This will be in place in the latter part of 2007.

Development of our profile is a policy of the Board and during the year we met on a regular basis with the Minister for Police and Emergency Services, the Emergency Services Commissioner, CFA Chairman and CEO. We have also met with the leaders of the Liberal and National Parties as well as a range of politicians of all persuasions.

I would like to thank the other members of the Board who have travelled many miles and put in many hours on behalf of VFBV and ultimately volunteer fire fighters in this state. We are as one in our commitment to pursuing the interests of our membership.

Finally, I extend my appreciation to the staff who have continued to do all that has been asked of them and more.



**Chief Executive
Officer's Report
Andrew Ford**

I feel very privileged to be involved with VFBV and working to ensure a strong, proactive and high profile voice for CFA volunteers. CFA volunteers and volunteerism generally will continue to face many challenges in the years ahead but there will also be opportunities.

In order to be effectively involved with shaping our future we will need both a strong voice plus solid strategic relationships with those people and decision makers who can have an influence on our future. We need to be genuinely engaged in decision

making on matters that affect us and we need to actively engaged as an integral part of the leadership of CFA and matters affecting CFA volunteers. To be respected for our views and to have influence on matters affecting our future we will must have close connection with our grass roots volunteers and be well informed by their views and ideas. My approach will be underpinned by a focus on these areas.

It seems I have joined the Association at a very interesting and somewhat challenging time, coming off the back of a very busy summer; at a time when some communities are experiencing decline and others rapid growth; and at a time when the question of protecting volunteer rights and preserving the volunteer based culture of CFA is a topic of passionate discussion.

There are also the ongoing challenges confronting volunteers who juggle the pressures of their day to day lives with increasing requirements of training, administration, and 'corporate governance'. The challenges confronting our rural communities and rural volunteers are not always the same as those facing our urban communities and urban volunteers, significant growth in some areas and decline in others; developing new service capacity in some areas and ensuring volunteers are supported so they can continue look after themselves and their communities in others. As the representative voice for all volunteers we must also ensure that the voices of the minorities are heard and that the needs of all volunteers from busy urban areas to remote rural areas are addressed.

These are challenges I look forward to addressing and to address them I will place a high priority on keeping a close connection and relationship with grass roots, particularly through the Associations Regional Council forums.

I look forward to the years ahead and look forward to next years Annual Report being an opportunity to outline achievements that build on the good work already done by the VFBV team and both Volunteer Associations. Peter Davis and Bob Macdonald who have shared the VFBV CEO role during this past year need to be recognised and congratulated for the work they have done and the added workload they have managed. This report sets out a number of key achievements for the 2006/2007 year, some before my time and some since. I am sure that you will get a good feel for the successes already achieved and a sense of the things to come.

Annual General Meeting October 2006

At the Annual General Meeting of VFBV on 27 October, 2006, the following appointments were made:

Chairman

Gary Lyttle, AFSM

Deputy Chairman

Mick Taylor, AFSM

Treasurer

Peter Davis, AFSM

Auditors

Christopher Falkingham,
FCA, FCPA
Balance Corporation

Appointments to VFBV Board:

Annual appointments of representatives from the VRFBA and VUFBA to the Board were made in September and October. The VRFBA reappointed Mick Taylor. Rob Waterson assumed the position of VUFBA President on the Board whilst Han van Hamond filled his vacancy.

Inquiry into the Impact of Public Land Management Practices on Bushfire in Victoria

In March 2007, the Victorian Government announced an Inquiry into the *"Impact of Public Land Management Practices on Bushfire in Victoria"*.

VFBV noted that whilst the Terms of Reference of the Inquiry related primarily to the management of fire on public land, the integral role volunteers play in supporting DSE and the risk of fire originating on public land threatening private property as often occurs warranted an in depth response to the Terms of Reference on behalf of volunteers.

In our submission, VFBV indicated that prescribed burning programs on public land should be maintained and extended wherever possible and the need to adopt an integrated approach to prescribed burning that is tenure blind. VFBV emphasised that the Government needed to ensure that the Department was provided with sufficient resources to achieve planned programs without the involvement of the CFA but where mutually agreed, CFA volunteers would assist DSE with prescribed burning on public land.

VFBV also advised of support for permanent strategic fire breaks augmented by prescribed burning to extend the depth of protection particularly adjoining key public assets and communities. In conjunction with the requirement for improved access, VFBV indicated that increased availability of water needed to be assured as these two infrastructure components were fundamental to achieving a rapid and successful initial attack.

VFBV's submission also included comments and recommendations associated with the cessation of logging and grazing on public land, the reduction of fire management expertise from within the Department, the potential impact of future climate change and the need to embed local knowledge and involve local communities in fire management planning and fire suppression on public land.

VFBV submitted that Project Firefighters should be engaged under more flexible tenure arrangements to enable resources to be engaged earlier or remain available when circumstances are suitable to achieve additional preparation and mitigation programs.

In our submission, we warned that the increasing tendency to import resources from interstate and overseas when volunteers were available and competent to perform various fire suppression roles may adversely impact on the availability of volunteers in the future and that greater consideration should be given to the transition of control from one agency to the other when fires on public land approach private property.

VFBV emphasised that many of our recommendations called for greater consultation on fire management issues with local CFA brigades and their communities and that this could be achieved through the proposed Integrated Fire Management Program.

The Parliamentary Committee will continue taking evidence until December 2007 and VFBV expects to have the opportunity to make a verbal presentation in addition to our written submission toward the end of the process.

Review of 2006/07 Fire Season

The 2006/07 fire season in Victoria will probably go down as one of the

busiest on record and one during which CFA volunteer firefighters were asked to respond across Victoria in numbers that have probably not been previously equalled.

In an early indication of the likely severity of the season, CFA volunteers were engaged in fire suppression activity dealing with significant fires in Victoria during August 2006. Fire suppression activity continued well into 2007, with what became known as the Great Divide fire demanding resources for almost 10 weeks.

As a result of feedback received from many volunteers, the VFBV Board determined to establish a Working Party comprised of experienced Group Officers from across the State to collate and review the many issues raised.

A significant number of issues and recommendations were subsequently submitted to the Chief Officer. These included such diverse matters as Staging Area management, ICS competency and training, current approaches to initial fire attack, Incident Control Centres and Incident Action Plans, Briefings and Communications Plans. In particular, a number of issues highlighted the urgent need for CFA to work with volunteers to develop an operational human resource management system with the capability to present real time volunteer availability and draw down of resources.

Extensive feedback was also evident concerning the emerging trend to use paid CFA and DSE staff in key command and control roles when volunteers are competent and available to perform these roles. The importance of these issues and their impact on the long term sustainability of volunteerism has been drawn to the attention of the Chief Officer. VFBV also submitted that greater consideration needs to be given to the availability of competent volunteers

prior to requests for interstate and overseas assistance.

VFBV's submission and associated recommendations were formally presented to the Chief Officer by members of the Working Party. The Chief Officer has already responded with instructions to Operations Managers on a number of the issues. VFBV is continuing to work collaboratively with the Chief Officer to ensure the remaining issues are addressed.

Joint Operations Consultative Committee (JOCC)

For sometime the two Associations have been agitating for the introduction of a Joint Operations Consultative Committee and earlier this year the Chief Officer, Russell Rees, agreed to the proposal. VFBV is represented on the JOCC by Chairman, Gary Lyttle and Deputy Chairman, Mick Taylor. The Committee has met twice to date with the first in February and the second in April.

At the initial meeting the terms of reference were established:

- Overview strategic operational doctrine (principles), incident management and coordination systems and structures
- Overview brigade viability - resilience issues.
- Overview the strategic direction of emergency management and operational documentation
- Overview strategic operational performance initiatives
- Overview Operations Directorate strategic direction, programs and initiatives
- Provide leadership and guidance to operational

consultative committees and work groups

- Monitor and discuss environmental scans of future challenges and opportunities of a changing environment.

The membership of the Committee consists of:

- Director of Operations/Chief Officer (Chair)
- Deputy Chief Officer Operational Policy and Planning
- Deputy Chief Officer State Operations
- Deputy Chief Officer Operations Performance Improvement
- Deputy Chief Officer Emergency Management
- Representatives from VFBV (2), VRFBA (4), VUFBA (4) and one executive officer.

It was agreed the following matters were to be discussed at subsequent meetings:

- Guidelines for private burn-offs
- Brigade classification
- Brigade Owned Vehicle Policy
- Debrief for major fires
- Low voltage fuse removal
- Minimum Skills Policy
- PPC Policy
- Pager distribution
- Repeater reliability
- Use of career staff in Strike Teams
- Future Regional Coordination/Incident Management Model

Appointment of New CEO

In December 2006 the Board announced that Andrew Ford had been appointed as the new CEO of VFBV.

Andrew has brought a wealth of knowledge to the organisation having previously been CFA's General Manager of Westernport area, which is the busiest area operationally in the state. Having worked with volunteers and career staff alike at CFA, Andrew has a solid knowledge of how the CFA works, the special working relationships and culture required for CFA's unique integrated volunteer and paid staff model to operate effectively and the challenges facing CFA.

Having commenced in his role of CEO in February 2007, Andrew has already set about building a strong connection with Regional Councils - a key element of his vision for VFBV.

Vale: Two Board Members

In November, 2006 original VFBV Board member Rick Hill died after a courageous battle with cancer.

Rick had been a significant contributor to the VFBV Board whilst a member and only resigned to accept a position on the CFA Board as rural volunteer representative. He believed to continue in both positions could have led to a conflict of interest.

May this year saw the untimely death of Bernie Pearson, a current Board member and VRFBA State President. Bernie suffered a massive heart attack from which he did not recover. A staunch advocate for volunteer rights he campaigned vigorously for the issues he believed in.

Both men will be sorely missed by the volunteer movement.

Regional Meetings

VFBV continued its policy of having board meetings in regional areas with one in Wangaratta in July and another in Ouyen in September.

Following each board meeting, local association representatives were invited to join the Board for a light meal and then a discussion on matters of interest to them.

The Board has found the regional meetings most beneficial in getting the views of volunteers on issues that are currently of interest and affecting volunteers.

Emergency Management Discussion Paper

The Emergency Management Discussion paper was developed by the State Government to explore opportunities and new directions for Victoria's Emergency Management arrangements.

VFBV Board received a briefing from Department of Justice staff on the paper and subsequently prepared and submitted a response to the document.

A green paper was being prepared following an analysis of all responses and this will be available for public comment in due course.

Under 35 Years Forum

VFBV has on its agenda a proposal to conduct an Under 35 Years Forum for the purposes of gaining an understanding of what young people expect and desire from their volunteering in CFA.

Whilst it was hoped to conduct the Forum in 2006/2007 external factors have led to it being delayed temporarily.

CFA have been approached to participate in a joint forum in the early months of 2008. A number of under 35 year olds from around the state have been identified and approached to form a steering committee.

Long Service Award Ribbon Survey



In the second half of 2006, VFBV forwarded a survey to all brigades seeking their preference of two alternative ribbons for a long service award for all CFA members - volunteers and staff.

297 brigades responded with their preference and, in a close decision, the chequerboard

design was the most favoured.

VFBV is working with CFA to progress the project which will see all volunteers who have served 10 years or more receive a long service ribbon and badge plus a lapel badge.

These badges will replace the existing long service badges for volunteers and staff.

Volunteer Charter

A condition of the Volunteer Charter is that it be reviewed at the request of one of the parties or after four years.

It is now over four years since the original Charter was signed and as a consequence the original volunteers group who drew up the Volunteer Charter were invited to carry out a review.

The group, under the Chairmanship of Board Member Quentin Turner, came to the conclusion that the Charter had served volunteers well over the past four years and that no change to the words or content were necessary. It was decided that all parties should be asked to re commit to the charter.

Since that meeting early in the year under review, both the State government, Premier Steve Bracks, Minister for Police and Emergency Services Bob Cameron, and CFA, through its Board, have reaffirmed their commitment to the Volunteer Charter.

Board and Staff Visits

The Board has a policy of visiting as many Regions in the State as possible each year and 2006/2007 was no exception with Board members or staff attending meetings in Regions 5, 6, 8, 9, 12, 15, 16, 18, 2, 22 and 23. Board members also met with the CFS of SA, attended the AFAC and AAVFBA conferences as well as the RFSA of NSW Annual Conference.

Impact of Public Land Management Practices on Bushfire in Victoria

VFBV made an extensive submission to the State Environment and Natural Resources Committee Inquiry on the above subject.

As well as the written submission, members of the organisations Summer Campaign Working Party attended public hearings of the Committee in several parts of the state.

Key issues raised with the ENRC included the importance and viability of effective prescribed burning, quality fire break construction and maintenance, the requirement for sufficient water sources whether it be for aerial or ground based suppression and the impact of traditional land uses such as cessation of grazing and harvesting contributing to the evident heavy fuel loadings in effected areas.

The full submission is available on the VFBV website.

Brigade Owned Vehicle Policy

Moves to review and revise the existing draft Brigade Owned Vehicle Policy commenced during this year and a volunteer group has met to put forward a set of principles to CFA on what it believes the policy should encompass.

Members of the group are Tom Brodie, Hans van Hamond, John Kennedy and Bill Rodda. A summary of their principles are:

- All vehicles should be operationally justified
- Tankers and small attack vehicles need RPC approval
- Tankers should be turned over every 20 years, or whatever CFA policy is at the time
- In the case of small attack vehicles, brigades supply cab chassis and CFA supply back and equipment to standard design
- There should be a 3 years turn over on small attack vehicles
- There should be a 1 to 5 ratio of command vehicles to operational vehicles in each group
- Replace one third of command fleet annually
- There should be a signed standard agreement with CFA, ie use of BOV cars or utes
- CFA pick up maintenance and direct costs of BOV tankers and cars
- BOV utes and cars should be fitted out to emergency service standard.

Mining & Energy Sector Emergency Management Review

At the request of CFA, the VFBV has appointed Board Member, Peter Downes as its representative on the Committee to carry out a review of the Mining and Energy Sector Emergency Management.

To date the Committee has only met once and it is very much early days on this project.

Emergency Medical Response Project

CFA is currently carrying out a pilot project to evaluate its capacity and capability to effectively deliver Emergency Medical Response (EMR) services to augment and support the service currently provided by the Metropolitan Ambulance Service.

VFBV is represented, on the reference group for the project, by Mick Taylor (Board Member) and Daryl Wells (Captain, Werribee).

Brigades involved in the project are Berwick, Edithvale, Mornington, South Morang and Whittlesea.

National Firefighter Championships

VFBV supported heavily by VUFBA has worked with the Lakes Entrance Brigade to ensure that the 2007 National Championships are a resounding success.

The Championships to be conducted on 19, 20 and 21st October at Lakes Entrance on a specially laid track have attracted 28 teams from all states of Australia and New Zealand.

CFA have also had significant input in both sponsorship and labour.

United Body to represent all CFA Volunteers

The Board has continued to work with the State and Regional bodies of the two volunteer associations in the progress towards a unified body.

Many of the regional councils of the two associations are having combined meetings for either some or all of their meetings. A number have elected one set of office bearers and adopted a single constitution. A discussion paper on a possible structure for a unified body has been developed for circulation to regions for their feedback and comment and a draft constitution has been produced.

In November 2007 a trial joint Executive meeting will be held as well as joint State Council meeting three weeks later.

It is anticipated that State bodies will continue to meet jointly until a unified body evolves.

Brigade Financial Management Projects

Chairman, Gary Lyttle and Deputy Chairman, Mick Taylor have represented VFBV on the Brigade Financial Management Projects Steering Committee.

The Steering Committee has been responsible for overseeing these projects in all.

Audit of General Brigade Financial Accountability Project

This project has been concerned with gathering data from brigades on their financial position and consolidating this information for including in the CFA Annual Report as required by the Auditor General.

The project has also been concerned with the proper record keeping of financials by brigades.

One ABN Project

The issue of CFA wanting all brigades to have the same ABN as CFA has been well documented and VFBV has insisted it should be the brigade's choice.

Many brigades have cancelled their ABNs and agreed to use the CFA ABN but there are some 298 at the end of June who have separate ABNs to the CFA one.

Audits of brigades finances undertaken under the AG Brigade Financial Accountability Project has identified a significant number of brigades who were not complying with the ATO requirements on BAS statements placing members at risk of prosecution.

FEM Re-alignment Project

The FEM business has undergone a major overhaul over the past two years and most brigades are now using the centralised accounts payable system provided by CFA.

Centralised accounting has provided brigades with a greater understanding of the financial implications of their FEM business.

Cross Border Meeting - Naracoorte

In August 2006 a number of Board meetings attended a cross border meeting at Naracoorte held by South Australian Volunteer Fire Brigades Association.

The meeting was primarily designed to look at the issues affecting the two fire services along the South Australian/Victorian border and to identify solutions.

Amongst the matters considered were:

- Central purchasing
- People availability
- Different training levels
- Interagency training
- Fire ban districts and signage
- Air support and mapping
- Pagers
- Workload and admin requirements on volunteers

At the conclusion DCO Lapsley offered to draw up terms of reference for future meetings and proposed the next meeting be in Nhill in August 2007.

Operational Catering Facilities Review

Board members, Tom Brodie and the late Bernie Pearson, represented volunteers on the Committee carrying out the Operational Catering Facilities Review. CFA Board member, David Gibbs has subsequently replaced Mr. Pearson.

The Committee is proposing a fundamental change to the catering arrangements in that CFA accept responsibility for its own catering and only use other services when their own arrangements are exhausted.

It will be necessary for CFA to set standards for all aspects of catering to enable catering suppliers to be appointed.

A key recommendation is that CFA introduce a permanent position of Catering Officer to be responsible for

food standards, suppliers standards, standard supplier contracts, training and performance monitoring.

Catering plans will need to be put in place at Brigade, Group and Regional level.

Strategic Working Group

Under the Chairmanship of Board Member Quentin Turner, the Strategic working Group was formed out of a Board Planning meeting in November 2006.

The membership is made up of Association President, CFA Volunteer Board members and VFBV staff.

In establishing its focus, the group has looked at the following issues at meetings it has held:

- External environment - challenges and opportunities
- Internal environment - core capability, strengths and weaknesses
- Understanding our value to members and stakeholders
- The big issues likely to face CFA, volunteers, government and community over the next five years
- What is critical to VFBV's success
- Strategic priorities based on the foregoing

As a unified body evolves this group will continue to look to the future and analyse progress.

Volunteer Fire Brigades Victoria Inc.

Financial Report for the Year Ended 30 June 2007

BOARD'S REPORT

Your committee members submit the financial report of the Volunteer Fire Brigades Victoria Inc. for the financial year ended 30 June 2007.

Board Members

The names of committee members at the date of this report are:

Gary Lyttle -Chairman	Hans van Hamond
Michael Taylor – Deputy Chairman	Peter Downes
Quentin Turner	Tom Brodie
Rob Waterson	Bruce Vine

Principal Activities

The principal activities of the association during the financial year were to represent the interests of all CFA volunteers on matters which impact on them.

Significant Changes

No significant change in the nature of these activities occurred during the year.

Operating Result

The loss from ordinary activities after providing for income tax amounted to \$(96,684) (2006 -\$52,414)

Signed in accordance with a resolution of the Board Members.



Gary Lyttle (Chairman)



Michael Taylor (Deputy Chairman)

Dated this 28th day of September 2007

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
INCOME			
CFA Funding Operations		366,000	325,000
CFA Travel Reimbursement (Agreed Meetings)		279,000	225,000
Association Contributions		120,000	120,000
Interest received		16,432	24,871
TOTAL INCOME		781,432	694,871
EXPENDITURE			
Auditing		1,738	1,790
Advertising		4,838	296
Communications		9,024	6,276
Contract Labour		5,710	47,700
Depreciation		1,896	2,257
Miscellaneous		2,660	6,904
Rent and outgoings		8,714	11,618
Stationery and Software		17,285	15,826
Employment costs		330,655	262,138
Volunteer Travel Reimbursed -CFA Approved Meetings		288,323	276,727
National Championships		60,599	10,924
Volunteer First Project		109,664	29,814
TOTAL EXPENSES		841,106	642,457
Profit (Loss) before income tax		(59,674)	52,414
Income tax expense	2	0	0
Profits after income tax		(59,674)	52,414
RETAINED PROFITS AT THE BEGINNING OF THE FINANCIAL YEAR		445,976	393,562
RETAINED PROFITS AT THE END OF THE FINANCIAL YEAR		386,302	445,976

BALANCE SHEET AS AT 30 JUNE 2007

	Note	2007 \$	2006 \$
CURRENT ASSETS			
Cash and cash equivalents	3	421,340	442,351
Trade and other receivables		53,240	60,000
TOTAL CURRENT ASSETS		474,580	502,351
NON-CURRENT ASSETS			
Property, plant and equipment	4	3,719	3,741
TOTAL NON-CURRENT ASSETS		3,719	3,741
TOTAL ASSETS		478,299	506,092
CURRENT LIABILITIES			
Trade and other payables		54,622	42,454
Employee entitlements		37,375	17,662
TOTAL CURRENT LIABILITIES		91,997	60,116
NON-CURRENT LIABILITIES			
Liability		0	0
TOTAL NON-CURRENT LIABILITIES		0	0
TOTAL LIABILITIES		91,997	60,116
NET ASSETS		386,302	445,976
MEMBERS' FUNDS			
Retained profits		386,302	445,976
TOTAL MEMBERS' FUNDS		386,302	445,976

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		781,875	650,000
Payments to suppliers and employees		(818,089)	(678,171)
Dividends received			
Interest received		16,432	10,775
Income tax paid		0	0
Net cash provided by operating activities	7	(19,782)	(17,396)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		1,229	3,109
Net cash provided by (used in) investing activities		(21,011)	69,463
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		0	0
Net cash provided by (used in) financing activities		0	0
Net increase (decrease) in cash held		(21,011)	(20,505)
Cash at beginning of year		442,351	462,856
Cash at end of year	3	421,340	442,351

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act Victoria. The committee has determined that the association is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the Associations Incorporation Act Victoria and the following Australian Accounting Standards:

AASB 112 Income Taxes

AASB 1031 Materiality

AASB 110 Events after the Balance Sheet Date

AASB 117 Leases

No other applicable Accounting Standards, Urgent Issues Group Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

a. Income Tax

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the association will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

b. Fixed Assets

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all fixed assets are depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Leases

c.

Leases of fixed assets where substantially all the risk and benefits incidental to the ownership of the asset, but not the legal ownership are transferred to the association are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments. Including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for that period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

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

NOTE 2: INCOME TAX EXPENSE

The incorporation is exempt from income tax as it is a not-for-profit organisation.

NOTE 3: CASH AND CASH EQUIVALENTS

	2007	2006
	\$	\$
General Cheque Account	158,130	94,172
Travel Reimbursement Account	113,210	98,178
Deposits at bank	150,000	250,000
TOTAL CASH AND CASH EQUIVALENTS	421,340	442,351

NOTE 4: PROPERTY, PLANT AND EQUIPMENT

	2007	2006
	\$	\$
Property, plant and equipment at cost	13,123	11,249
Less accumulated depreciation	9,403	7,507
	3,720	3,741

NOTE 5: AUDITORS' REMUNERATION

	2007	2006
	\$	\$
Remuneration of the auditor of the parent entity for:		
— auditing or reviewing the financial report	1,738	1,790
— taxation services	0	0
— due diligence services	0	0
— taxation services provided by related practice of auditor	0	0

NOTE 6: RELATED PARTIES

Interest in Contracts

During the year ended 30 June 2007, Volunteer Fire Brigades Victoria Inc. did not enter into a contract with related parties.

NOTE 7: CASH FLOW INFORMATION	2007	2006
	\$	\$
Reconciliation of Cash Flow from Operations with Profit (Loss) from Ordinary Activities after Income Tax		
Profit (Loss) after income tax	(59,674)	52,414
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
— Depreciation	1,896	2,257
— Net gain on disposal of property, plant and equipment	0	0
— (Increase)/decrease in trade and term debtors	60,000	(60,000)
— Decrease in prepayments	0	0
— (Increase)/decrease in inventories	0	0
— Increase/(decrease) in trade and other payables	(4,707)	(18,938)
— Increase/(decrease) in current tax liabilities	(1,874)	(3,109)
— Increase/(decrease) in employee benefits	19,713	6,872
	<u>(15,354)</u>	<u>(20,505)</u>

STATEMENT BY DIRECTORS OF THE BOARD

The committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the committee the financial report as set out on pages 2 to 7:

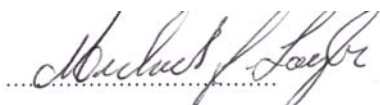
1. Presents a true and fair view of the financial position of Volunteer Fire Brigades Victoria Inc. as at 30 June 2007 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Volunteer Fire Brigades Victoria Inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:

Chairman Gary Lyttle



Deputy Chairman Michael Taylor



Dated this 28th day of September 2007

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
VOLUNTEER FIRE BRIGADES VICTORIA INC.**

Scope

We have audited the financial report, being a special purpose financial report, of Volunteer Fire Brigades Victoria Inc. for the year ended 30 June 2007 as set out on pages 2 to 7. The Committee is responsible for the financial report and has determined that the accounting policies used and described in Note 1 to the financial statements which form part of the financial report are appropriate to meet the requirements of the Associations Incorporation Act Victoria and are appropriate to meet the needs of the members. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of Volunteer Fire Brigades Victoria Inc. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the members.

The financial report has been prepared for the purpose of fulfilling the requirements of the Associations Incorporation Act Victoria. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the accounting policies described in Note 1 so as to present a view which is consistent with our understanding of the Association's financial position, and performance as represented by the results of its operations and its cash flows. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia.

The audit opinion expressed in this report has been formed on the above basis.

In our opinion, the financial report of Volunteer Fire Brigades Victoria Inc. presents a true and fair view of the financial position of Volunteer Fire Brigades Victoria Inc. as at 30 June 2007 and the results of its operations and its cash flows for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

The special purpose financial report and committee's responsibility

The special purpose financial report comprises the balance sheet, income statement, accompanying notes to the financial statements, and the statement by members of the committee for Volunteer Fire Brigades Victoria Inc. (the association), for the year ended 30 June 2007.

The committee of the association is responsible for the preparation and true and fair presentation of the financial report and have determined that the accounting policies used and described in Note 1 to the financial statements which form part of the financial report are consistent with the financial reporting requirements of the Associations Incorporation Act Victoria and are appropriate to meet the needs of the members. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

The special purpose financial report has been prepared for distribution to members for the purpose of fulfilling the committee's financial reporting requirements under the Associations Incorporation Act Victoria. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Audit Approach

We conducted an independent audit in order to express an opinion to the members of the association. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the accounting policies described in Note 1, so as to present a view which is consistent with our understanding of the association's financial position, and of its performance as represented by the results of its operations. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia. No opinion is expressed as to whether the accounting policies used and described in Note 1, are appropriate for the needs of the members.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the committee.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

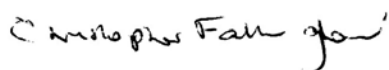
Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In our opinion, the financial report of Volunteer Fire Brigades Victoria Inc. presents a true and fair view in accordance with the accounting policies described in Note 1 to the financial statements, of the financial position of Volunteer Fire Brigades Victoria Inc. as at 30 June 2007 and the results of its operations and its cash flows for the year then ended.

Name of Christopher Falkingham FCA & FCPA



Date 28th September 2007

Address 144 Cochranes Road, Moorabbin Vic 3189