

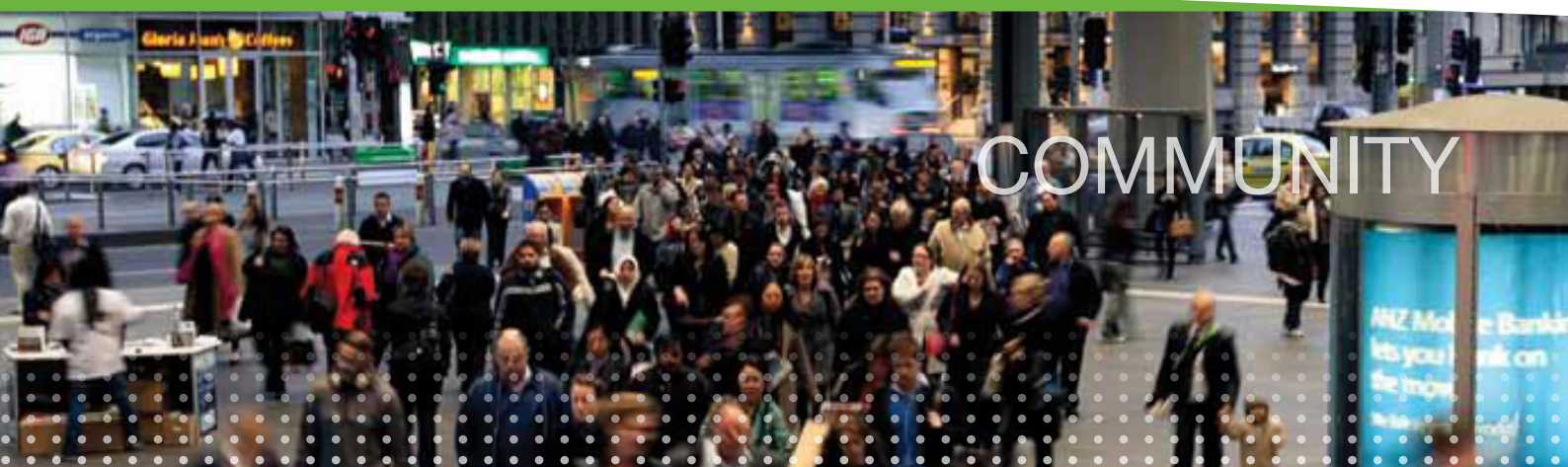
Annual Report 2011-12



SERVICE



PEOPLE



COMMUNITY

The background image is a faded, grayscale photograph of a street scene. In the center, there is a diamond-shaped pedestrian crossing sign with a silhouette of a person walking. Below it is a rectangular sign that says "CROSSING AHEAD". To the right, there is a small shop or kiosk with a sign that says "MERCHANDISE" and "Cafe". Above the shop, there are signs for "MALMSBIE HOTEL" and "PROVIDER". The scene is set against a backdrop of trees and a building with a corrugated metal roof.

At the heart of ESTA's operations is the provision of excellent service for the community, delivered by highly trained and expert people.

CONTENTS

Chairman's foreword	02
CEO's report	03
Vision, Mission, Values and Community	04
About ESTA	05
Organisation Structure	06
Growth in Demand	07
Community Engagement	08
Stakeholder Relations	09
Operations	10
Managed Services	17
Technology and Communications	21
Strategic Planning and Continuous Improvement	22
People	23
Environment	24
Corporate Governance	26
Statutory Information	30
Financial Report	34
Financial Statements	35
Notes to the Financial Statements	39
Glossary of Acronyms	72

CHAIRMAN'S FOREWORD



PAUL BARKER
Chairman

ESTA's mission is to provide the critical link between the Victorian community and emergency services. Every day thousands of Victorians rely on ESTA personnel to connect them with emergency service assistance.

In 2011-12, ESTA focused on important operational, service and organisational improvements to better meet community expectations. These improvements reflect the Government's all hazards, all agencies approach to emergency management across the State.

ESTA's ongoing regionalisation program saw the organisation take responsibility during the year for all ambulance call-taking and dispatch across Victoria, along with additional police regions and expanded State-wide services for VICSES. Victoria will be first in Australia to achieve all agency call-taking and dispatch through a single centralised service when the final police region cuts over to ESTA in early 2012-13.

Some significant challenges were overcome to meet this milestone and the people at ESTA, especially those at the frontline of call-taking and dispatch, together with those across the emergency services sector, all deserve recognition for their efforts.

ESTA has set itself a goal of service excellence in all that it does and, during 2011-12, put in place a number of significant initiatives to pursue that vision. This included creating a new line of business focused on better understanding and responding to the needs of its Emergency Services Organisation (ESO) customers. Similarly, new business planning, auditing and reporting processes are driving efficiency and improving overall operations.

ESTA's commitment to operational and business improvement is to be commended and its achievements reflect the efforts of its staff, managers and CEO, Ken Shymanski. I wish to acknowledge those efforts and those of my fellow Authority Members.

In particular, I acknowledge the contributions of Authority Members, Mr Trevor Thompson and Mr Terrence Francis. Mr Thompson retired as an Authority Member during 2011-12 after six years of service. ESTA benefited greatly from his extensive experience in operational policing and tele-communications. Mr Francis chaired ESTA's Advisory Committee and expertly guided its deliberations for seven years before stepping down on 29 June. Mr Francis will also retire in September 2012 after more than ten years as an Authority Member and Director of ESTA's predecessor organisation, Emergency Communications Victoria.

Finally, I would also like to express gratitude on behalf of the Authority and ESTA management to the Minister for Police and Emergency Services for his support throughout the year.

PAUL BARKER

CEO'S REPORT



KEN SHYMANSKI
Chief Executive Officer

The Victorian Government is leading development of an all hazards, all agencies approach for the delivery of emergency services. For ESTA this puts the Victorian community and community safety at the centre of everything it does.

ESTA's charter on behalf of the Government and for the community is to be the single primary provider of emergency services telecommunications. ESTA recognises that to do this well and provide excellent service it must continually review and improve its operations.

Accordingly, the year has been characterised by growth for ESTA. The geographic area ESTA serves has expanded; the number of calls taken increased; ESTA dispatched more events this year than ever before; more data and messaging transactions were managed; and work to build key relationships took place. This focus on growth and service affected financial results with an \$8.7M loss or 5 per cent of revenue. ESTA is, however, continuing to mature with the introduction of greater business discipline and operational rigour.

ESTA's vision is to achieve service excellence and these points of growth each represent where the organisation challenged itself to improve in 2011-12.

ESTA recognises that to deliver the best service for the community it must have excellent relationships across the Emergency Services sector. The creation of the Stakeholder Relations Department as a new line of business in early 2012, recognises, and aims to realise, the benefits of becoming closer and more responsive to ESTA's Emergency Services customers.

The success of the regionalisation program during the year similarly saw ESTA expand and meet significant challenges in assuming new Emergency Service operational regions.

More regions and more services mean more calls and events for dispatch and during 2011-12 ESTA put in place a number of activities to meet demand and improve service quality. An \$8.5 million program to upgrade the Computer Aided Dispatch (CAD) system, used in all centres and across all services, started during the year. A new workforce management approach was implemented to improve forecasting, rostering, and reporting. Staff recruitment, training and development were given greater focus with particular emphasis on education and training to build the capability of ESTA's frontline managers.

These initiatives, along with others to improve business planning and financial management, reflect ESTA's commitment to continuous improvement and meeting community expectations. I am pleased to provide this report and in doing so acknowledge the people across ESTA whose efforts throughout the year have delivered many highlights. I also acknowledge the Authority Chairman and Members for their work and support during 2011-12.

A handwritten signature in black ink, reading "K Shymanski". The signature is written in a cursive, flowing style.

KEN SHYMANSKI

VISION, MISSION, VALUES AND COMMUNITY

ESTA's Vision

Service excellence
in everything we do.

ESTA's Mission

ESTA will:

- + Provide the critical link between the community and emergency services
- + Provide integrated State-wide emergency communications services
- + Work together with the Emergency Services Organisations to help them achieve their goals.

ESTA's Values

- + Excellent Customer Service
- + Fairness, Integrity and Respect
- + Support, Encourage and Develop
- + One ESTA

ESTA's Community

ESTA operates to benefit the Victorian community.

Its stakeholders include:

- | | |
|---|---|
| <ul style="list-style-type: none"> + The people of Victoria + Emergency Services Organisations: <ul style="list-style-type: none"> - Ambulance Victoria - Country Fire Authority (CFA) - Metropolitan Fire Brigade (MFB) - Victoria Police - Victoria State Emergency Service (VICSES) + ESTA employees + Major suppliers and technology partners | <ul style="list-style-type: none"> + State Government <ul style="list-style-type: none"> - Minister for Police and Emergency Services - Department of Justice - Department of Premier and Cabinet - Department of Treasury and Finance - Department of Health - Department of Sustainability and Environment - Emergency Services Commissioner - Fire Services Commissioner |
|---|---|

ABOUT ESTA

The Victorian Government is leading the development of an all hazards, all agencies approach to emergency management. In line with this important Government policy, ESTA operates as the single primary provider for the delivery of Victoria's emergency services telecommunications.

At the heart of ESTA's operations is the provision of excellent service for the community, delivered by highly trained and expert people.

The 2011-12 year has been characterised for ESTA by a dramatic expansion of its services in regional Victoria coupled with some growth in community demand for services.

SERVICE

ESTA is open all hours, every day of the year, to meet the needs of Victorians. The organisation is charged with taking calls made to Triple Zero and the State Emergency Service via 132 500, and with the timely, appropriate dispatch of police, fire, ambulance and VICSES services.

ESTA also provides mission-critical operational communications for Victoria's emergency services. The metropolitan-based Mobile Data Network (MDN); the Metropolitan Mobile Radio service (MMR); and the state-wide Emergency Alerting System (EAS) are all managed by ESTA on behalf of the State.

Working in close collaboration with Victoria's Emergency Service Organisations (ESOs), ESTA received more than 2.2 million calls and oversaw almost 1.7 million event dispatches during the year.

PEOPLE

ESTA comprises more than 760 employees based in Melbourne and regional Victoria. More than 600 ESTA staff are directly engaged in call-taking, dispatch and the oversight of these services from three State Emergency Communications Centres (SECCs). A small Support Office, including corporate support functions, manages ESTA's three lines of business: Operations, Managed Services, and Stakeholder Relations.

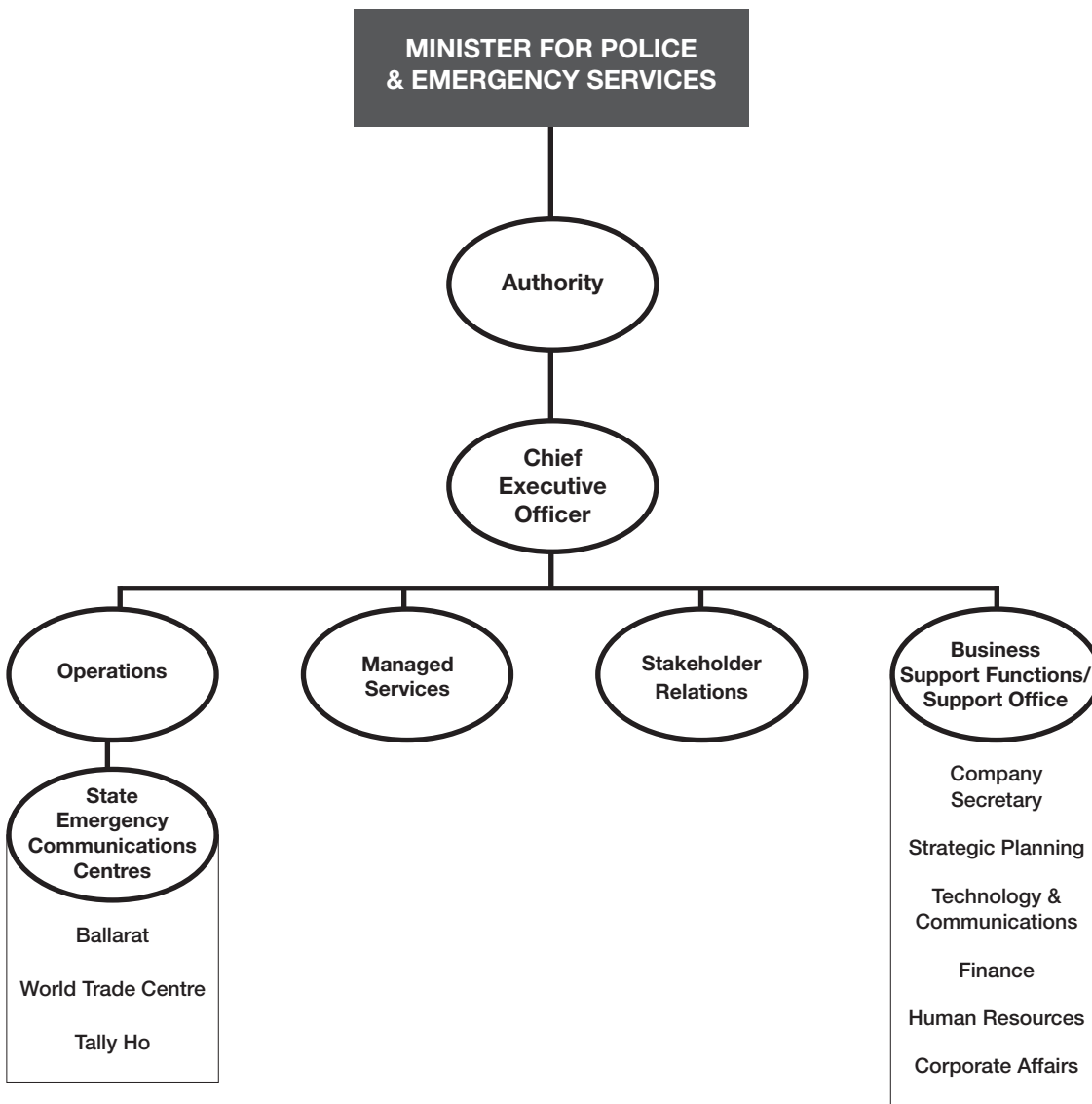
ESTA prides itself on excellence in the training and development of its expert call-taking and dispatch personnel. Developing the management capabilities of ESTA's emerging leaders has been a major priority throughout 2011-12.

COMMUNITY

ESTA's mission is to provide the critical link between the community and emergency services. Victorians rely on ESTA to take their calls when emergency assistance is needed. Victoria's emergency services also rely on ESTA to manage Triple Zero and VICSES calls and dispatch the best response to the right location. The ESOs also rely on ESTA to appropriately manage the radio, data and alert services that support their emergency response.

ORGANISATION STRUCTURE

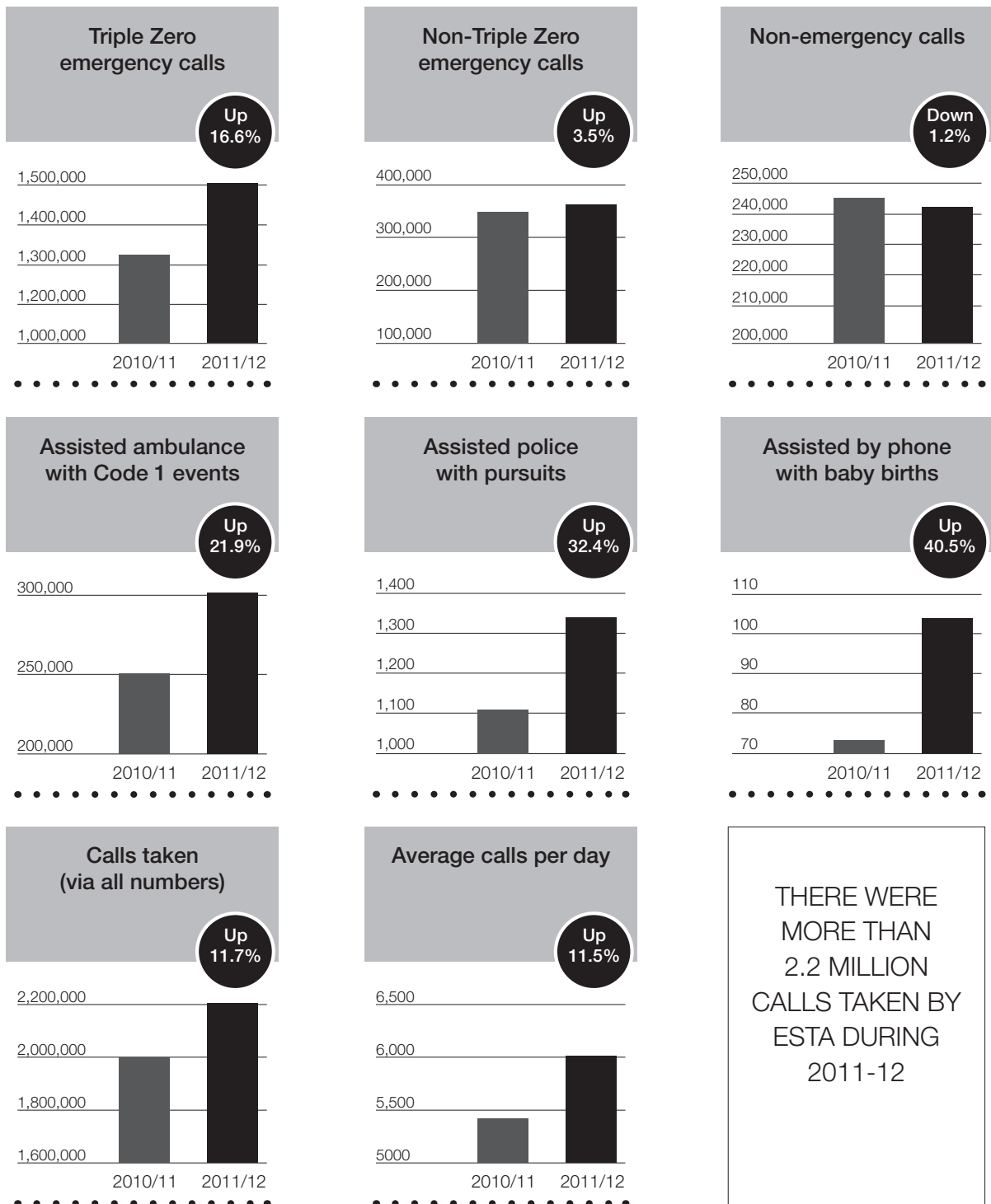
ORGANISATIONAL CHART



GROWTH IN DEMAND

The 2011-12 year has been characterised by growth, primarily as a result of an expansion of the Victorian regions where ESTA provides service, but also reflecting an increase in community demand for those services.

A visual snapshot of some of ESTA's call-taking and dispatch in 2011-12¹.



¹ ESTA's call-taking and dispatch data is reported in detail in the Operations section of the Annual Report at page 12.

COMMUNITY ENGAGEMENT

COMMUNITY ENGAGEMENT

ESTA takes its community service responsibilities seriously and is an active participant in community events. The organisation consciously works to educate the community on the appropriate use of Triple Zero, as well as equipping Victorians with information on what they need to know and do when calling the emergency number.

- + ESTA's annual Junior Triple Zero Heroes awards are a highlight of the community engagement calendar. Nineteen children aged between eight and 16 years were recognised during the year for their responsible use of the Triple Zero service. These Junior Heroes had been involved in emergencies including house and electrical fires; an injured sibling involved in a motorbike accident; reporting a missing family member; and unconscious and unwell parents and grand parents.
- + Enthusiastic ESTA staff engaged with thousands of patrons at the 2011 Royal Melbourne Show educating children over an 11 day period about the Triple Zero process. ESTA also showcased its services for the fourth consecutive year at the Royal Geelong Show, raising awareness about the Triple Zero process with interactive displays and real emergency calls.
- + ESTA staff also participated in the Royal Children's Hospital Good Friday Appeal telethon.

Highlights

ESTA has a strong commitment to partnering with Victoria's ESOs to help deliver important safety programs. During the year ESTA people:

- + Participated in the MFB's TEENS - Teaching, Enlightening, Encouraging, Nurturing Safe drivers - program, which aims to address a rise in teenage-related fatalities and injuries involving car crashes. The program targets secondary school students who are approaching driving age with the objective of reducing road trauma.
- + Helped deliver safety messages to primary school children across the Loddon Mallee region as part of the CFA's SAFE - Safety Awareness Field Education - program.
- + Partnered with Victoria Police to deliver key safety messages to the community from the Police Communications Bus at the culturally diverse Moonee Ponds Festival.

STAKEHOLDER RELATIONS



Close collaboration with the Emergency Services is fundamental to shaping and improving ESTA's service delivery. ESTA seeks to continually improve its communication and collaboration with Victoria's ESOs and, in March 2012, created a new line of business to oversee Stakeholder Relations and the delivery of ESTA's change program.

The role of Stakeholder Relations is to bring greater consistency and focus to ESTA's service and commercial relationships. It also assists ESTA to operate in a more integrated manner. Specifically, the Stakeholder Relations Department drives ESTA's service change and development program through:

- + Building, developing and enhancing relationships with ESO customers and other stakeholders;
- + Working strategically to ensure ESTA aligns its activities with the priorities of the Emergency Management sector;
- + Delivery of ESTA's annual program of works; and
- + Management of customer service and business change requests.

Highlights

In its first few months of operation the Department has delivered some important improvements.

- + A backlog of change requests was identified and reduced. Efforts to better manage change requests are continuing to deliver positive results.
- + Similarly, the change delivery process has been reviewed and is progressively being simplified.
- + An overall review of ESTA's change management has also been performed and opportunities identified that will simplify the submission, assessment, performance and measurement of service requests. To achieve this change, and develop stronger overall asset life cycle management, a new integrated organisation-wide change management platform will be implemented during 2012-13.

Through Stakeholder Relations, ESTA is also working closely with the Office of the Emergency Services Commissioner and the Fire Services Commissioner to ensure improved sectoral alignment and service delivery.

OPERATIONS

OPERATIONS

The 2011-12 year was characterised by growth for the Operations line of business. The number of calls to Triple Zero increased across the year with significantly more events for dispatch. The primary driver of this growth was the continuation of ESTA's regionalisation program. ESTA Operations assumed responsibility for call-taking and dispatch across the State for ambulance, for four of five police rural regions, and expanded State-wide services for VICSES. It also relocated the entire Tally Ho SECC to new premises and expanded at Ballarat. Non-Emergency ambulance regional call-taking and dispatch was also transitioned to ESTA during the first half of 2012.

Despite the pressure of expansion and increased call volumes, Operations delivered all of its key projects on or ahead of time and within budget during the year. Particularly noteworthy were the efforts of frontline and other personnel who maintained service through these transitions.

REGIONALISATION

In line with Government policy, ESTA has been progressively assuming responsibility for call-taking and dispatch across all emergency services in all parts of the State. Regionalisation contributes to comprehensive, seamless and holistic emergency services telecommunications arrangements in Victoria, and supports the all hazards, all agencies approach to emergency management.

- + The ambulance regionalisation program set out to provide greater consistency and efficiency in call-taking and dispatch service delivery across the State and was guided by Ambulance Victoria's strategic objective of delivering the optimum level of patient care. The police regionalisation program has been a similar success with positive feedback from Victoria Police on the quality of the service. So far, the program has enabled more than 60 Victoria Police members previously engaged in communications duties to return to active duty.
- + Following the transition of Victoria Police call-taking and dispatch responsibilities for the Bendigo region in July and Mildura in December, ESTA was able to perform multi-agency police, fire, ambulance and VICSES call-taking and dispatch for the west of the state. It is noteworthy that some Ambulance Victoria and Victoria Police regions were transitioned ahead of schedule to meet the operational needs of the respective agency, and to meet community expectations of consistent call-taking and dispatch service across the State.
- + ESTA also provided a radio connection into the VICSES dispatching environment along with specialist technology that, for the first time, provides ESTA dispatchers with State-wide connection to all VICSES units. The enhancements assist in the management of VICSES calls into ESTA.

OPERATIONS

Through its regionalisation program, ESTA has been able to:

- + Create a State-wide service delivery model improving its ability to meet high-volume call-taking demand for both ambulance and police;
- + Enhance the response from ESOs when emergency assistance is required in any of the regions transferred to ESTA; and
- + Improve the level of redundancy for ESTA's metropolitan call-taking and dispatch operations.

WORKFORCE MANAGEMENT

ESTA is undertaking a major overhaul of its Operations forecasting, rostering and reporting systems and processes. In 2011-2012, ESTA introduced a forecasting, rostering and reporting software package that provides an enhanced capability to accurately predict call arrival patterns and likely handling times, so resources can be better matched to demand. The software will also provide improved reporting capabilities for team leaders and Operations management.

Already, two years of historical call arrival data has been analysed; training has been arranged for more than 100 system users; and roster details for more than 600 staff loaded into the system to enable automatic generation of staff rosters.

EMERGENCY MARKERS

Identifying a caller's location is the first and most critical element in the delivery of a timely and accurate response to a Triple Zero call. It is an essential element in delivering emergency services to the Victorian Community.

Over time, ESTA and the sector identified a time-critical caller location issue for emergency services needing to respond to 'open space' locations with no set addresses. The Emergency Marker program was created in 2005-06 and entered its sixth successful year of operation in 2011-12.

- + By 30 June, 2012 there were 1554 Emergency Markers installed in 92 locations across Victoria – an increase of 187 markers and 23 locations for the year.
- + Of particular note was the installation of 16 Emergency Markers at Victorian hang gliding and paragliding take off ramps and landing zones. These are the first of 58 planned by the Hang Gliding and Para Gliding Association.
- + Frankston City Council also added 71 markers at their foreshore beach access tracks and along two popular recreation trails within the municipality.

OPERATIONS

CALL-TAKING AND DISPATCH

ESTA experienced increases across the range of call-taking and dispatch, breaking the two million call level for the first time. The increases experienced were primarily a result of an expansion of the Victorian regions where ESTA provides service, but also reflected increased community demand for ESTA services.

The total number of calls of all types taken during 2011-12 was 2,210,515², an increase of 11.7% over the previous year. The total number of events dispatched grew to 1,690,775, an increase of 14.8% for the same period. ESTA's call-taking represented a call every 14 seconds compared with an average of 16 seconds the previous year.

The only categories of call to decline in demand were for non-emergency assistance including patient transport; calls from emergency services in the field; and VICSES calls³.

Highlights

- + ESTA works closely with VICSES to answer and manage calls to its 132 500 storm number. In 2011-12, there were 37,598 calls to 132 500 taken by ESTA. Reflecting the nature of the VICSES, there were some significant events during the year that generated surges in call volumes. Severe storms in the metropolitan area of Melbourne on Christmas Day 2011 resulted in more than 5000 calls for VICSES assistance, including 1500 calls in a one hour interval. Extensive rainfall particularly in the North East of the state in early March 2012, resulted in 4000 calls for VICSES assistance from 1 to 5 March.
- + A new common fire call-taking procedure was developed in consultation with the MFB and CFA, with a new fire call-taking queue implemented in November. This provides state-wide consistency in fire call-taking and allows a request for calls to be answered by any fire

Activity	2011-12	2010-11	Change
Calls taken (via all numbers)	2,203,506	1,971,348	11.7%
Events dispatched	1,690,775	1,472,393	14.8%
Average calls per day	6020	5400	11.5%
Triple Zero emergency calls	1,531,557	1,313,489	16.6%
Non-Triple Zero emergency calls	367,673	355,160	3.5%
Calls to VICSES 132 500 taken	37,598	52,474	-28.4%
Non-emergency calls	242,891	245,934	-1.2%
Assisted ambulance with Code 1 events	307,738	252,386	21.9%
Assisted police with pursuits	1337	1010	32.4%
Assisted by phone with baby births	104	74	40.5%

² This represents all call activity managed by ESTA for the year, including calls for emergencies services (2,203,506) and public and other enquiry calls (7009). More data on calls for ESOs is detailed on pages 12-13.

³ It should be noted that calls to VICSES in 2010-11 were abnormally high at Christmas 2010 and in January 2011 due to major storms and flooding, and the decline in calls to VICSES from 2010-11 to 2011-12 reflects this. The number of calls to VICSES is otherwise reasonably consistent across the two years.

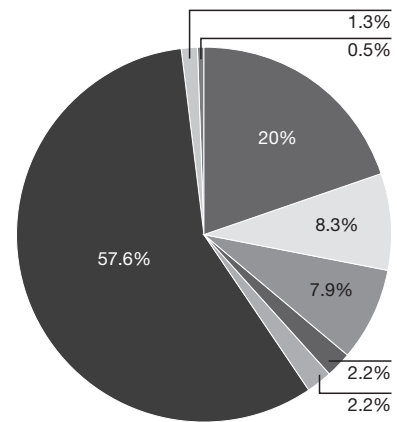
OPERATIONS

call-taker at any ESTA location, regardless of whether the location of the incident is in a CFA or MFB area.

- + ESTA personnel assisted with communications and resource management of a prolonged incident in Keilor East involving a siege that lasted almost two and a half days. Another prolonged incident expertly managed by ESTA call-takers and dispatchers involved a spill of liquid pitch at the Port of Portland from a tank containing 4000 litres. The spill resulted in an extensive response on 19 February 2012 and ongoing action from fire and support agencies until it was contained some four days later.
- + A 5.4 magnitude earthquake in the Moe area on 19 June 2012, resulted in a surge of calls to Triple Zero and the VICSES. Fortunately, the vast majority of these calls were generated from a desire to tell authorities there had been an earthquake rather than the need for any assistance.

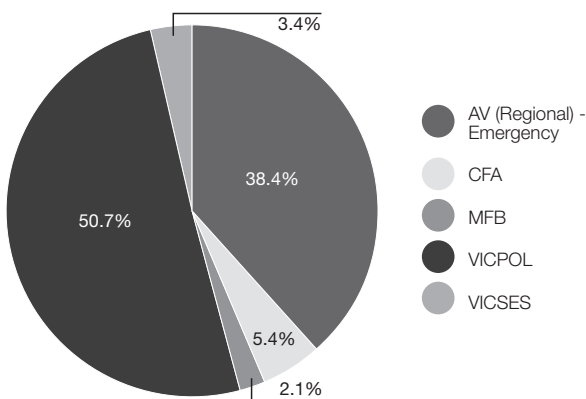
EVENTS DISPATCHED

Ambulance Victoria (Metro) - Emergency	337,339	20.0%
Ambulance Victoria (Metro) - Patient Transport	140,053	8.3%
Ambulance Victoria (Regional) - Emergency	134,352	7.9%
CFA	37,837	2.2%
MFB	36,776	2.2%
Victoria Police	974,139	57.6%
VICSES - Metro	21,817	1.3%
VICSES - Regional	8462	0.5%
Total:	1,690,775	100.0%



CALLS TAKEN

Ambulance Victoria (AV)	846,911	38.4%
CFA	118,028	5.4%
MFB	46,160	2.1%
Victoria Police (VICPOL)	1,118,000	50.7%
VICSES	74,407	3.4%
Total	2,203,506	100.0%



- AV (Metro) - Emergency
- AV (Metro) - Patient Transport
- AV (Regional) - Emergency
- CFA
- MFB
- VICPOL
- VICSES - Metro
- VICSES - Regional

OPERATIONS

PERFORMANCE

ESTA reports monthly on its call-taking and dispatch performance based on quantitative and qualitative standards determined by the Emergency Services Commissioner. ESTA strives to achieve a consistent state-wide level of performance for each agency in metropolitan and regional areas.

Currently, performance standards apply on a state-wide basis for the Fire services and VICSES. In the case of Victoria Police and Ambulance Victoria, ESTA reports call answer and dispatch performance on a metropolitan, regional and state-wide basis, based on the relevant metropolitan performance standard.

During the last financial year, the transition of regional call-taking and dispatch services to ESTA from Ambulance Victoria and Victoria Police progressed further. Transition of Ambulance Victoria emergency call-taking and emergency dispatch was finalised in August 2011 and non-emergency call taking and dispatch in May 2012. Transition of regional Victoria Police call-taking and dispatch to ESTA is scheduled for completion in 2012.

PERFORMANCE STANDARDS

The following standards currently apply to ESTA's Call-taking and Dispatch Services:

CALL ANSWER PERFORMANCE

Victoria Police Emergency

80% answered within 5 seconds⁴

Ambulance Emergency

90% answered within 5 seconds⁴

Ambulance Non-Emergency

90% answered within 30 seconds⁴

Fire Services Emergency

90% answered within 5 seconds

Fire Services Non-Emergency

90% answered within 30 seconds

Fire Services Operational

90% answered within 20 seconds

VICSES Emergency

90% answered within 20 seconds

VICSES Operational

80% answered within 20 seconds

DISPATCH PERFORMANCE

Victoria Police Priority 1 Events

80% dispatched within 160 seconds⁴

Victoria Police Priority 2 Events

80% dispatched within 300 seconds⁴

Victoria Police Priority 3 Events

80% dispatched within 900 seconds⁴

Ambulance Code 1 Events

90% dispatched within 150 seconds⁴

Ambulance Code 2 Events

90% dispatched within 300 seconds⁴

Fire Services Priority 1 Events

90% dispatched within benchmark⁵

Fire Services Priority 3 Events

90% dispatched within benchmark⁶

VICSES Priority 1 Events

90% dispatched within 60 seconds

VICSES Priority 2 & 3 Events

90% dispatched within benchmark⁷

⁴ Currently applies to Metropolitan Service Delivery only.

⁵ Emergency Medical Response / Alarm Events – 28 seconds, Urban Events - 120 seconds, Rural Events – 190 seconds, Other Agency Events – 60 seconds.

⁶ Urban Events – 160 seconds, Rural Events – 230 seconds.

⁷ Urban Priority 2 & 3 Events – 460 seconds, Rural Priority 2 & 3 Events – 460 seconds, Other Agency Events – 230 seconds.

OPERATIONS

OVERALL QUALITATIVE PERFORMANCE

ESTA assesses qualitative performance from a combination of the results of regular internal service delivery audits of call-taking and dispatch processes, and the number of valid Observation Reports⁸ received in relation to ESTA's service delivery.

ESTA received 318 Observation Reports for the year of which 140 reflected opportunity for improvement. This equates to approximately one valid Observation Report per 12,000 events dispatched.

Monthly Qualitative Performance standards currently apply to all agencies⁹, with the exception of VICSES, in the following categories: call processing; dispatch; messaging¹⁰; and data transfer¹¹.

PERFORMANCE AGAINST STANDARDS

VICTORIA POLICE

Emergency calls for Victoria Police are directed to a single group of call-takers located at the World Trade Centre and Ballarat SECCs. This arrangement provides for the most efficient use of call-takers and ensures call answer performance in regional areas is essentially identical to that in the metropolitan area.

- + ESTA consistently exceeded the performance benchmark of 80% of emergency calls answered within 5 seconds.
- + Across the whole state, ESTA averaged a monthly call answer performance of 87.1% and for the year, answered 86.9% of all calls within 5 seconds with an average call answer time of 4.5 seconds.
- + ESTA consistently exceeded the metropolitan dispatch performance benchmarks for Victoria Police in the metropolitan and regional dispatch areas. ESTA dispatched 92.3% of Priority 1 events within the benchmark time of 160 seconds across the state.

AMBULANCE VICTORIA

ESTA assumed responsibility for Ambulance Victoria emergency call-taking across the whole state in August 2011. ESTA's performance was reduced during the regionalisation project and it focussed on returning ambulance emergency call answer performance to compliance levels following the transition. Emergency calls for Ambulance Victoria are answered from a single group of call-takers located at the Tally Ho and Ballarat SECCs. This arrangement provides for the most efficient use of ambulance call-takers and ensures call answer performance in regional areas mirrors that in the metropolitan area.

- + ESTA met or exceeded the performance standard of 90% of calls answered in 5 seconds for eight months in the year.
- + Across the whole state, ESTA averaged a monthly call answer performance of 89.4% and for the year, answered 89.4% of ambulance emergency calls within 5 seconds with an average call answer time of 4.7 seconds.
- + ESTA achieved 93.8% of ambulance non-emergency calls answered within 30 seconds with an average call answer time of 7.2 seconds.
- + While ESTA did not meet the performance standard for Code 1¹² dispatch performance in 2011-12, an improvement plan is in place and is showing positive results.
- + ESTA dispatched 85.1% of Code 1 events across the state within the benchmark time of 150 seconds.
- + ESTA achieved 98.3% of successful qualitative internal audits for emergency call processing, 99.2% for emergency dispatch and 99.2% for emergency messaging.
- + ESTA achieved 98.6% of successful qualitative audits for non-emergency call processing and 100% for non-emergency dispatch.

8 An Observation Report reflects feedback which may include complaints or compliments.

9 For MFB and CFA, standards apply quarterly.

10 For Ambulance Victoria, measurement is combined for Emergency and Non-emergency.

11 Assessed on the basis of valid Observation Reports received.

12 Code 1 events are the highest priority ambulance events.

OPERATIONS

FIRE SERVICES

ESTA:

- + Consistently met or exceeded the call answer performance standard of 90% of emergency calls answered in 5 seconds for both the MFB and CFA for each month.
- + Answered 97.9% of emergency calls for CFA within 5 seconds and 96.9% of emergency calls for MFB within 5 seconds, with an average call answer time of 0.7 seconds and 2.2 seconds respectively.
- + Answered 94.8% of calls from CFA personnel and 94.2% of calls from MFB personnel within 30 seconds.
- + Achieved 92.4% of MFB events dispatched within the benchmark performance time. Dispatch performance for MFB met the performance standard for all months except February 2012.
- + Met the Priority 1 performance standard for CFA in five of the months, however achieved 89.5% of Priority 1 Events dispatched within the benchmark performance time for the year.
- + Did not meet the dispatch performance standard for CFA priority 3 but the performance has improved since the introduction of changes to standard operating procedures late in the year.

VICSES

ESTA managed compliance against the VICSES Emergency call answer performance standards in only two months of the year. Performance was affected by the unpredictable presentation of calls related to storm incidents across Victoria. ESTA, in conjunction with VICSES, will continue to seek better ways to manage and respond to surges in call demand related to weather events.

- + ESTA storm call activity varied from nine to 5193 calls in a day, and 21 days exceeded 400 calls and this constitutes a day of surge activity for VICSES storm calls.
- + ESTA answered 65.4% of storm calls within the benchmark of 20 seconds and achieved an average call answer time of 78.9 seconds.
- + ESTA answered 81.7% of operational VICSES calls within the benchmark time of 20 seconds.

MANAGED SERVICES



ESTA manages the provision of critical operational communication services for Victoria's ESOs via its Managed Services line of business. These operational communication services comprise the Emergency Alerting System (EAS), the Mobile Data Network (MDN) and the Metropolitan Mobile Radio (MMR) and were procured by the State under the its Public Private Partnerships (PPP) program.

These telecommunications services – providing personnel alerting, data and voice communications - have become an integral part of the day-to-day operations of Victoria's ESOs. Managed Services is responsible not only for meeting the technical, business and operational telecommunications demands of the ESOs, but also for ensuring the State receives value for money and the highest levels of service from these partnerships.

Highlights

- + As the EAS PPP approached the end of its contract term, ESTA negotiated to preserve the service, concluding the previous PPP and replacing it with an Operation and Maintenance Agreement that will commence in 2012-13.
- + An MMR PPP end of term contract extension was also successfully negotiated. It enables a soft ware upgrade to the existing network, the introduction of a new voice and telephony system, more efficient use of radio frequency spectrum and a refresh of all remote site equipment.
- + ESTA also deployed an integrated performance monitoring and reporting suite, known as "IgSentinel", which provides real-time visibility and compliance monitoring of all the critical network services.

MANAGED SERVICES

MOBILE DATA NETWORK

The MDN is a secure, digital, data switching telecommunications network that provides connectivity between mobile data equipped ESO resources in the field, their corporate databases and the ESTA call-taking and dispatch environment. It enables:

- + The efficient dispatch of events to field resources;
- + In field enquiry functionality of corporate databases such as the Law Enforcement Assistance Program (LEAP); and
- + Automatic Vehicle Location that facilitates both the identification of the closest appropriate ESO resource to an event, as well as personnel duress alerting that has the location of an ESO resource under duress.

Highlights

- + The Victorian Auditor-General's Office (VAGO) made a positive finding when reporting to Government during the year on ESTA's management of the MDN, including obsolescence. The MDN was chosen as a case study for audit because it was judged as fundamental to Victoria Police's metropolitan operations. VAGO reported the MDN contractor "performed well against demanding performance measures and the system has, through a range of modifications, evolved to meet changing operational needs".

PERFORMANCE

The availability of the MDN core network was 99.99% for the year (the same result as 2010-11) against a target of 95%¹³. The network recorded an increase in MDN transactions, the biggest increases recorded being for Victoria Police MDN LEAP enquiries and for CAD-MDN transactions. The increase is mainly due to the introduction of laptop mobile data devices to Victoria Police, enabling members to use MDN devices outside the traditional Melbourne metropolitan service area.

MDN Transactions			
Transaction Type	2011-12	2010-11	% Change
CAD – Ambulance Victoria	458,173	433,591	5.67%
CAD – Victoria Police	829,535	723,964	14.58%
LEAP inquiries	4,168,501	3,566,119	16.89%
Sheriff's Office	5827	6376	-8.61%
TOTAL Transactions	5,462,036	4,730,050	15.48%

¹³ While the MDN, MMR and EAS contracts include performance targets in the order of 95% availability, ESTA endeavours in each year of the contracts to exceed these targets over and above the contracted level, and the previous year.

MANAGED SERVICES

METROPOLITAN MOBILE RADIO

The MMR service is a digital radio voice communications system, operating to international standard protocols¹⁴, which provides mission-critical, high quality and secure communications over the Greater Melbourne area for Victoria Police, Ambulance Victoria and the MFB. More than 8000 portable and vehicle radio sets are in operation in the MMR network.

Highlights

- + A project to extend the MMR service contract was successfully negotiated with the service provider, Motorola. The contract extension will facilitate more efficient use of radio frequency spectrum and will ensure the MMR network is supported for the contract term (into 2016) and beyond. The MMR Extension Project will also deliver a new flexible and efficient radio and telephony voice logging and recording system that complements ESTA's call-taking and dispatch operations; it is currently being installed at the Tally Ho SECC and will be extended to all SECCs.
- + Completed a software upgrade that enables enhanced security.
- + A program commenced to refresh MMR radio base-stations that will improve the longevity of the network.

PERFORMANCE

The MMR core network availability for the year was 99.99% (the same result as 2010-11) against a target of 99.95%.

MMR Radio Calls			
Agency	2011-12	2010-11	% Change
Ambulance Victoria	4,395,271	4,498,316	-2.29%
Metropolitan Fire Brigade	1,198,028	1,191,222	0.57%
Victoria Police	14,126,366	14,065,988	0.43%
TOTAL Calls	19,719,665	19,755,526	-0.18%

14 APCO P25 Standard.

MANAGED SERVICES

EMERGENCY ALERTING SYSTEM

The EAS is a dedicated alerting system that is used to alert and, simultaneously, mobilise the CFA, VICSES and Ambulance Victoria's regional resources for both career staff and volunteer members. These Emergency Services are dispatched to incidents via text messages received on personal paging devices.

The EAS network comprises 225 sites across the State of Victoria, transmitting messages to approximately 40,000 pagers.

The EAS has proven itself to be an extremely reliable and efficient method of alerting emergency services personnel to critical incidents, able to sustain a high level of service during high demand or peak events.

Following an evaluation of its end of term service options, the Government determined in 2011 to change the current service provision model for EAS and instead manage the service through an Operation and Maintenance Agreement with the current service provider. The new EAS Operation and Maintenance Agreement was executed by the Minister for Police and Emergency Services this year, and will commence in November 2012.

A key initiative under the new Agreement is the transition of ownership of all EAS assets back to the State including infrastructure, hardware, software and site leases but excluding pager terminals.

Highlights

- + An EAS Network Upgrade Project team has implemented a number of network upgrades and others are in progress. These upgrades address concerns raised by the Victorian Bushfires Royal Commission about the EAS's capacity for message throughput during peak events.
- + Ministerial approval was given during the year to replace existing pagers with a newer model, better suited to serving emergency service personnel and contributing to improved throughput.

PERFORMANCE

The EAS performance for 2011-12 resulted in an overall message delivery success rate of 99.997%, well above the target of 99.95% (and above 99.99% in 2010-11).

EAS Messaging Volumes				Delivery Success
Message Priority	2011-12	2010-11	% Change	2011-12
Emergency Messages (E)	510,180	436,541	16.87%	99.996%
Non-Emergency Messages (NE)	438,056	359,952	21.70%	99.999%
Administrative Messages (A)	147,455	184,346	-20.01%	99.996%
TOTAL Messages	1,095,691	980,839	11.71%	99.997%

TECHNOLOGY AND COMMUNICATIONS

TECHNOLOGY AND COMMUNICATIONS

The Technology and Communications group supports Emergency Services via ESTA's three lines of business. Particular emphasis was given during 2011-12 to maintaining service levels and increasing resilience within the technical environments that support Triple Zero call-taking and dispatch.

CAD service levels set for the year were achieved and improved over the previous year. In 2011-12, the CAD service availability target was set at 99.8 per cent (excluding scheduled outages) and met. It reflected an improvement over the 2010-11 target of 99.7 per cent. ESTA intends to increase the availability target next year to 99.8 per cent *including* scheduled outages.

Highlights

- + ESTA was awarded the internationally recognised Intergraph ICON Award for innovative use of CAD technology. The Award recognised the development of a world-first data exchange solution, which enables ESTA to provide the ESOs with specific data as it is received via a Triple Zero call. This new interface sets the strategic direction for all future data exchange between ESTA and the Emergency Services.
- + The State Government provided \$8.5 million for ESTA to upgrade its Intergraph CAD Software. The upgrade work has commenced and will deliver streamlined call-taking and dispatch processes supported by state-of-the-art software and systems. The project will also increase system resilience and better position the Victorian emergency services sector in responding to community requirements. Significant consultation with the Emergency Services is underway and will continue throughout the project which is due for completion in 2012-13.
- + A new Wide Area Network (WAN) was successfully installed in September. While increased performance, capacity and redundancy are all key features, it is improved fault tolerance that offers the greatest benefit to ESTA and Victoria. Since its implementation the WAN has exceeded the target service level of 99.99 per cent availability.
- + A refreshed 'Five Year Technology Roadmap' and associated investment plan were developed during the year. The Road Map and investment plan identify the coming year's technology projects and investments in detail. They also predict directions and investments in technology to meet the demands of the Victorian community for the following four years. A capital investment program to 2016 has been defined and is in implementation, and reviews of major vendor expenditure have been completed.

STRATEGIC PLANNING AND CONTINUOUS IMPROVEMENT

STRATEGIC PLANNING AND CONTINUOUS IMPROVEMENT

ESTA is committed to a vision of service excellence in all aspects of its operations. It recognises that effort and change are required if it is to achieve its goals. Accordingly, a number of business improvement initiatives were designed and executed during the year.

Among the improvements has been the introduction throughout 2011-12 of rigorous new business discipline at every level of the organisation, including the adoption of new business planning processes.

Under its continuous improvement framework, ESTA will continue to build on its planning process in 2012-13 by establishing a planning forum that includes representatives from across the Emergency Management sector. It will meet regularly to actively pursue an all hazards, all agencies approach to be reflected in future Business Plans.

SERVICE EXCELLENCE TEAMS

ESTA adopted a Service Excellence Team (SET) approach to continuous improvement during 2011-12. These teams delivered important practical organisational improvements and encouraged employee learning and knowledge sharing.

Using a SET approach, ESTA established a Balanced Scorecard management methodology that tracks ESTA's performance at an organisation, department and customer level. ESTA now reviews its activities through four perspectives to assess overall organisational performance from an internal and customer view. The 2012-13 year will see further refinement of the scorecard approach.

ESTA also reviewed its purchasing, procurement and contract management system using a SET approach and consequently is streamlining its processes to create efficiencies. Cost savings are expected to be realised in 2012-13.

AUDIT, RISK MANAGEMENT, BUSINESS CONTINUITY

The 2011-12 year saw significant improvements in ESTA's audit framework, including a strengthening of governance. ESTA adopted a new approach to auditing, co-ordinating and prioritising all audits; strengthening internal controls; and enhancing the link between the audit and risk management functions.

ESTA's new risk management process was successfully embedded into the organisation with the development and consistent review of its strategic and operational risk register. To ensure risks are reviewed in a timely and consistent manner the risk management process is linked to the balanced scorecard performance management tool.

In 2011-12 ESTA established a multi-agency Risk and Business Continuity forum. The forum began as part of a plan to strengthen ESTA's business resilience by first understanding both ESTA and customer needs for service continuity. As a result of the forum's work ESTA has committed to conducting regular business continuity and disaster recovery exercises.

PEOPLE

PEOPLE

The people of Victoria trust that the Triple Zero service will be there to respond and assist them should they need it. The ESTA employees behind Triple Zero are dedicated and highly trained individuals who care deeply about providing an excellent, around-the-clock, emergency service response for the community and ESTA's Emergency Services customers.

ESTA employed an average of 744 employees or 713 full time equivalents (FTE) per month in 2011-12 (compared with 661 staff or 629 FTE in 2010-11). This increase in personnel reflects the expansion of ESTA's call-taking and dispatch services in regional Victoria.

Highlights

- + A decision to significantly enhance ESTA's management capability and skills led to the development of a tailored Diploma of Management course in conjunction with the Victoria University. Fifty of ESTA's front-line operational and support managers commenced the Diploma during 2011-12. In addition, ESTA celebrated 15 employees achieving the Certificate IV in Frontline Management qualification.
- + Recruitment remains an important priority at ESTA. The unique nature of the Triple Zero service requires employees with specific skills, competencies and personal attributes. The year saw 133 emergency and non-emergency operators joining the organisation (down from 170 in 2010-11) as well as 35 support staff (up from 34 in 2010-11).
- + ESTA celebrated its employees' continuous service with Service Award ceremonies acknowledging 30 staff achieving 10 years of service and 19 staff achieving 15 years of service.
- + ESTA's overall staff retention rate was again above the 85 per cent target, achieving a rate of 88.9 per cent (compared with 90.3 per cent in 2010-11).
- + Staff attendance rates were also above the target of 93.5 per cent, with 94.8 per cent attendance or on approved leave excluding sick and carers leave (compared with 94 per cent in 2010-11).
- + A reduction in lost time accidents during the year was another highlight for ESTA. ESTA adopts a prevention approach to Occupational Health and Safety and encourages reporting of accidents and incidents. There were 24 lost time accidents during the year (compared with 26 in 2010-11).

ENVIRONMENT

ENVIRONMENT

ESTA continued its commitment to environmental sustainability in 2011-12 by aiming to reach new objectives and targets set out in its Environmental Management Strategy (EMS) for 2012-13. As in previous years, ESTA is proud to report office-based environmental data in the Annual Report in line with government legislative requirements.

The regionalisation program and relocation of the Tally Ho SECC were among the factors that influenced ESTA's environmental performance.

Highlights

- + **Paper Consumption:** In 2011-12, the reams of paper used per FTE decreased by 8 per cent, and total paper usage also declined.
- + **Energy & Fuel Consumption:** Electricity consumption per FTE has increased slightly, mainly caused by the relocation of Tally Ho. The relocation required the simultaneous operation of both old and new buildings for a 28 day period, resulting in an unusual increase in electricity consumption. The Support Office and other SECCs achieved decreases in electricity use per FTE.
- + Video conferencing was implemented at ESTA this year, enabling improved communications and reduced travel between sites, which reduced fuel consumption.
- + Recently, employees have been encouraged to use V/Line services between Ballarat and the CBD to further curtail fuel consumption.
- + **Waste:** Recycling rates have increased by 1 per cent overall and waste generated per FTE has declined to 42 kg per year from 61 kg in 2007-08, approaching the 41kg target set for next year.
- + ESTA provided a further 250 KeepCups to employees free of charge during 2011-12, in order to prevent waste generated by take away cups.
- + During the relocation of Tally Ho, the diversion of waste from landfill was encouraged by gifting furniture to individuals and charities and by transferring items to other SECCs. Recovery and re-use of materials was ensured where possible through resale and recycling of office furniture and electronic equipment. Through these initiatives a 94 per cent landfill avoidance rate has been achieved¹⁵. In addition, Motorola provided great assistance including reclaiming technical equipment to help reduce waste caused by the move.
- + **Sustainable Procurement:** ESTA's procurement strategy has focused on environmentally sustainable procurement since 2010 with the development of a sustainable procurement policy and inclusion of environmental weighting factors into tender evaluations. In 2012, ESTA is broadening its focus to include economic sustainability by adding Fair Trade considerations into procurement decisions.
- + **GHG Emissions:** GHG emissions per FTE at 6.5 tonnes CO₂ e have remained the same as the previous year, but over the past 5 years have diminished by over 25 per cent per FTE. The Building Management Unit at the Tally Ho SECC drives energy efficiency, resulting in a reduction in overall GHG emissions.

In order to reach the targets set in the 2012-13 EMS, ESTA is continuing work toward a paperless office including the use of data projectors at meetings and continuous improvement of printing devices. ESTA operates all hours and all year and is conscious of the challenge this presents for energy consumption.

Environmental Report							
Environm. Aspect	Description	Unit of measurement	Fin. Year 2011-12	Fin. Year 2010-11	Fin. Year 2009-10	Fin. Year 2008-09	Fin. Year 2007-08
Paper¹⁶	Use per FTE	Reams	4.4	4.8	3.7	4.5	5.2
	Total Use	Reams	3,199	3,215	2,061	2,340	2,572
	Total GHG emissions	Tonnes CO2 equivalent	15.1	15.2	9.8	11.1	12.1
Energy¹⁷ (Electricity & Gas)	Use per FTE	Megajoules per FTE	21,657	21,320	24,569	24,223	24,022
	Use per square metre of office space	Megajoules per m ²	1,565	1,768	1,797	1,663	1,579
	Total Use	Megajoules	15,679,453	14,220,157	13,608,484	12,596,123	11,963,142
	Total GHG emissions	Tonnes CO2 equivalent	4,693	4,296	4,181	3,719	4,353
	Green Power	%	25	25	20	20	0
Water¹⁸	Consumption per FTE	Kilolitres per FTE	3.5	4	4.9	4.7	5.8
	Total Consumption	Kilolitres	1,246	1,153	1,183	973	1,015
	Total GHG emissions	Tonnes CO2 equivalent	2.9	2.7	2.6	2.3	2.4
Waste¹⁹	Generated per FTE	Kilograms per FTE	42	47	45	45	61
	Total Recycled	%	59	58	59	55	50
	Total GHG emissions	Tonnes CO2 equivalent	15	13.3	10.3	13.6	19.7
Transport	Fuel (petrol)	Litres	6,212	4,766	5,172	3,647	3,669
	Operational Kilometres travelled	Km	59,555	61,244	44,373	38,374	36,666
	Vehicle emissions	Tonnes CO2 equivalent/1000km	0.24	0.18	0.27	0.24	0.23
	Total GHG emissions	Tonnes CO2 equivalent	14.2	10.9	11.8	9.1	9
GHG Emissions	Total GHG emissions for Fin. Year	Tonnes CO2 equivalent	4,740	4,338	4,218	3,755	4,397
	Total GHG emissions per FTE	Tonnes CO2 equivalent	6.5	6.5	7.6	7.2	8.8

16 Consolidation of stationery suppliers and automated usage reporting has provided better and more accurate capture of paper consumption data; increasing paper consumption reported in comparison to previous years.

17 GHG emissions due to electricity consumption are reduced through the purchase of Green Power since 2008-09.

18 Water metering is available for Ballarat SECC only. The Spring Street support office is located in a multi-tenanted building and not separately metered. Consumption has been estimated on percentage of building occupied and may not reflect a true indication of ESTA's water consumption. No data for water consumption was available for 128 Exhibition St. or WTC and Tally Ho SECCs.

19 Waste data includes recycled e-waste for Fin. Years 2011-12 and 2010-11.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

EMERGENCY SERVICES TELECOMMUNICATIONS AUTHORITY AND COMMITTEES

The Authority Members have the overall responsibility for the corporate governance of ESTA. In particular, the Members are responsible for:

- + Setting the strategic direction, objectives and targets of the business for the benefit of all stakeholders;
- + Monitoring and assessing performance of the business and of management against the agreed strategies, targets and objectives;
- + Identifying significant areas of business risk and ensuring that procedures and internal controls are established to manage them;
- + Ensuring that policies and appropriate ethical standards are established;
- + Ensuring compliance in legal and ethical matters;
- + Reporting to the Minister for Police and Emergency Services through the Chairperson;
- + Appointing the Chief Executive Officer and undertaking his/her performance reviews; and
- + Ensuring that appropriately skilled management are employed and provided with direction to manage the business and implement the initiatives required to achieve the objectives and targets of the business.

The ESTA Members during 2011-12 were:

Current Members

Mr Paul Barker (Chairman)

Appointed as a Member of ESTA in August 2008, Mr Barker became Chairman in November 2008. Mr Barker is also Chairman of the Transport Accident Commission; Deputy Chairman of the Victorian WorkCover Authority and Chairman of Mirvac Funds Management Ltd. He is a former Director of Employment National Ltd and a past Chairman of Stadium Operations Ltd (Etihad Stadium) and the Victorian Division of the Institute of Chartered Accountants. Mr Barker has extensive experience in accounting and financial services both in Australia and overseas. Formerly Chief Executive of Audit Victoria, he also held senior group executive positions with Standard Chartered Bank in Hong Kong, Singapore and London. He is a Fellow of the Institute of Chartered Accountants in Australia and a Member of the Institute of Chartered Secretaries and the Australian Institute of Company Directors.

Mr Roger Leeming (Member)

Appointed ESTA an Member on 4 July 2006, Mr Leeming retired from the role of CEO, Pilkington Australasia in 2006 with international experience in the construction and automotive industries. He was also President of the Australian Industry Group in Victoria (and National Vice President) and President of the Australian Glass and Glazing Association. Mr Leeming sat on the Victorian Skills Commission for two years, which advised the State Minister on Industry-led Skills Development and is a Director of the Holmesglen Institute of TAFE. Mr Leeming also chairs the Authority's Human Resources and Remuneration Committee.

**Mr Terrence Francis
(Member)**

Appointed Director of Emergency Communications Victoria in July 2002 and ESTA Member on 1 July 2005, Mr Francis has expertise in corporate finance, infrastructure development and governance. He is also a director of Boom Logistics Limited, ANZ Specialist Asset Management Limited, and NBN Co Limited. His previous executive appointments in the banking industry include Chief Executive Officer, Bank of America Australia; Executive Director and General Manager, Deutsche Bank Australia and Vice President, Continental Illinois Bank. Mr Francis also chaired the Authority's Advisory Committee, stepping down on 29 June after 7 years as a Committee Member and Chairman.

**Ms Christina Gillies
(Member)**

Appointed Director of ECV in July 2002 and ESTA Member on 1 July 2005, Ms Gillies is an independent non-executive director serving on a number of boards, associations and charities and advises boards on establishing IT Governance leadership. She also uses her current and past experience as an executive mentor. She is a Director of Oakton Ltd and Chairman of the MS Society NSW, VIC and ACT. She has established and chairs four Board IT committees, including ESTA's Information and Communications Technology Committee, and advises a number of others. Ms Gillies previously held executive positions with St George Bank, Bank of Melbourne, Coles Myer and DMR Group Australia.

**Ms Penelope Pengilley
(Member)**

Appointed an ESTA Member in July 2005, Ms Pengilley is a solicitor with over 25 years experience as a commercial litigator in a variety of areas including contract disputes; directors' duties; trade practices and insolvency; and banking and finance. Ms Pengilley has been a Director of Brian Ward & Partners Pty Ltd since October 2011 where she heads the corporate reconstruction, insolvency and general litigation group. Previously she was a partner at Holding Redlich for nine years and, before that a partner at Andersen Legal and prior to that, Freehills. Previously, Ms Pengilley was for two years General Counsel with the Department of State and Regional Development, the lead agency in Victoria for investment facilitation.

**Mr Stewart Leslie
(Member)**

Appointed an ESTA Member in July 2009, Mr Leslie is a Fellow of the Institute of Chartered Accountants in Australia. For 15 years he was a partner with accounting firm KPMG, where he specialised in assurance and advisory services. Since retiring from that partnership in 2001, he has been appointed to a number of governance roles in the public sector. He is a member of the Board of the Royal Women's Hospital, where he chairs the Hospital's Finance Committee, and a Council member of the Australian Community Support Organisation, which assists the disadvantaged. Mr Leslie chairs the Authority's Audit, Risk Management and Compliance Committee and is a member of the Information and Communications Technology Committee.

Retired Members during 2011-12

**Mr Trevor Thompson
(Member October 2005-October 2011)**

Mr Thompson retired as Assistant Commissioner of Victoria Police in 2005 after 40 years service. From 2000, Mr Thompson had managed Region 4 for two years, Crime Department for a year and Region 1 for two years and was a member of the Victoria Police Corporate Committee. Mr Thompson has extensive experience in operational policing with an intricate knowledge of operational telecommunications requirements. He was a member of the Victorian Council Against Violence for six years.

CORPORATE GOVERNANCE

COMMITTEES

THE AUTHORITY OPERATED FOUR COMMITTEES IN 2011-12:

- + ESTA Advisory Committee

- + Audit, Risk Management and Compliance Committee

- + Human Resources and Remuneration Committee

- + Information and Communications Technology Committee.

ESTA ADVISORY COMMITTEE

The ESTA Advisory Committee is appointed by ESTA pursuant to Section 21 of the Emergency Services Telecommunications Act 2004.

The functions of the Advisory Committee are to:

- (a) Advise the Authority of any specific requirements of, or issues relating to, the organisations represented on the committee; and,
- (b) Carry out any other functions that are conferred on the committee by the Act, by the regulations or by the Authority.

The 2011-12 Advisory Committee members were:

- + Terrence Francis
Chairman of the Advisory Committee
(until end June, 2012) and Member of ESTA

- + David Rogers
Executive Manager Operational
Communications, Metropolitan Fire Brigade
(until December 2011)

- + David Youssef
Deputy Chief Fire Officer Metropolitan Fire
Brigade (from December 2011)

- + Steve Warrington
Deputy Chief Officer, Country Fire Authority
(until May 2012)

- + Joe Buffone
Deputy Chief Officer, Country Fire Authority
(from May 2012)

- + Trevor White
Director Operations, Victoria State Emergency
Service

- + Mark Rogers
Manager Operations, Ambulance Victoria

- + Colin Oates
Group Manager Business Information Technology
Services Department, Victoria Police
(until December 2012)

- + Alan Byrne
Acting Assistant Commissioner, Victoria Police
(from December 2012)

Standing invitees to the Advisory Committee were:

- + Michael Hallowes
Commissioner, Office of the Emergency
Services Commissioner (from December 2011)

- + Craig Lapsley
Fire Services Commissioner (from April 2012)

- + Ian Nicklen
Acting Director, Emergency Management
Programs and Resources, Department of Justice
(from December 2011)

AUDIT, RISK MANAGEMENT AND COMPLIANCE COMMITTEE

The objectives of the Committee are to:

- + Assist the Authority to fulfil its risk management, accounting and reporting responsibilities by providing independent and objective oversight and review of the information presented by Management on ESTA's performance and operations;
- + Ensure that appropriate risk management policies and procedures are developed and implemented by Management;
- + Provide a formal process for communication between the Members of the Authority, Management and the internal and external auditors; and
- + Oversee and appraise the quality, efficiency and effectiveness of the internal and external audit functions.

Members of the Audit, Risk Management and Compliance Committee in 2011-12 were:

- + Stewart Leslie (Chair)
- + Christina Gillies
- + Penny Pengilley
- + Trevor Thompson (until October 2011)

HUMAN RESOURCES AND REMUNERATION COMMITTEE

The role of the Human Resources and Remuneration Committee is to provide oversight and guidance in relation to ESTA's Human Resources policies and employment terms and conditions.

Members of the Human Resources and Remuneration Committee in 2011-12 were:

- + Roger Leeming (Chair)
- + Paul Barker (Authority Chairman)
- + Penelope Pengilley

INFORMATION AND COMMUNICATIONS TECHNOLOGY COMMITTEE

The primary objective of the Committee is to ensure that Information and Communications Technology governance is addressed in a structured manner, while ensuring that the Authority has the information it needs to make informed Information and Communications Technology related decisions.

Members of the Information and Communications Technology Committee in 2011-12 were:

- + Christina Gillies (Chair)
- + Terry Francis
- + Roger Leeming
- + Stewart Leslie
- + Karen Corry (Independent member)

STATUTORY INFORMATION

STATUTORY INFORMATION

ATTENDANCE AT AUTHORITY AND COMMITTEE MEETINGS

A - Number of meetings held during the time the Member held office during the period.

B - Number of meetings attended.

*Independent Member of ICT Committee

ESTA, as part of its public accountability, is required to report on some specific activities undertaken during the year.

Authority Members at 30 June 2011	Authority meetings		Audit, Risk Management & Compliance Committee		Human Resources Committee		Information & Communications Technology Committee		ESTA Advisory Committee	
	A	B	A	B	A	B	A	B	A	B
Paul Barker	9	9			4	4				
Terrence Francis	8	6					4	2	4	4
Christina Gillies	9	8	5	5			4	4		
Roger Leeming	9	9			4	4	4	4		
Stewart Leslie	9	9	5	5			4	4		
Penelope Pengilley	9	9	5	4	4	4				
Trevor Thompson	2	1	2	2						
Karen Corry*							4	4		

PUBLICATIONS

The ESTA Annual Report 2010-11 was tabled in the Parliament during the year. The organisation also produced the 'ESTA Corporate Plan 2011-16' as well as the 'ESTA Business Plan 2011-12'. These publications were added to the variety of materials distributed through its website. A range of internal publications were produced and distributed within ESTA to keep staff informed of business activities.

CONSULTANTS

During 2011-12 ESTA engaged contractors/consultancies of the following values.

There were four engagements over \$100,000, totalling \$633k; 18 engagements between \$5000 and \$100,000 totalling \$648k; and 10 engagements below \$5000 totalling \$26k.

The total spend was \$1.307m.

NATIONAL COMPETITION POLICY

ESTA complied with the Victorian Government's policy statement on competitive neutrality.

PURCHASING

All tenders undertaken within the year were consistent with the Victorian Government Purchasing Board policies and guidelines.

FREEDOM OF INFORMATION

ESTA is subject to the Freedom of Information Act 1982 (Vic) and is committed to making relevant documents and information available to the community.

The designated person for the purpose of the Act during 2011-12 was:

The ESTA Chief Executive Officer

ESTA used a computerised records management system to manage its correspondence and documents during 2011-12. Other computer systems manage financial, human resources and operational activities.

People wanting access to ESTA documentation under the Freedom of Information Act (Vic) should write to:

The Company Secretary
Emergency Services Telecommunications Authority
Level 6
215 Spring Street
Melbourne 3000

General inquiries concerning Freedom of Information can be made by telephoning the Company Secretary on (03) 8656 1200 between 8.30 am and 5.00 pm, Monday to Friday or via email info@esta.vic.gov.au

ESTA responded to 40 FOI requests during 2011-12 compared to 12 in 2010-11. The increase is primarily attributable to ESTA assuming responsibility for requests relating to Triple Zero calls for ambulance assistance which were previously managed by Ambulance Victoria.

PRIVACY LEGISLATION

ESTA is subject to the Information Privacy Act 2000 (the Act) and the Health Records Act 2001 and is committed to protecting the privacy of all personal and health information it collects and handles.

ESTA uses personal information provided for responding to emergencies and related activities. This information may also be used for research and statistical analysis purposes.

ESTA operates telephone call recording equipment. Recordings may be provided to ESOs, law enforcement bodies, the Courts and judicial officers or may be used for purposes authorised by the Telecommunications Act and the Emergency Services Telecommunications Act.

ESTA is committed to openness and transparency and welcomes any queries about its approach to privacy. People wanting to make a privacy inquiry should write to:

The Chief Executive Officer
Emergency Services Telecommunications Authority
Level 6
215 Spring Street
Melbourne 3000

STATUTORY INFORMATION

WHISTLEBLOWERS' PROTECTION

ESTA is committed to its obligations under the Whistleblowers' Protection Act 2001. This commitment includes protecting people (known as whistleblowers) who come forward with a public interest disclosure about any perceived improper conduct by ESTA or its staff. ESTA supports the promotion of public sector accountability and transparency.

ESTA has implemented procedures to establish a system for reporting disclosures of improper conduct or detrimental action in accordance with the legislation.

DISCRIMINATION, BULLYING AND HARASSMENT

ESTA provides services to, and is part of, a diverse multicultural community and its staff will not discriminate, directly or indirectly, in relation to:

- + Employment, including recruitment, selection, promotion, transfer, assessments, remuneration, conditions of service, training, staff discipline and termination of employment;
- + The opportunity for staff to compete and apply their abilities, aptitude and knowledge; or
- + The conduct of its business.

ESTA and its staff will not harass or bully another person or a group of people and will not engage in behaviour that is unwanted or unwelcome and uninvited and is likely to offend, embarrass, insult, humiliate or intimidate another person or a group of people.

ESTA will do whatever is necessary to rectify any discrimination, harassment or bullying.

ESTA's induction program incorporates guidance on all aspects of its discrimination, bullying and harassment policies. Training courses or information sessions are arranged as necessary to ensure managers and staff are informed of changes or additions to policies, or their emphases, and to reinforce those policies.

Human Resources procedures detail arrangements for the reporting of any discrimination, bullying or harassment to a line manager or higher manager if necessary and for the investigation and resolution of matters when that becomes necessary.

ESTA staff and management have undertaken training to assist in recognising and dealing with bullying and harassment.

ESTA monitors its workplace climate, and policy program effectiveness.

PEOPLE WITH A DISABILITY

ESTA celebrates diversity within its workforce and the community that it serves. The ongoing management of its Disability Action Plan 2009 is proof of its commitment to people with a disability.

ESTA has taken positive steps in a number of areas supporting this commitment and its responsibilities under the Disability Discrimination Act including:

- + Implementing a Reasonable Adjustment Policy to improve access to employment opportunities within ESTA;
- + Establishing an ongoing program to review all employment and other organisation policies and procedures, to ensure they are compliant with the Act;
- + Providing programmed briefings to the ESTA Authority and Executive Committee as part of a broader strategy to improve the awareness of the needs of people with a disability and influence change within the community;
- + Ensuring access to all ESTA workplaces;
- + Ensuring people with a disability are aware of available employment opportunities by engaging professional agency support that ensures access to the disability network;
- + Ensuring ESTA's online presence satisfies disability access standards; and
- + Providing access to publicly available ESTA documents in formats suitable for people with a disability.

RISK MANAGEMENT

I, Paul Barker certify that the Emergency Services Telecommunications Authority (ESTA) has a risk management process in place consistent with the Australian/New Zealand Risk Management Standard and an internal control system in place that enables the executive to understand, manage and satisfactorily control risk exposures. The ESTA Audit, Risk and Compliance Committee verifies this assurance and that the risk profile of ESTA has been critically reviewed within the last 12 months.



Paul Barker
Chairman

DECLARATION TO THE ACCOUNTS

Authority Members, Accountable Officers and Chief Finance and Accounting Officer's declaration

We certify that the attached financial statements for the Emergency Services Telecommunications Authority (ESTA) have been prepared in accordance with Standing Direction 4.2 of the Financial Management Act 1994, applicable Financial Reporting Directions, Australian Accounting Standards, including interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes to and forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2012 and financial position of ESTA as at 30 June 2012.

We are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 27 August 2012.

On behalf of the Authority:



Paul Barker
Chairman
Melbourne
27 August 2012



Ken Shymanski
Chief Executive Officer
Melbourne
27 August 2012



Geoff Cutter
Chief Financial Officer
Melbourne
27 August 2012

FINANCIAL STATEMENTS

Comprehensive Operating Statement

for the financial year ended 30 June 2012

	Notes	2012 \$'000	2011 \$'000
Income from transactions			
Revenue	3(a)	175,080	173,632
Total Income from transactions		175,080	173,632
Expenses from transactions			
Employee benefits	3(b)	68,940	60,578
Depreciation and amortisation	3(c)	48,335	45,971
Other operating expenses	3(d)	60,291	56,268
Interest expense	3(e)	4,653	7,614
Total Expenses from transactions		182,219	170,431
Net result from transactions (net operating balance)		(7,139)	3,201
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	3(f)	(215)	(13)
Other gains/(losses) from other economic flows	3(g)	(1,441)	31
Total other economic flows included in net result		(1,656)	18
Net result		(8,795)	3,219
Comprehensive result		(8,795)	3,219

The above operating statement should be read in conjunction with the accompanying notes.

FINANCIAL STATEMENTS

Balance Sheet

as at 30 June 2012

	Notes	2012 \$'000	2011 \$'000
Assets			
Financial assets			
Cash & deposits	17(a)	32,856	37,338
Receivables	4	15,521	20,168
Total financial assets		48,377	57,506
Non-financial assets			
Prepayments		1,792	624
Non financial assets classified as held for sale	7(a)	-	29
Plant and equipment	5	54,760	85,602
Intangible assets	6	3,295	3,872
Total non-financial assets		59,847	90,127
Total assets		108,224	147,633
Liabilities			
Payables	8	29,212	26,541
Borrowings	9	27,656	74,544
Provisions	10	11,137	8,757
Lease liabilities associated with current assets held for sale	7(b)	-	29
Total liabilities		68,005	109,871
Net assets		40,219	37,762
Equity			
Accumulated surplus/(deficit)		(10,542)	(3,210)
Contributed capital		39,644	28,392
Contract contingency reserve	18	11,117	12,580
Net worth		40,219	37,762
Commitments for expenditure	14	65,070	114,459
Contingent liabilities and contingent assets	15	-	-

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of changes in equity

for the financial year ended 30 June 2012

Notes	Accumulated surplus/ (deficit) \$'000	Contributions by Owner \$'000	Contributed Capital Reserve for MS Cont \$'000	Total \$'000
Balance at 1 July 2010	(6,876)	18,094	13,027	24,245
Net result for the year	3,219			3,219
Capital appropriations		10,298		10,298
Transactions with owner in their capacity as owner	447		(447)	-
Balance at 30 June 2011	(3,210)	28,392	12,580	37,762
Net result for the year	(8,795)	-	-	(8,795)
Transfer to accumulated surplus	-	-	-	-
Capital appropriations	-	11,252	-	11,252
Transactions with owner in their capacity as owner	1,463	-	(1,463)	-
Balance at 30 June 2012	(10,542)	39,644	11,117	40,219

The above statement of changes in equity should be read in conjunction with the accompanying notes.

FINANCIAL STATEMENTS

Cash flow statement

for the financial year ended 30 June 2012

	Notes	2012 \$'000	2011 \$'000
Cash flows from operation activities			
Receipts			
Receipts from customers		194,971	183,101
Interest Received		1,713	2,033
Total receipts		196,684	185,134
Payments			
Payments to employees and suppliers		(145,452)	(125,337)
Goods and Services Tax paid to the ATO		(2,955)	(2,936)
Total payments		(148,407)	(128,273)
Net cash flows from/(used in) operating activities	17(b)	48,277	56,861
Cash flows from investing activities			
Purchases of non-financial assets		(18,137)	(17,671)
Sales of non-financial assets		123	96
Net cash flows from/(used in) investing activities	17(c)	(18,014)	(17,575)
Cash flows from financing activities			
Owner contributions by State Government		11,252	10,298
Repayment of borrowings and finance leases		(45,997)	(42,256)
Net cash flows from/(used in) financing activities	17(c)	(34,745)	(31,958)
Net increase/(decrease) in cash and cash equivalents		(4,482)	7,328
Cash & cash equivalents at the beginning of the financial year		37,338	30,010
Cash & cash equivalents at end of the financial year	17(a)	32,856	37,338

The above cash flow statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

1. INTRODUCTION

The financial statements cover the Emergency Services Telecommunications Authority (ESTA) which is a statutory authority created by the Emergency Services Telecommunication Act 2004 and commenced operations on 1 July 2005.

ESTA's principal address is:
ESTA
Level 6, 215 Spring St
Melbourne VIC 3000

A description of the nature of ESTA's operations and its principle activities is contained earlier in this Report does not form part of these financial statements.

These financial statements were authorised for issue on 27 August 2012.

2. SUMMARY OF ACCOUNTING POLICIES

2.1 Statement of compliance

These general purpose financial statements have been prepared in accordance with the Financial Management Act 1994 (FMA) and applicable Australian Accounting Standards (AAS) which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of the AASB 1049 Whole of Government and General Government Sector Financial Reporting.

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

2.2 Basis of accounting preparation and measurement

The accrual basis of accounting has been applied in the preparation of these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Judgements, estimates and assumptions are required to be made about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AAS's that have significant effects on the financial statements and estimates, with a risk of material adjustments in the subsequent reporting period, are disclosed throughout the notes to the financial statements.

The financial statements are presented in Australian dollars, and prepared in accordance with the historical cost convention except for:

- + Non-financial physical assets which, subsequent to acquisition, are measured at a revalued amount being their fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair value.
- + The fair value of an asset other than land is generally based on its depreciated replacement value.
- + Actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates.
- + Historical cost is based on the fair values of the consideration given in exchange for assets.

NOTES TO THE FINANCIAL STATEMENTS

The accounting policies set out below have been applied in preparing the statements for the year ended 30 June 2012 and the comparative information presented for the year ended 30 June 2011.

2.3 Objectives and funding

ESTA is predominantly funded by service charges levied upon the ESOs. These charges are in accordance with a schedule contained in ESTA's Annual Business Plan which is approved by the Minister.

ESTA's main purpose is to give Victorians access to emergency and non emergency help at all times via multi-agency call taking and dispatch.

2.4 Scope and presentation of financial statements

Comprehensive operating statement

Income and expenses in the comprehensive operating statement are classified according to whether or not they arise from 'transactions' or 'other economic flows'. This classification is consistent with the whole of government reporting format and is allowed under AASB 101 Presentation of Financial Statements.

'Transactions' and 'other economic flows' are defined by the Australian System of Government Finance Statistics: Concepts, Sources and Methods, 2005 (ABS Catalogue No. 5514.0) (see Note 23 – Glossary of Terms for further explanation).

'Transactions' are those economic flows that are considered to arise as a result of policy decisions, usually interactions between two entities by mutual agreement. Transactions also include flows within an entity, such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the Government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash.

'Other economic flows' are changes arising from market remeasurements. They include:

- + gains and losses from disposals;
- + revaluations and impairments of non-financial physical and intangible assets; and
- + gains and losses from the revaluation of the present value of the long service leave liability due to changes in the bond interest rates.

The net result is equivalent to profit or loss derived in accordance with AASs.

Balance sheet

Assets and liabilities are presented in liquidity order with assets aggregated into financial assets and non-financial assets.

Current and non-current assets and liabilities (non-current being those assets or liabilities expected to be recovered or settled more than 12 months) are disclosed in the notes, where relevant.

Cash flow statement

Cash flows are classified according to whether or not they arise from operating activities, investing activities, and financing activities. This classification is consistent with requirements under AASB 107 Statement of Cash Flows.

Statement of changes in equity

The statement of changes in equity presents reconciliations of each non-owner and owner changes in equity from opening balance at the beginning of the reporting period to the closing balance at the end of the reporting period. It also shows separately changes due to amounts recognised in the 'Comprehensive result' and amounts recognised in 'Other economic flows – other movement in equity' related to 'Transactions with owner in its capacity as owner'.

Rounding of amounts

Amounts in the financial statements have been rounded to the nearest \$1000, unless otherwise stated. Figures in the financial statements may not equate due to rounding.

2.5 Changes in accounting policy

On 1 July 2011, ESTA changed its accounting policy in relation to accounting for provision of make good clauses within a lease agreement. Previously ESTA had not provided for make good clauses due to the uncertainty around reliable estimates and the likelihood of the landlord enforcing property make goods. During the year ESTA was required to make good on the premises at 8 Lakeside Drive Burwood East. The new policy will see ESTA will account for the provision of make goods clauses for all property lease agreements entered into from 1 July 2011. Retrospective application of this change is deemed impracticable.

2.6 Income from transactions

Income is recognised to the extent that it is probable that the economic benefits will flow to the entity and the income can be reliably measured.

Revenue from the provision of services

The service charges levied upon the ESOs for both CAD services and the PPP contracts form a fixed monthly fee and are therefore recognised monthly. Other adhoc charges for work undertaken as requested by the ESOs are recognised at the time when services have been rendered or goods have been supplied.

Interest revenue

Interest revenue includes interest received on bank term deposits, interest from investments, and other interest received. Interest revenue is recognised using the effective interest method which allocates the interest over the relevant period.

Net realised and unrealised gains and losses on the revaluation of investments do not form part of income from transactions, but are reported as part of income from other economic flows in the net result or as unrealised gains and losses taken direct to equity, forming part of the total change in net worth of the comprehensive result.

Major incident funding

During 2010-11 ESTA received funding to assist with the 2011 floods. This funding has been expended.

2.7 Expenses from transactions

Expenses from transactions are recognised as they are incurred and reported in the financial year to which they relate.

Employee expenses

Employee benefits expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments, WorkCover premiums and superannuation contributions. These are recognised when incurred, except for contributions in respect of defined benefit plans.

Superannuation

The amount recognised in the comprehensive operating statement is the employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period.

Depreciation and amortisation

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets (excluding items under operating leases, assets held-for-sale and investment properties) that have finite useful lives are depreciated. Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life.

Leasehold improvements are depreciated over the shorter of the remaining term of the lease or the estimated useful life of the improvements using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate. Note 5 provide details on the estimated useful lives that are used in the calculation of depreciation on property, plant and equipment.

Intangible assets with finite useful lives are amortised as an expense from transactions on a systematic (typically straight-line) basis over the asset's useful life. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

NOTES TO THE FINANCIAL STATEMENTS

Interest Expense

Interest expenses are recognised as expenses in the period in which they are incurred and include finance lease charges.

Supplies and services

Supplies and services costs are recognised as an expense in the reporting period in which they are incurred. They generally represent the day-to-day running costs, including maintenance costs, incurred in the normal operations of ESTA.

Other economic flows included in net result

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions. These include:

Net gain/(loss) on non-financial assets

Net gain/(loss) on non-financial assets and liabilities includes realised and unrealised gains and losses from revaluations, impairments, and disposals of all non-financial assets and intangible assets.

Disposal of non-financial assets

Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal and is determined after deducting from the proceeds the carrying value of the asset at that time.

Impairment of non-financial assets

Assets are assessed annually for indications of impairment. This is undertaken during the asset stocktake. If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as an other economic flow. The recoverable amount for assets is measured at the higher of depreciated replacement cost and fair value less cost to sell.

Other gains/(losses) from other economic flows

Other gains/(losses) from other economic flows include the gains and losses from the revaluation of the present value of the long service leave liability due to changes in the bond interest rates.

2.8 Financial Instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the Department of Justice's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 Financial Instruments: Presentation. Where relevant, for note disclosure purposes, a distinction is made between those financial assets and financial liabilities that meet the definition of financial instruments in accordance with AASB 132 and those that do not.

The following refers to financial instruments unless otherwise stated.

Financial assets and liabilities at fair value through profit and loss

Financial instrument liabilities are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method.

Financial assets are categorised as fair value through profit or loss at trade date if they are classified as held for trading or designated as such upon initial recognition. Financial instrument assets are designated at fair value through profit or loss on the basis that the financial assets form part of a group of financial assets that are managed by the entity concerned based on their fair values, and have their performance evaluated in accordance with documented risk management and investment strategies. Financial instruments at fair value through profit or loss are initially measured at fair value and attributable transaction costs are expensed as incurred. Subsequently, any changes in fair value are recognised in the net result as other economic flows. Any dividend or interest on a financial asset is recognised in the net result from transactions.

Financial liabilities at amortised cost

Financial instrument liabilities measured at amortised cost include all payables, deposits held and advances received, and interest-bearing arrangements other than those designated at fair value through profit or loss.

2.9 Financial Assets**Cash and deposits**

Cash and deposits, including cash equivalents comprise cash on hand and cash at bank, deposits at call and those highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short term cash commitments rather than for investment purposes, and which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

For the cash flow statement presentation purposes, cash and cash equivalents includes bank overdrafts, which are included as borrowings on the balance sheet.

Receivables

Receivables consist of:

- + Contractual receivables, which include mainly debtors in relation to goods and services, loans to third parties, accrued investment income and finance lease receivables; and
- + Statutory receivables, which include predominantly amounts owing from Victorian Government and GST input tax credits recoverable. Receivables that are contractual are classified as financial instruments. Statutory receivables are not classified as financial instruments.

Trade terms for general receivables are 14 days from date of invoice and 10 days for invoices related to the Managed Services contracts.

Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest rate method, less an allowance for impairment.

A provision for doubtful receivables is made when there is objective evidence that the debts may not be collected. Bad debts are written off when identified.

2.10 Non-Financial Assets**Non-financial assets classified as held-for-sale**

Non-financial physical assets are treated as current and classified as held-for-sale if their carrying amount will be recovered through a sale transaction rather than continuing use.

The condition is regarded as met only when:

- + the asset is available for immediate use in the current condition; and
- + the sale is highly probable and the asset's sale is expected to be completed within twelve months from the date of classification.

These non-financial physical assets, related liabilities and financial assets are measured at the lower of carrying amount and fair value less costs to sell, and are not subject to depreciation or amortisation.

Property, plant and equipment

All non-financial physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. The fair value of communications and computer equipment and vehicles, is normally determined by reference to the asset's depreciated replacement cost. For plant, equipment and vehicles, existing depreciated historical cost is generally a reasonable proxy for depreciated replacement cost because of the short lives of the assets concerned.

Leased assets

Assets held under finance leases are recognised as assets at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Leased assets relate primarily to assets transferred under PPP contracts and are amortised over the term of these contracts.

Intangible assets

Purchased intangible assets are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to ESTA.

NOTES TO THE FINANCIAL STATEMENTS

Other non-financial assets

Other non-financial assets include prepayments which represent payments in advance of receipt of goods and services or that part of expenditure made in one accounting period covering a term extending beyond that period.

Revaluations of non-financial physical assets

Non-financial physical assets are measured at fair value on a cyclical basis, in accordance with the Financial Reporting Directions (FRDs) issued by the Minister for Finance. A full revaluation normally occurs every five years, based on the asset's government purpose classification, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are used to conduct these scheduled revaluations and any interim revaluations are determined in accordance with the requirements of the FRDs.

Revaluation increases or decreases arise from differences between an asset's carrying value and fair value.

Net revaluation increases (where the carrying amount of a class of assets is increased as a result of a revaluation) are recognised in 'Other economic flows – other movements in equity' and accumulated in equity under the revaluation surplus, except that the net revaluation increase shall be recognised in the net result to the extent that it reverses a net revaluation decrease in respect of the same class of property, plant and equipment previously recognised as an expense (other economic flows) in the net result.

Net revaluation decreases are recognised immediately as expenses (other economic flows) in the net result, except that the net revaluation decrease shall be recognised in other comprehensive income to the extent that a credit balance exists in the revaluation surplus in respect of the same class of property, plant and equipment. The net revaluation decrease recognised in other comprehensive income reduces the amount accumulated in equity under revaluation surplus.

Revaluation increases and decreases relating to individual assets within a class of property, plant and equipment, are offset against one another within that class but are not offset in respect of assets in different classes. Any revaluation surplus is not normally transferred to accumulated funds on de-recognition of the relevant asset.

2.11 Liabilities

Payables

Payables consist of:

- + Contractual payables, such as accounts payable, and unearned income. Accounts payable represent liabilities for goods and services provided to ESTA prior to the end of the financial year that are unpaid, and arise when ESTA becomes obliged to make future payments in respect of the purchase of those goods and services; and
- + Statutory payables, such as goods and services tax and fringe benefits tax payable.

Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised cost. Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from a contract.

Leases

A lease is a right to use an asset for an agreed period of time in exchange for payment.

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Leases of property, plant and equipment are classified as finance infrastructure leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases.

At the commencement of the lease term, finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the lease property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The lease asset is depreciated over the shorter of the estimated useful life of the asset or the lease term.

Minimum finance lease payments are apportioned between reduction of the outstanding lease liability and periodic finance expense which is calculated using the interest rate implicit in the lease and charged directly to the comprehensive operating statement. Contingent rentals associated with finance leases are recognised as an expense in the period in which they are incurred.

Provisions

Provisions are recognised when ESTA has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a liability is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows, using discount rate that reflects the time value of money and risks specific to the provision.

Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date.

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, annual leave and accumulating sick leave are recognised in the provision for employee benefits, classified as current liabilities. Those liabilities which are expected to be settled within 12 months of the reporting period, are measured at their nominal values.

Those liabilities that are not expected to be settled within 12 months are recognised in the provision for employee benefits as current liabilities, but are measured at present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

(ii) Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Unconditional LSL representing 5 or more years of continuous service is disclosed as a current liability even where the ESTA does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- + present value – component that ESTA does not expect to settle within 12 months; and
- + nominal value – component that ESTA expects to settle within 12 months.

Conditional LSL representing less than 5 years of continuous service is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability is measured at present value. Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flow' refer to Note 2.6.

(iii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. ESTA recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Employee benefits on-costs

Employee benefits on-costs such as payroll tax, workers compensation and superannuation are recognised separately from the provision for employee benefits.

NOTES TO THE FINANCIAL STATEMENTS

2.12 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

2.13 Equity

Contributions by owners

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions or distributions have also been designated as contributions by owners.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners.

2.14 Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note at their nominal value and inclusive of the goods and services tax (GST) payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

2.15 Goods and services tax

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

2.16 Events after reporting date

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between ESTA and other parties, the transactions are only recognised when the agreement is irrevocable at or before the end of the reporting period. Adjustments are made to amounts recognised in the financial statements for events which occur after the reporting date and before the date the statements are authorised for issue, where those events provide information about conditions which existed at the reporting date. Note disclosure is made about events between the balance date and the date the statements are authorised for issue where the events relate to condition which arose after the end of reporting period and which may have a material impact on the results of subsequent reporting periods.

2.17 New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2012 reporting period. The Department of Treasury and Finance assesses the impact of these new standards and advises departments and other entities of their applicability and early adoption where applicable.

As at 30 June 2012, the following standards and interpretations (applicable to departments) had been issued but were not mandatory for financial year ending 30 June 2012. ESTA has not, and does not intend to, adopt these standards early.

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 9 Financial instruments	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement).	1 Jan 2013	Detail of impact is still being assessed.
AASB 13 Fair Value Measurement	This Standard outlines the requirements for measuring the fair value of assets and liabilities and replaces the existing fair value definition and guidance in other AASs. AASB 13 includes a 'fair value hierarchy' which ranks the valuation technique inputs into three levels using unadjusted quoted prices in active markets for identical assets or liabilities; other observable inputs; and unobservable inputs.	1 Jan 2013	Disclosure for fair value measurements using unobservable inputs are relatively onerous compared to disclosure for fair value measurements using observable inputs. Consequently, the Standard may increase the disclosures for public sector entities that have assets measured using depreciated replacement cost.
AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12]	This Standard gives effect to consequential changes arising from the issuance of AASB 9.	1 Jan 2013	No significant impact is expected from these consequential amendments on entity reporting.

NOTES TO THE FINANCIAL STATEMENTS

<i>Standard/Interpretation</i>	<i>Summary</i>	<i>Applicable for annual reporting periods beginning on</i>	<i>Impact on public sector entity financial statements</i>
AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements	This Standard makes amendments to many Australian Accounting Standards, including Interpretations, to introduce reduced disclosure requirements to the pronouncements for application by certain types of entities.	1 July 2013	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) for certain public sector entities and has not decided if RDRs will be implemented in the Victorian public sector.
Standard/Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	These consequential amendments are in relation to the introduction of AASB 9.	1 Jan 2013	No significant impact is expected from these consequential amendments on entity reporting.

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
<p>AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]</p>	<p>This amending Standard makes consequential changes to a range of Standards and Interpretations arising from the issuance of AASB 13. In particular, this Standard replaces the existing definition and guidance of fair value measurements in other Australian Accounting Standards and Interpretations.</p>	<p>1 Jan 2013</p>	<p>Disclosures for fair value measurements using unobservable inputs is potentially onerous, and may increase disclosures for assets measured using depreciated replacement cost.</p>
<p>AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]</p>	<p>The main change resulting from this Standard is a requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). These amendments do not remove the option to present profit or loss and other comprehensive income in two statements, nor change the option to present items of OCI either before tax or net of tax.</p>	<p>1 July 2012</p>	<p>This amending Standard could change the current presentation of ‘Other economic flows- other movements in equity’ that will be grouped on the basis of whether they are potentially reclassifiable to profit or loss subsequently. No other significant impact will be expected.</p>

NOTES TO THE FINANCIAL STATEMENTS

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, AASB 8, AASB 101, AASB 124, AASB 134, AASB 1049 & AASB 2011-8 and Interpretation 14]	This Standard makes consequential changes to a range of other Australian Accounting Standards and Interpretation arising from the issuance of AASB 119 Employee Benefits.	1 Jan 2013	No significant impact is expected from these consequential amendments on entity reporting.
AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements	This Standard makes amendments to AASB 119 Employee Benefits (September 2011), to incorporate reduced disclosure requirements into the Standard for entities applying Tier 2 requirements in preparing general purpose financial statements.	1 July 2013	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) and has not decided if RDRs will be implemented in the Victorian public sector.
2012-1 Amendments to Australian Accounting Standards - Fair Value Measurement - Reduced Disclosure Requirements [AASB 3, AASB 7, AASB 13, AASB 140 & AASB 141]	This amending Standard prescribes the reduced disclosure requirements in a number of Australian Accounting Standards as a consequence of the issuance of AASB 13 Fair Value Measurement.	1 July 2013	As the Victorian whole of government and the general government (GG) sector are subject to Tier 1 reporting requirements (refer to AASB 1053 Application of Tiers of Australian Accounting Standards), the reduced disclosure requirements included in AASB 2012-1 will not affect the financial reporting for Victorian whole of government and GG sector.

3. Net Result from Transactions (net operating balance)

	2012	2011
	\$'000	\$'000
Income from transactions		
(a) Revenue		
CAD services revenue	76,580	74,338
PPP contracts revenue	96,131	96,577
Other operating revenue	707	577
Major incident funding from Department of Justice	-	98
Interest on deposits	1,662	2,042
	<u>175,080</u>	<u>173,632</u>
Revenue from operations	175,080	173,632
Expenses from transactions		
(b) Employee benefits		
Salaries, wages and overtime	55,366	48,086
Sick leave, annual leave and long service leave	4,807	4,898
Superannuation	4,968	4,300
Related on-costs	3,799	3,294
Total employee benefits	68,940	60,578
(c) Depreciation and amortisation		
Depreciation of property, plant and equipment	3,675	2,848
Amortisation expense	44,660	43,123
Total depreciation and amortisation	48,335	45,971
(d) Other operating expenses		
Staff costs other	708	703
Contractors/Professional Services	5,736	6,472
Communications	4,752	3,846
Information technology and infrastructure	5,568	5,722
Payments under PPP service contracts	36,736	33,050
Property	4,465	3,468
Office equipment	903	1,182
Travel and entertainment	305	728
Stationery	229	239
Finance & insurance costs	244	254
Audit services	371	343
General	274	261
Total other operating expenses	60,291	56,268
(e) Interest expense		
Finance lease interest	4,653	7,614
Total interest expense	4,653	7,614
Expenses from operations	182,219	170,431
Other economic flows included in net result		
(f) Net gain/(loss) on non-financial assets		
Net gain/(loss) on disposal of property, plant and equipment	(215)	(13)
Total net gain/(loss) on non-financial assets	(215)	(13)
(g) Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of long service leave liability	(1,441)	31
Total other gains/(losses) from other economic flows	(1,441)	31

NOTES TO THE FINANCIAL STATEMENTS

4. Receivables

Trade receivables comprise almost exclusively amounts due from Victorian Government agencies. Trade terms for general receivables is 14 days from date of invoice and 10 days for invoices related to Managed Services contracts.

	2012	2011
	\$'000	\$'000
Current		
Contractual		
Services	5,108	8,106
Accrued investment income	48	98
Other receivables	8,414	9,714
	13,570	17,918
Statutory		
GST input tax credit recoverable	1,951	2,250
	1,951	2,250
Total current receivables	15,521	20,168

5. Plant and Equipment
Carrying amounts

	2012	2011
	\$'000	\$'000
Computers and communications equipment		
Computers and communications equipment at cost	21,543	15,346
Less: accumulated depreciation	(13,517)	(11,608)
	8,026	3,738
Leased motor vehicles		
Motor Vehicles Leased	564	461
Less: accumulated amortisation	(153)	(125)
	411	336
Leased communications equipment		
Communications equipment leased	221,347	221,075
Less: accumulated amortisation	(192,481)	(149,178)
	28,866	71,897
Plant and equipment		
Plant and equipment at cost	1,881	1,958
Less: accumulated depreciation	(1,499)	(1,370)
	382	588
Work in progress		
Capital works	6,386	6,989
	6,386	6,989
Leasehold improvements		
Leasehold improvements at cost	13,818	4,171
Less: accumulated amortisation	(3,128)	(2,117)
	10,690	2,054
Net carrying amount of plant and equipment	54,760	85,602

(a) Movements in carrying amounts

2012	Note	Computers and communications equipment	Leased motor vehicles	Leased communications equipment	Plant and equipment	Leasehold improvements	Work in progress	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance		3,738	336	71,896	588	2,054	6,989	85,601
Additions		261	294	273	11	720	15,665	17,224
Disposals		-	(102)	-	(23)	(182)	-	(307)
Effects of change in accounting policy (Refer Note 2.5)		-	-	-	-	-	-	-
Transfer to assets classified as held for sale		-	-	-	-	-	-	-
Depreciation/amortisation expense		(2,612)	(117)	(43,303)	(231)	(1,495)	-	(47,758)
Capitalisation of works in progress		6,639	-	-	37	9,593	(16,269)	-
Closing balance		8,026	411	28,866	382	10,690	6,385	54,760
2011	Note	Computers and communications equipment	Leased motor vehicles	Leased communications equipment	Plant and equipment	Leasehold improvements	Work in progress	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance		3,404	360	77,340	811	2,371	625	84,911
Additions		415	215	37,155	3	104	8,345	46,236
Disposals		-	(108)	-	-	-	-	(108)
Effects of change in accounting policy (Refer Note 2.5)		-	-	-	-	-	-	-
Transfer to assets classified as held for sale		-	(29)	-	-	-	-	(29)
Depreciation/amortisation expense		(2,045)	(102)	(42,599)	(226)	(421)	-	(45,393)
Capitalisation of works in progress		1,964	-	-	-	-	(1,981)	(17)
Closing balance		3,738	336	71,896	588	2,054	6,989	85,601

ESTA classifies all of its assets within one purpose group - Public Safety and Environment

- (i) On the transfer of the MMR and EAS contracts to ESTA, the Authority received \$122.3m of communications equipment and assumed the associated finance lease liabilities.

The following useful lives of assets are used in the calculation of depreciation and amortisation for the current year and prior years:

Computers and communications equipment	3 years
Leased motor vehicles	term of lease
Leased communications equipment	term of lease
Plant and equipment	5 - 10 years
Leasehold improvements	term of lease
Software (Intergraph)	9 years

NOTES TO THE FINANCIAL STATEMENTS

6. Intangible Assets

	Note	Intergraph Software Licences	
		2012 \$'000	2011 \$'000
Gross carrying amount			
Opening balance		5,200	5,200
Additions (CAD Software licenses)		-	-
Disposals		-	-
Transfer to assets classified as held for sale		-	-
Closing balance		5,200	5,200
Accumulated amortisation and impairment			
Opening balance		(1,328)	(751)
Amortisation expense (a)		(577)	(577)
Disposals		-	-
Transfer to assets classified as held for sale		-	-
Closing balance		(1,905)	(1,328)
Net book value at the end of the financial year		3,295	3,872

Note: (a) Amortisation expense is included in the line item 'depreciation and amortisation expense' in the comprehensive operating statement.

7. Non-current assets classified as held for sale and liabilities directly associated with assets held for sale**(a) Non-current assets held for sale**

	2012 \$'000	2011 \$'000
Non-current assets		
Leased motor vehicles	0	29
Total	0	29

(b) Liabilities directly associated with assets held for sale

Lease liability	0	29
Total	0	29

8. Payables

	2012 \$'000	2011 \$'000
Current payables		
Contractual		
Supplies & services	12,012	3,618
Unearned income	1,606	411
Accruals	12,945	19,846
	26,563	23,875
Statutory		
Payroll tax payable	430	367
GST payable	2,219	2,299
	2,649	2,666
Total payables	29,212	26,541

9. Borrowings (i)

	2012	2011
	\$'000	\$'000
Current finance lease liability		
Communications equipment	16,708	46,962
Motor vehicles	233	172
Total current borrowings	16,941	47,134
Non current finance lease liability		
Communications equipment	10,532	27,240
Motor vehicles	183	170
Total non-current borrowings	10,715	27,410
Total borrowings	27,656	74,544

(i) Secured by the assets leased. Finance leases are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

10. Provisions

	2012	2011
	\$'000	\$'000
Current		
(i) Employee benefits - annual leave and time in lieu:		
(ii) Unconditional and expected to be settled within 12 months	2,930	2,701
(iii) Unconditional and expected to be settled after 12 months	985	832
Employee benefits - long service leave:		
(ii) Unconditional and expected to be settled within 12 months	418	275
(iii) Unconditional and expected to be settled after 12 months	1,773	1,450
	6,106	5,258
Provisions related to employee benefit on-costs		
(ii) Unconditional and expected to be settled within 12 months	503	571
(iii) Unconditional and expected to be settled after 12 months	419	218
	922	789
Total current provisions	7,028	6,047
Non-current		
(i) Employee benefits	2,969	2355
Employee benefit on-costs	454	355
(iv) Make - good provision	686	0
Total non-current provisions	4,109	2,710
Total provisions	11,137	8,757

NOTES TO THE FINANCIAL STATEMENTS

11(a). Employee benefits and related on-costs (i)

	2012	2011
	\$'000	\$'000
Current employee benefits		
Annual leave and time in lieu entitlements	3,916	3,532
Long service leave entitlements	2,191	1,725
Non-current employee benefits		
Long service leave entitlements	2,969	2,355
Total employee benefits	9,076	7,612
Current on-costs	922	790
Non-current on-costs	454	355
Total on-costs	1,376	1,145
Total employee benefits and related on-costs	10,452	8,757

- (i) Provisions for employee benefits consist of amounts for annual leave, long service leave and time in lieu accrued by employees not including on-costs.
- (ii) The amounts disclosed are nominal amounts.
- (iii) The amounts disclosed are discounted to present values.
- (iv) In accordance with the lease agreement at 33 Lakeside Drive Burwood East, ESTA must restore the premises and all services in the premises back to base building condition. A provision was provided for during the year for this purpose.

12. Superannuation

All ESTA employees are entitled to benefits under accumulation funds. Employees are covered under Vic Super, Australian Government Employees Superannuation Trust (AGEST) or in the case of some employees their own personal superannuation schemes. Employees have the opportunity to make personal contributions to the funds at a self-nominated rate or amount. The minimum employer contribution to the fund, pursuant to the Superannuation Guarantee Charge, was 9.0 per cent for the period 1 July 2011 and 30 June 2012.

	2012	2011
	\$'000	\$'000
Employer contributions		
AGEST	593	558
Vic Super	3,674	2,909
Personal superannuation funds	433	332
Total employer contributions to the funds	4,700	3,799
Outstanding contributions	268	501
Total Contributions	4,968	4,300

The organisation has no unfunded liability at the end of the period. There were no loans made between any of the superannuation funds and the organisation during the period.

13. Leases

Finance lease liabilities

Leasing arrangements

Finance leases relate to communications equipment with a lease term of 5 years and motor vehicles with a lease term of 1-3 years. ESTA does have options to purchase this equipment at the expiry of the lease period.

	Minimum future lease payments (i)		Present value of minimum future lease payments	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
PPP related finance lease liabilities payable				
Not longer than 1 year	18,026	51,600	16,708	46,962
Longer than 1 year and not longer than 5 years	11,199	29,224	10,532	27,240
Longer than 5 years	-	-	-	-
Other related finance lease liabilities payable				
Not longer than 1 year	225	190	233	172
Longer than 1 year and not longer than 5 years	224	178	183	170
Longer than 5 years	-	-	-	-
Minimum future lease payments	29,674	81,192	27,656	74,544
Less future finance charges	(2,018)	(6,648)	-	-
Present value of minimum lease payments	27,656	74,544	27,656	74,544
Included in the financial statements as:				
Current borrowings lease liabilities (note 9)			16,941	47,134
Non-current borrowing lease liabilities (note 9)			10,715	27,410
			27,656	74,544

(i) Minimum future lease payments includes the aggregate of all lease payments and any guaranteed residual

Operating lease liabilities

Leasing arrangements

Operating leases relate to office equipment with a lease term of 2-5 years and properties with a lease term of 1-15 years. ESTA has no options to purchase this equipment or property at the conclusion of the lease agreement.

	2012 \$'000	2011 \$'000
Non-cancellable operating leases		
Not longer than 1 year	2,934	3,245
Longer than 1 year and not longer than 5 years	8,269	9,975
Longer than 5 years	4,695	4,618
	15,898	17,838

NOTES TO THE FINANCIAL STATEMENTS

14. Commitments for expenditure**(i) Service Concession (PPP) related commitments**

	2012		2011	
	\$'000	\$'000	\$'000	\$'000
	Net Present Value	Nominal Value	Net Present Value	Nominal Value
Service concession arrangements				
MDN	61,807	58,786	82,319	79,434
MMR	802	773	39,203	38,578
EAS	7,230	6,972	32,520	31,877
Total service concession commitments	69,839	66,531	154,042	149,889
Less PPP related finance lease liabilities (Note 13)	28,512	27,240	76,082	74,202
Total PPP operation and service commitment (Note 14(ii)(e))	41,327	39,291	77,960	75,687

The following commitments have not been recognised as liabilities in the financial statements:

(ii) Commitments are payable as follows

	2012	2011
	\$'000	\$'000
(a) Capital expenditure commitments		
Total capital expenditure contracted for purchase and implementation of infrastructure at balance date but not provided for in the accounts:		
Not longer than 1 year	712	3,018
Longer than 1 year & not longer than 5 years	-	-
Longer than 5 years	-	-
	712	3,018
(b) Property lease agreements		
Commitments in relation to property leases contracted for at the reporting date but not recognised as liabilities, payable:		
Not longer than 1 year	2,881	3,209
Longer than 1 year & not longer than 5 years	8,196	9,945
Longer than 5 years	4,695	4,618
	15,772	17,772
(c) Photocopier operating lease agreements		
All photocopier lease agreements have finite lease terms, no renewal clauses or purchase options. The lease terms do not contain any further restrictions.		
Not longer than 1 year	53	36
Longer than 1 year & not longer than 5 years	73	30
Longer than 5 years	-	-
	126	66
(d) Software Licence & Services Agreement (i)		
A commitment exists in relation to a facilities and management agreement held with Intergraph Corporation Pty Ltd.		
Not longer than 1 year	2,439	2,719
Longer than 1 year & not longer than 5 years	-	-
Longer than 5 years	-	-
	2,439	2,719

	2012 \$'000	2011 \$'000
(e) PPP operation and service commitments (ii)		
Not longer than 1 year	15,736	40,222
Longer than 1 year & not longer than 5 years	23,555	35,465
Longer than 5 years	-	-
	39,291	75,687
(f) PPP payments from contingency (iii)		
Not longer than 1 year	815	4,792
Longer than 1 year & not longer than 5 years	-	-
Longer than 5 years	-	-
	815	4,792
Total commitments for expenditure (exclusive of GST)	59,155	104,054
Plus GST recoverable from the Australian Taxation Office	5,915	10,405
Total commitments for expenditure (inclusive of GST)	65,070	114,459

(i) This agreement is renewed annually in March.

(ii) This expenditure is offset by equivalent amounts in revenue.

(iii) These payments are sourced from the contingency funds held by ESTA specifically for this purpose. The balance of these funds at 30th June 2012 was \$11.1m.

NOTES TO THE FINANCIAL STATEMENTS

15. Contingent liabilities and contingent assets

ESTA had no contingent assets or liabilities for the years covered by this report.

16. Financial Instruments

(a) Financial risk management objectives and policies

ESTA's principal financial instruments comprise of:

- cash assets;
- term deposits;
- receivables (excluding statutory receivable);
- payables (excluding statutory payables);
- finance lease payables

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the financial statements.

The main purpose in holding financial instruments is to prudentially manage ESTA's financial risks within the government policy parameters.

The carrying amounts of ESTA's financial assets and financial liabilities by category are in table 16.1 below.

Table 16.1: Categorisation of financial instruments

2012	Contractual financial assets - loans and receivables \$'000	Contractual financial liabilities at amortised cost \$'000	Total \$'000
Contractual financial assets			
Cash and deposits	18,257	-	18,257
(i) Receivables:			
Services	5,108	-	5,108
Other	8,414	-	8,414
Accrued investment income	48	-	48
Other receivables			
Investments and other contractual financial assets:			
Term deposits	14,600	-	14,600
Total contractual financial assets	46,427	-	46,427
Contractual financial liabilities			
(i) Payables:			
Supplies and services	-	12,012	12,012
Unearned Income	-	1,606	1,606
Accruals	-	12,945	12,945
Borrowings:			
Lease liabilities	-	27,656	27,656
Total contractual financial liabilities	-	54,219	54,219

2011	Contractual financial assets - loans and receivables \$'000	Contractual financial liabilities at amortised cost \$'000	Total \$'000
Contractual financial assets			
Cash and deposits	23,437	-	23,437
(i) Receivables:			
Services	8,106	-	8,106
Other	9,714	-	9,714
Accrued investment income	98	-	98
Other receivables			
Investments and other contractual financial assets:			
Term deposits	13,901	-	13,901
Total contractual financial assets	55,256	-	55,256
Contractual financial liabilities			
(i) Payables:			
Supplies and services	-	3,618	3,618
Unearned Income	-	411	411
Accruals	-	19,846	19,846
Borrowings:			
Lease liabilities	-	74,544	74,544
Total contractual financial liabilities	-	98,419	98,419

Note:

- (i) The total amounts disclosed here exclude statutory amounts (i.e. amounts owing from Victorian Government and GST input tax credit recoverable and taxes payable).

Table 16.2: Net holding gain/(loss) on financial instruments by category

2012	Net holding gain/(loss) \$'000	Total interest income/ (expense) \$'000	Fee income/ (expense) \$'000	Total \$'000
Contractual financial assets				
Financial assets - loans and receivables	-	1,662	-	1,662
Total contractual financial assets	-	1,662	-	1,662
Contractual financial liabilities				
Financial liabilities at amortised cost	-	4,653	-	4,653
Total contractual financial liabilities	-	4,653	-	4,653
2011				
Contractual financial assets				
Financial assets - loans and receivables	-	2,042	-	2,042
Total contractual financial assets	-	2,042	-	2,042
Contractual financial liabilities				
Financial liabilities at amortised cost	-	7,614	-	7,614
Total contractual financial liabilities	-	7,614	-	7,614

NOTES TO THE FINANCIAL STATEMENTS

(b) Credit risk

ESTA's exposure to credit risk arises from the potential default of counterparties on their contractual obligations resulting in financial loss to ESTA. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with ESTA's contractual financial assets is considered minimal due to receivables comprising almost exclusively amounts due from Victorian government agencies.

Currently ESTA does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

Credit quality of contractual financial assets that are neither past due nor impaired

2012	Financial institutions (AA credit rating) \$'000	Government agencies (AAA credit rating) \$'000	Total \$'000
Cash and deposits	14,069	18,784	32,853
Total contractual financial assets	14,069	18,784	32,853
2011			
Cash and deposits	19,249	18,086	37,335
Total contractual financial assets	19,249	18,086	37,335

Ageing analysis of contractual financial assets

	Carrying amount \$'000	Not past due and not impaired \$'000	Past due but not impaired			
			Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years
2012	\$'000	\$'000				
(i) Receivables:						
Services	5,108	4,545	541	8	8	6
Accrued investment income	48	48				
Other receivables	8,414	8,414				
Investments and other contractual financial assets:						
Term deposits	14,600	-				
Total	28,170	13,007	541	8	8	6
2011						
(i) Receivables:						
Services	8,106	8,106				
Accrued investment income	98	98				
Other receivables	9,714	9,714				
Investments and other contractual financial assets:						
Term deposits	13,901					
Total	31,819	17,918				

Note:

(i) The carrying amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable).

(c) Liquidity risk

Liquidity risk arises when ESTA is unable to meet its financial obligations as they fall due. ESTA operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, makes payments within 30 days from the date of resolution. It also continuously manages risk through monitoring future cash flows.

Maturity analysis of contractual financial liabilities (ii)

	Carrying amount \$'000	Nominal Amount \$'000	Maturity dates				
			Less than 1 month \$'000	1 - 3 months \$'000	3 - 12 months \$'000	1 - 5 years \$'000	5+ years \$'000
2012							
(i) Payables:							
Supplies and services	12,012	12,012	12,012	-	-	-	-
Unearned Income	1,606	1,606	1,606	-	-	-	-
Accruals	12,945	12,945	12,945	-	-	-	-
Borrowings:							
Lease liabilities	27,656	27,656	6,458	3,695	6,788	10,715	-
Total	54,219	54,219	33,021	3,695	6,788	10,715	-
2011							
(i) Payables:							
Supplies and services	3,618	3,618	3,618	-	-	-	-
Unearned Income	411	411	411	-	-	-	-
Accruals	19,846	19,846	19,846	-	-	-	-
Borrowings:							
Lease liabilities	74,544	74,544	3,791	7,587	35,758	27,406	-
Total	98,419	98,419	27,666	7,587	35,758	27,406	-

Notes:(i) *The carrying amounts disclosed exclude statutory amounts (e.g. GST payables).*(ii) *Maturity analysis is presented using the contractual undiscounted cash flows.***(d) Interest rate exposure of financial instruments**

Exposure to interest rate risk is insignificant and might arise primarily through ESTA's interest bearing liabilities.

Minimisation of risk is achieved by mainly undertaking fixed rate or non-interest bearing financial instruments. For financial liabilities, ESTA mainly undertakes financial liabilities with relatively even maturity profiles.

ESTA's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and liabilities follows. Exposures arise predominantly from assets and liabilities bearing variable interest rates.

	Weighted avg. annual effective interest rate %	Carrying amount \$'000	Interest rate exposure		
			Fixed interest rate \$'000	Variable interest rate \$'000	Non-interest bearing \$'000
2012					
Financial assets					
(i) Cash and Deposits					
	4.28%	18,257	-	18,254	3
Receivables:					
Services		5,108	-	-	5,108
Accrued investment income		48	-	-	48
Other receivables		8,414	-	-	8,414
Investments and other contractual financial assets					
Term deposits	4.42%	14,600	14,600	-	-
Total contractual financial assets		46,427	14,600	18,254	13,573

NOTES TO THE FINANCIAL STATEMENTS

	Weighted avg. annual effective interest rate %	Carrying amount	Interest rate exposure		
			Fixed interest rate	Variable interest rate	Non-interest bearing
	\$'000	\$'000	\$'000	\$'000	\$'000
2012					
Financial liabilities					
(i) Payables:					
Supplies and services		12,012	-	-	12,012
Unearned Income		1,606	-	-	1,606
Other payables		12,945	-	-	12,945
Borrowings:					
Lease liabilities	7.82%	27,656	27,656	-	-
Total contractual financial liabilities		54,219	27,656		26,563
2011					
Financial assets					
(i) Cash and Deposits:	4.60%	23,437	-	23,434	3
Receivables:					
Services		8,106	-	-	8,106
Accrued investment income		98	-	-	98
Other receivables		9,714	-	-	9,714
Investments and other contractual financial assets:					
Term deposits	4.91%	13,901	13,901	-	-
Total contractual financial assets		55,256	13,901	23,434	17,921
Financial liabilities					
(i) Payables:					
Supplies and services		3,618	-	-	3,618
Unearned Income		411	-	-	411
Other payables		19,846	-	-	19,846
Borrowings:					
Lease liabilities	7.82%	74,544	74,544	-	-
Total contractual financial liabilities		98,419	74,544	-	23,875

Note:

(i) The carrying amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable).

(e) Fair value

The fair values and net fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

	2012		2011	
	Carrying amount \$'000	Net fair value \$'000	Carrying amount \$'000	Net fair value \$'000
Contractual financial assets				
Cash and Deposits:	18,257	18,257	23,437	23,437
(i) Receivables:				
Services	5,108	5,108	8,106	8,106
Accrued investment income	48	48	98	98
Other receivables	8,414	8,414	9,714	9,714
Investments and other contractual financial assets:				
Term deposits	14,600	14,600	13,901	13,901
Total contractual financial assets	46,427	46,427	55,256	55,256
Contractual financial liabilities				
Payables:				
Supplies and services	12,012	12,012	3,618	3,618
Unearned income	1,606	1,606	411	411
Other payables	12,945	12,945	19,846	19,846
Borrowings:				
Lease liabilities	27,656	27,656	74,544	74,544
Total contractual financial liabilities	54,219	54,219	98,419	98,419

Note:

(i) The carrying amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable).

17. Notes to cash flow statement**(a) Reconciliation of cash**

	2012 \$'000	2011 \$'000
For the purposes of the Cash Flow Statement, cash includes cash on hand and in banks and investments in money market instruments. Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the balance sheets as follows:		
Cash at bank and on hand (i)	14,072	19,252
Short term investments (i)	18,784	18,086
	32,856	37,338

Represented by:

Non discretionary funds for third parties

MDN contingency balance	6,223	6,130
MMR contingency balance	3,542	4,631
EAS contingency balance	1,352	1,819
Available discretionary funds	21,739	24,758

NOTES TO THE FINANCIAL STATEMENTS

(b) Reconciliation of net result for the period

	2012	2011
	\$'000	\$'000
Net result for the period	(8,795)	3,219
Non-cash movements:		
Depreciation and amortisation	48,335	45,971
Loss/(gain) on sale of assets	215	13
Movements in assets and liabilities:		
Decrease (increase) in receivables	4,339	(3,068)
Decrease (increase) in prepayments	(1,167)	(193)
Increase (decrease) in payables	1,773	9,908
Increase (decrease) in unearned income	1,195	(376)
Increase (decrease) in provisions	2,382	1,387
Net cash flows from/(used in) operating activities	48,277	56,861

(c) Non-cash financing and investing activities

During the reporting period ESTA acquired motor vehicles through a finance lease arrangement to the value of \$295k. The assumption of the related assets and liabilities is not reflected in the cash flow statement.

18. Equity and reserves

Since the establishment of ESTA a progressive transition of responsibility for the management and delivery of three Private Public Partnership projects from the Department of Justice has been completed. The transition included the transfer and recognition of revenues that are specific purpose funding. The funding may only be applied by the recommendation of multi agency contract management committees and may only be applied for the purpose of the project to which it was allocated. ESTA holds no discretion over the funds and may not apply them to operational purposes.

ESTA has determined that in order to best present its discretionary financial reserves and contributed capital that these amounts be identified as non discretionary capital reserves.

19. Responsible persons

The persons who held the positions of Ministers and Responsible Persons in ESTA are as follows:

Minister for Police and Emergency Services -

The Hon. Peter Ryan, MLA	1 July 2011 to 30 June 2012
Chairman - Mr Paul Barker	1 July 2011 to 30 June 2012
Chief Executive Officer - Mr Ken Shymanski	1 July 2011 to 30 June 2012
Authority Member - Mr Terrence Francis	1 July 2011 to 19 August 2011 & 13 September 2011 to 30 June 2012
Authority Member - Ms Christina Gillies	1 July 2011 to 30 June 2012
Authority Member - Mr Trevor Thompson	1 July 2011 to 13 October 2012
Authority Member - Ms Penelope Pengilley	1 July 2011 to 30 June 2012
Authority Member - Mr Roger Leeming	1 July 2011 to 4 July 2011 & 3 August 2011 to 30 June 2012
Authority Member - Mr Stewart Leslie	1 July 2011 to 30 June 2012

Remuneration

The role of accountable officer was occupied by three individuals over the course of the year ending 30 June 2011 and included a termination payment. Total remuneration received or receivable by the Accountable Officers in connection with the management of ESTA during the reporting period was in the range: \$300,000 - \$309,999 (\$500,000 - \$509,999 in 2011)

Remuneration of Authority Members in ESTA are as follows:

Income band	Base Remuneration	Total Remuneration	Base Remuneration	Total Remuneration
	2012 No.	2012 No.	2011 No.	2011 No.
\$0 - \$9,999	1	1	1	1
\$10,000 - \$19,999	-	-	-	-
\$20,000 - \$29,999	4	4	5	5
\$30,000 - \$39,999	1	1	1	1
\$60,000 - \$69,999	-	-	-	-
\$70,000 - \$79,999	1	1	1	1
Total Numbers	7	7	8	8
	\$'000	\$'000	\$'000	\$'000
Total Amount	227	227	257	257

Amounts relating to Ministers are reported in the financial statements of the Department of Premier and Cabinet.

NOTES TO THE FINANCIAL STATEMENTS

20. Remuneration of executives

The number of executive officers, other than Ministers and Responsible Persons and their base remuneration is shown in column two of the table below in their relevant income bands. The total remuneration of executive officers is shown in column three. Base remuneration is exclusive of bonus payments, long service leave payments upon termination, retirement and redundancy payments.

Remuneration between	Base Remuneration	Total Remuneration	Base Remuneration	Total Remuneration
	2012 No.	2012 No.	2011 No.	2011 No.
\$0 - \$99,999	3	1	-	-
\$110,000 - \$119,999	-	-	-	-
\$120,000 - \$129,999	2	1	1	1
\$130,000 - \$139,999	-	1	-	-
\$140,000 - \$149,999	-	-	-	-
\$150,000 - \$159,999	1	-	3	-
\$160,000 - \$169,999	1	1	1	3
\$170,000 - \$179,999	1	2	-	1
\$180,000 - \$189,999	-	1	1	-
\$190,000 - \$199,999	1	-	-	1
\$200,000 - \$209,999	1	1	2	1
\$210,000 - \$219,999	1	1	1	1
\$220,000 - \$229,999	-	1	1	1
\$230,000 - \$239,999	1	-	-	-
\$240,000 - \$249,999	-	-	-	-
\$250,000 - \$259,999	1	1	-	-
\$260,000 - \$269,999	-	-	-	-
\$270,000 - \$279,999	-	1	-	-
\$280,000 - \$289,999	1	1	-	-
\$290,000 - \$299,999	-	-	-	-
\$300,000 - \$309,999	-	1	-	-
Total number of executives (i)	14	14	10	10
Total annualised employee equivalent (AEE)(ii)	10.8	10.8	9.6	9.6
	\$'000	\$'000	\$'000	\$'000
Total Amount	2,313	2,813	1,788	1,866

Note:

(i) The total number of executives includes two executives that departed during the year along with two termination payments.

(ii) Annualised employee equivalent is based on working 38 ordinary hours per week over the reporting period.

21. Remuneration of auditors

	2012	2012
	\$'000	\$'000
Victorian Auditor General's Office		
Audit of the financial report	30	28
	30	28

22. Subsequent eventsEAS Contract Extension - Visionstream

On 18 August 2011 a new contract with Visionstream was signed for the provision of EAS services effective 8 November 2012. The contract is for a period of 4 years with a 1 year extension option and has an approx value of \$85 million.

MMR New Contract - Motorola

On 22 December 2011 a new contract with Motorola was signed for the provision of MMR services effective 7 July 2012. The contract is for a period of 4 years with two 1 year extension options and has an approx value of \$131 million.

EAS - States Acceptance of Clause 58 Offer

It is intended that at the expiration of the contract with VEC Network Pty Ltd on 7 November 2012, that they will transfer to the State all of their interests in the EAS facility, Sites and EAS Equipment required to enable the State to continue to receive the EAS services for the sum of \$931k. This is required under clause 58.2 of the Emergency Alerting System Service Agreement (EASSA)

The value of these assets at 30 June 2012 was

Leased assets	68,038
Accumulated amortisation	(62,109)
Net carrying amount	5,929

These assets will have a zero carrying amount on ESTA's balance sheet at 6 November 2012.



Victorian Auditor-General's Office

Level 24, 35 Collins Street
Melbourne VIC 3000
Telephone 61 3 8601 7000
Facsimile 61 3 8601 7010
Email comments@audit.vic.gov.au
Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Authority Members, Emergency Services Telecommunications Authority

The Financial Report

The accompanying financial report for the year ended 30 June 2012 of the Emergency Services Telecommunications Authority which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the authority member's, accountable officer's and chief finance and accounting officer's declaration has been audited.

The Authority Members' Responsibility for the Financial Report

The Authority Members of the Emergency Services Telecommunications Authority are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Authority Members determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

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

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

Independent Auditor's Report (continued)

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.


Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Emergency Services Telecommunications Authority as at 30 June 2012 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of the Emergency Services Telecommunications Authority for the year ended 30 June 2012 included both in the Emergency Services Telecommunications Authority's annual report and on the website. The Authority Members of the Emergency Services Telecommunications Authority are responsible for the integrity of the Emergency Services Telecommunications Authority's website. I have not been engaged to report on the integrity of the Emergency Services Telecommunications Authority's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

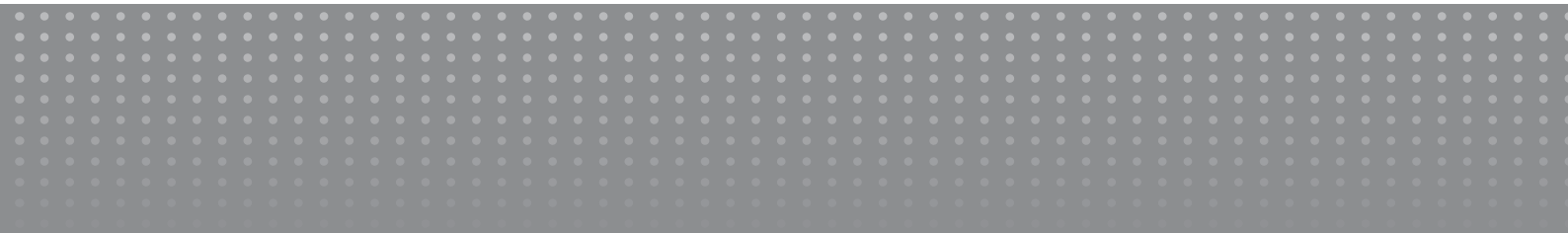
MELBOURNE
31 August 2012


D D R Pearson
Auditor-General

ACRONYMS

Acronyms used throughout this report:

ATO	– Australian Taxation Office
AV	– Ambulance Victoria
CAD	– Computer Aided Dispatch
CFA	– Country Fire Authority
DoJ	– Department of Justice
DSE	– Department of Sustainability and Environment
EAS	– Emergency Alerting System
ESOs	– Emergency Services Organisations
ESTA	– Emergency Services Telecommunications Authority
LEAP	– Law Enforcement Assistance Program
MDN	– Mobile Data Network
MFB	– Metropolitan Fire Brigade
MMR	– Metropolitan Mobile Radio
SECCs	– State Emergency Communications Centres
SET	– Service Excellence Team
VAGO	– Victorian Auditors General Office
VICPOL	– Victoria Police
VICSES	– Victoria State Emergency Service





ESTA

Level 6, 215 Spring St, Melbourne VIC 3000

Phone: 8656 1200

www.esta.vic.gov.au

Made with a carbon neutral manufacturing process* FSC COC certified and consists of 100% post consumer waste recycled fibre.

*Mill use 86% renewable energy. The remaining unavoidable CO2 emissions are compensated for by promoting controlled emission reduction projects, audited and certified by Climate Partner.

