



## Important information

- > 000 is the number to call if an emergency response is required.
- > ESTA cannot send help if it doesn't know where the emergency is. Children should be taught from pre-school how and when to call 000. They should know their address.

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## Chairman's Foreword



### Emergency call-taking and dispatch is at the heart of what ESTA does

The provision of life saving emergency call-taking and dispatch for all Victorians requires dedicated professional people and sophisticated technical systems. During a year that again saw significant growth in the demand for ESTA's services, technology and people have been central to ESTA's organisational and operational activities.

Emergency call-taking and dispatch is at the heart of what ESTA does, and I have always been impressed by and proud of our staff when I have spent-time with them in each of the Emergency Communication Centres and Support Office during the year. ESTA's Triple Zero call-takers are on the phone with callers when emergency help is needed most, through a broad range of situations. ESTA dispatchers relay critical situational and safety information to the emergency services and get units to the scene. The instructions, scene safety advice, and first aid care these people provide make a real difference to the lives of Victorians across some 6500 calls a day.

Supporting this effort, technology upgrades were implemented or put in train across all of ESTA's operational communications services during the year. This reflects State Government investment in these important emergency services and translates into tangible call-taking and dispatch improvements for the community, as well as better mobile data and radio and paging services for emergency service agencies.

The Authority has put focus during the year into strengthening planning, business continuity, risk management and auditing to ensure management and oversight of ESTA's critical technologies and services is robust and that improvement is continuous. ESTA also thoroughly reviewed and made changes to its support functions, to become more efficient and responsive to its emergency agency customers.

Financial discipline also continues to be a high priority as ESTA responds to the challenges of increasing demand for services. On behalf of the Authority I acknowledge the continuing efforts of management in partnership with the Department of Justice and the sector to improve ESTA's financial position. The Authority is appreciative of the continuing efforts of our CEO, Ken Shymanski, the management team and all of our staff throughout the year.

I acknowledge the work of my fellow Authority Members, and thank them for their support and contribution. I particularly thank former Chairman, Paul Barker, who retired from that position during the year after four years of service; Terry Francis who served ESTA for seven years as well as Emergency Services Victoria for three years prior to that; Penny Pengilley whose valuable service extended for eight years; and Peter Kronborg who contributed greatly throughout the year before completing his term in August 2013.

Finally, on behalf of ESTA I express our thanks to the Department of Justice personnel with whom we work closely and to the Minister for Police and Emergency Services, and his predecessor, for their support during 2012-13.

Roger Leeming  
Chairman

## CEO's Report



V

**Demand for ESTA's services has continued to grow across call-taking and dispatch and operational communications.**

Victoria is unique in Australia and rare in the world in having a single, centralised Authority responsible for police, fire, ambulance and State Emergency Service call-taking and dispatch. The transition of the last regional D24 operation from Victoria Police to ESTA in November was a highlight for our organisation and an important reflection of the Government's all hazards, all agencies approach to emergency management and services.

Demand for ESTA's services has continued to grow across call-taking and dispatch and operational communications. Triple Zero calls increased by six per cent and ESTA dispatched 10 per cent more events this year than last. A range of factors are contributing to this increased demand including population growth and an aging population, as well as more emergency service personnel using ESTA-provided services across more activities. Not least among these activities is ESTA's support for the expansion of the Ambulance Victoria Referral Service and the Victoria Police Protective Service Officers program.

Achieving the necessary funding to meet service demand is an ever-present challenge. A Department of Justice facilitated review of ESTA's funding arrangements started this year and we look forward to an improved funding model in 2013-14. ESTA also took steps to streamline the organisation. A review of support functions has ensured ESTA's effort is focused on its mission: providing the critical link between the community and emergency services, providing integrated state-wide operations communications, and working with Victoria's emergency service agencies to help them achieve their goals.

ESTA took more than 2.3 million calls, an average of one call every 13 seconds, and it dispatched more than 1.8 million events this year. Each one of these events represented a personal emergency for someone, somewhere in Victoria. The commitment ESTA's people demonstrate to providing this important community response deserves recognition.

Service excellence is always the goal at ESTA and we recognise that service improvement is always possible. This Annual Report outlines a broad range of initiatives and projects across the organisation during the year build a better emergency communications capacity in Victoria. This has included effort to strengthen the computer aided dispatch system, upgrade the technologies, become more efficient operationally and improve services to emergency service agencies, the sector and the community.

Improvements to the Computer Aided Dispatch (CAD) infrastructure commenced this year have been made possible through State Government funding. On behalf of ESTA, I want to acknowledge this and the support and assistance of the current and former Ministers for Police and Emergency Services as well as their staff, and the Department of Justice. I also want to thank the emergency service agencies with which we work, my own team and all the people of ESTA, and the Authority Chair and Members for their many efforts and contributions in 2012-13.

Ken Shymanski  
CEO

## 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

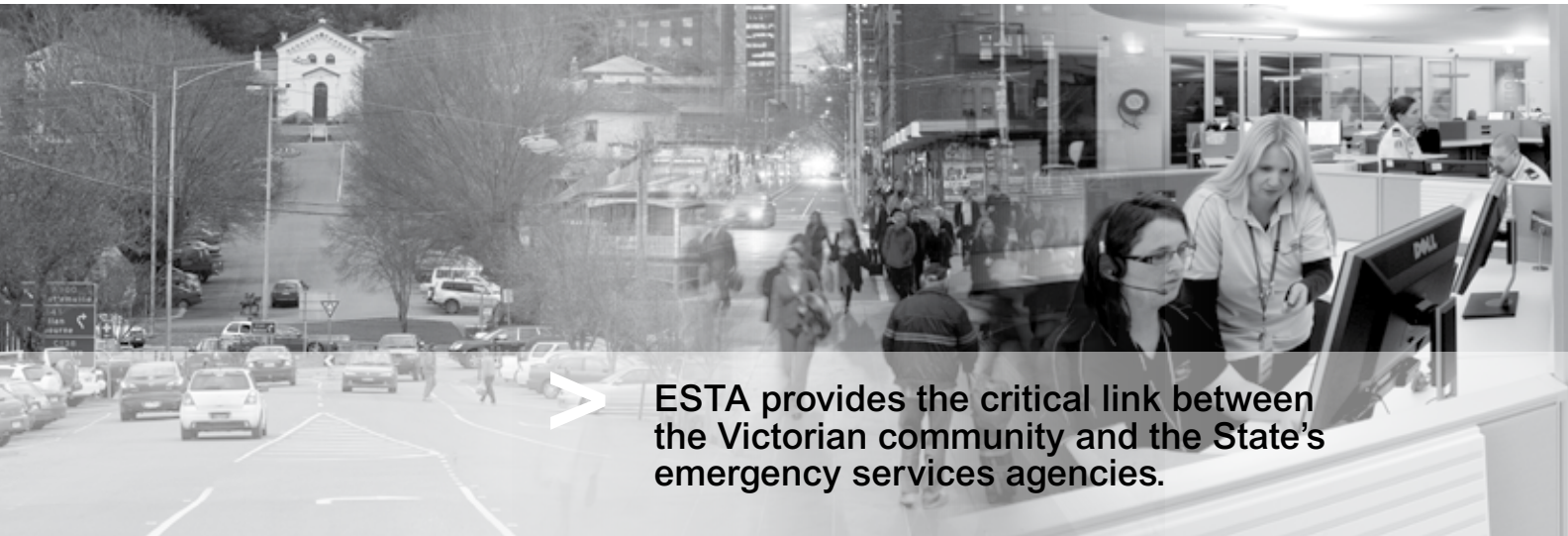
- Excellent Customer Service
- Fairness, Integrity and Respect
- Support, Encourage and Develop
- One ESTA

# ESTA's Community

ESTA operates to benefit the Victorian community. Its stakeholders include:

- > The people of Victoria
- > Emergency Service Agencies:
  - > Ambulance Victoria
  - > Country Fire Authority (CFA)
  - > Metropolitan Fire Brigade (MFB)
  - > Victoria Police
  - > Victoria State Emergency Service (VICSES)
- > ESTA employees
- > Suppliers and technology partners
- > State Government
  - Minister for Police and Emergency Services
  - Department of Justice
  - Department of Premier and Cabinet
  - Department of Treasury and Finance
  - Department of Health
  - Department of Environment and Primary Industries
  - Emergency Services Commissioner
  - Fire Services Commissioner

## About ESTA



**ESTA provides the critical link between the Victorian community and the State's emergency services agencies.**

ESTA provides the critical link between the Victorian community and the State's emergency services agencies. It provides Victoria's 24-hour emergency call-taking and dispatch services for police, fire, ambulance and VICSES. ESTA now takes more than 2 million calls for assistance per year; on average this is a call every 13 seconds - more than 1.6 million of which come via the Triple Zero emergency call service.

ESTA also manages the provision of advanced, operational communications for Victoria's emergency services. These operational communications support police, fire, ambulance and VICSES personnel in the field by this year carrying close to 20 million radio calls over the Metropolitan Mobile Radio Service (MMR); supporting 6.7 million data transactions on the Mobile Data Network (MDN); and delivering more than a million messages to CFA, VICSES and Ambulance Victoria volunteers and staff via the State-wide Emergency Alerting System (EAS).

This integration of emergency services communications within ESTA is unique in Australia and rare worldwide.

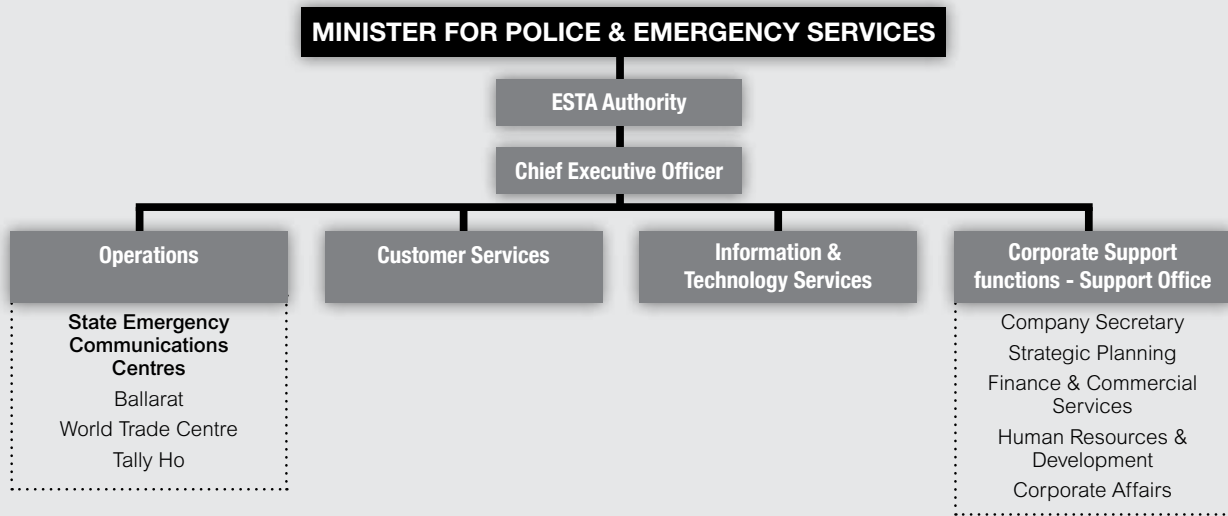
ESTA's staff are deeply committed to the community they serve and are among the most dedicated and highly skilled in their field. Call-taking and dispatch services are delivered from three State Emergency Communications Centres (SECCs) located at Ballarat, East Burwood and Docklands.

Operating in an environment of increasing community expectations for seamless and transparent emergency services, ESTA pursues continuous improvement across all areas of its service delivery.

The Victorian Government has outlined a policy of increasing interoperability across the emergency services sector to enable effective responses to major events. This supports Victoria's all hazards, all agencies approach to emergency management. ESTA has a key role in facilitating interoperability for multi-agency response and is committed to providing the operational communications services and support that the emergency services need, when it is needed.

ESTA aims to meet community and emergency service agency demands by offering the highest quality call-taking and dispatch service and being the best organisation at integrating advanced communications technology and a centre of excellence in this field.

## Organisational Change and Structure



A review of ESTA's support functions during the year provided an opportunity to improve organisational flexibility for the delivery of ESTA's services.

ESTA has expanded its core functions considerably since its inception, including:

- > Responsibility for the management of the EAS, MDN and MMR;
- > Establishment of a Program Management Office (PMO) with significant project management and change capability; and
- > Extending emergency and non-emergency call-taking and dispatch operations state-wide.

Significant changes made during the year as a result of the review include:

- > A new Information & Technology Services Department (ITS) bringing together the PMO; the IT support team; records management; and the service and technical delivery functions previously held under a Managed Services group.

- > Integrating contract management accountabilities so that service provision under any contract is now with ITS, while contract administration resides within a reshaped Finance & Commercial Services Department (FCS). Customer expectations of contract delivery will be managed through the Customer Services (CS) Department, formerly called Stakeholder Relations.

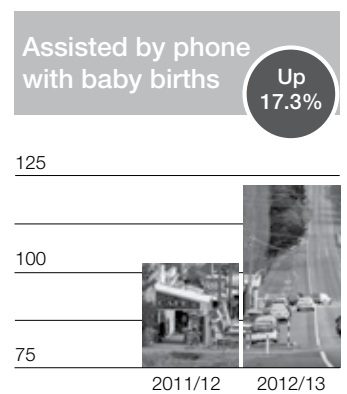
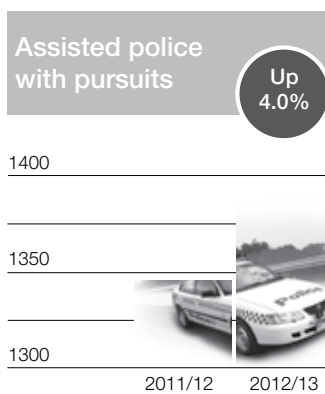
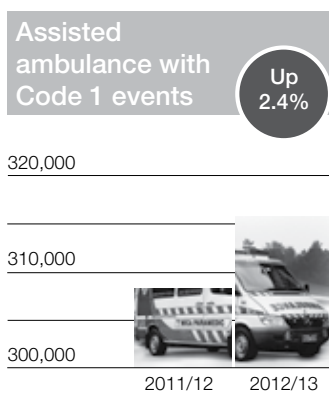
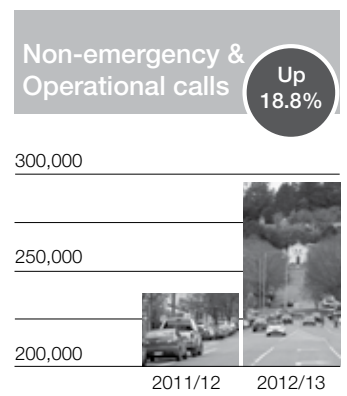
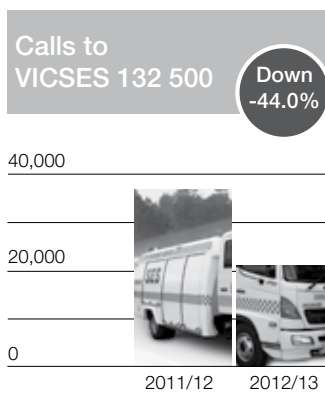
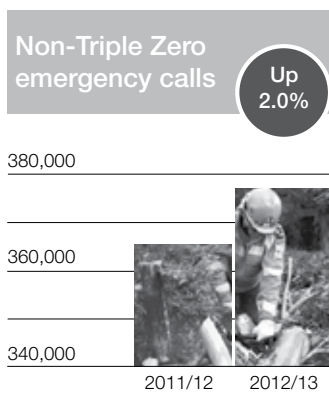
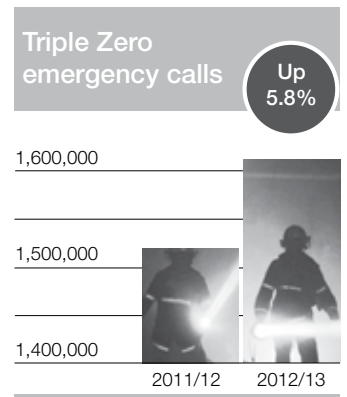
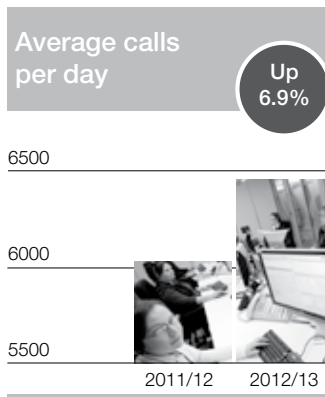
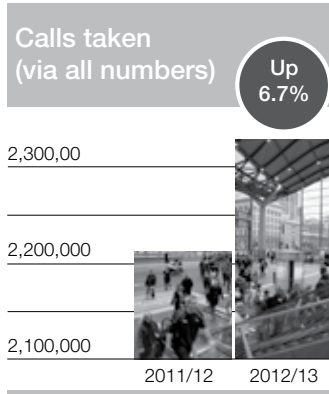
Delivery of change is now equally shared across Departments. Managed Services is no longer a Department and the EAS, MDN and MMR will be commonly known as ESTA's operational communications services, sitting side-by-side with our call-taking and dispatch services.

ESTA's Leadership Team during 2012-13, comprised CEO, Ken Shymanski; Company Secretary, Graeme Allison; Chief Financial Officer, Geoff Cutter; Chief Information Officer, Deborah Weiss; and the Heads of Operations, Andrew Wellwood; Customer Services, John Schurink; Human Resources & Development, Peter Coulter; Corporate Affairs, Rosie Mullaly; and Strategy & Planning, Janine Holloway. Prior to the Organisational Review, Technology & Communications was headed by Mark Powell and Managed Services by Goran Jovanovic.



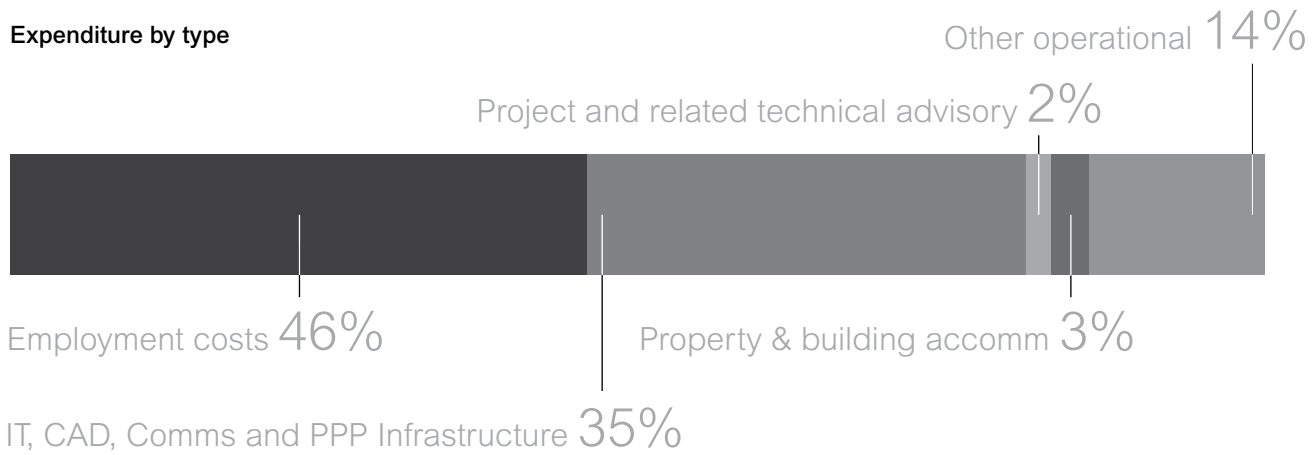
# Growth in Demand

➤ **ESTA took more than 2.3 million calls and dispatched more than 1.8 million events this year**



## Financial & Commercial Services

Expenditure by type



ESTA's financial performance is influenced by growth in demand for its services, internal efficiency improvements, and by the model under which it is funded.

The organisation's Net Result and Net Cash Flow, while again reflecting losses, improved in 2012-13 over the previous year. Further work is required to ensure ESTA is fully funded to meet demand.

Population growth and an ageing population, community expectations, increasing use of mobile telephony, and increased numbers of emergency services field personnel are among the factors with which ESTA must contend and find funding solutions to resolve.

A review of ESTA's funding arrangements commenced during the year under the auspices of the Department of Justice and is due for completion in 2013.

### Expenditure

In 2012-13, 46 per cent of ESTA's expenditure comprised labour costs with a further 35 per cent for contracted operational communications being the EAS, MDN and MMR services; the CAD system; and related IT infrastructure.

Overall, ESTA's budget position improved with cost containment initiatives driven through the year. The Contract & Procurement group delivered \$1.36 million in savings via vendor replacement at a lower cost; volume reductions and elimination of unnecessary expenditure.

## Operations



### > **ESTA is unique in Australia and rare in the world in providing state-wide call-taking and dispatch**

#### **A State-wide Service**

ESTA has progressively assumed responsibility for call-taking and dispatch for emergency services in regional Victoria. The final transition of Victoria Police services was completed in November, 2012 when Wangaratta D24 was switched over to ESTA. The Ambulance Victoria transition was completed in 2011-12. The program also included expanded state-wide services for VICSES.

ESTA is unique in Australia and rare in the world in providing state-wide call-taking and dispatch for all police, fire, ambulance and VICSES services. The model reflects the Government's all hazards, all agencies approach to emergency management and services. The integration of state-wide emergency communications provides regional Victorians with a standard of emergency capability comparable to that provided in metropolitan Victoria for the first time.

The benefits to the community are significant:

#### **Safer regional and rural communities**

All Regional Victorians now have the benefit of computer aided dispatch, internationally recognised structured call-taking, year-round, 24x7 operations, and service delivery that benefits from increasingly integrated field communications.

#### **Improved patient outcomes**

Ambulance Victoria research is showing the move to centralised ESTA services has contributed to improved survival rates for cardiac arrest in regional Victoria.

#### **More police on operational duties**

Police are no longer required to manage call-taking and dispatch in regional Victoria and sixty-six police were returned to operational duties as a result of this initiative.

#### **Greater capacity to meet regional demand surges**

Through consolidation of call-taking services, which were previously split across separate agencies and regions, ESTA is now able to provide a greater capability to meet surge demand from the regional Victorian community. This is a great benefit in times of fire, flood and storms.

#### **Improved operational outcomes for emergency services**

The information gathered through centralised call-taking and dispatch enables emergency services to measure more accurately the demand for resources by time of day and location. This supports better resource planning and greater flexibility.

## Operations

### Location Information

ESTA cannot send an emergency response if it doesn't know where a caller is. Accordingly, identifying a caller's location is the first and most critical element in responding to a Triple Zero call. When a Triple Zero call is made on a fixed line in Victoria, ESTA automatically receives the telephone subscriber's billing address which, in the majority of cases, is the address where emergency services are needed. The time to verify a caller's location when they call from a fixed line is, on average, about 20-30 seconds.

### Public Safety Concern - Mobile Origin Location Information

When a Triple Zero call is made from a mobile phone the actual location of the caller is not provided to ESTA. This means a Triple Zero call-taker must determine the caller's location. The time to verify a caller's location from a mobile phone is on average 40-50 seconds and in some individual calls, it takes many minutes. In 2012-13, 55.7 per cent of Triple Zero calls were made from mobile phones, up three per cent over the previous year. Delays in confirming a caller's exact location subsequently delay the emergency response and may affect patient survival and public safety. With the increase in mobile phone use to call 000, the lack of automatic mobile location information is an increasingly serious challenge.

Australia is behind the US and Europe in introducing technology to deliver Mobile Origin Location Information. The technology to pinpoint a caller's location has been available for a number of years and is widely used overseas. There has been little action by Australian telecommunications carriers and

during the year ESTA called on the Federal Government to legislate to force mobile operators to introduce appropriate location services.

Reflecting its concerns at both the lack of response of carriers and Federal authorities, ESTA also made a series of recommendations to the national Emergency Call Service Advisory Committee (ECSAC) in June. As a result, technical specifications for a mobile location service were prioritised and circulated and are under assessment. The Communications Alliance has been asked to increase engagement with the sector and regular reporting to ECSAC members. A Continuous Improvement Working Group suggested by ESTA was agreed and will be overseen by the National Emergency Communication Working Group and led by ESTA.

ESTA remains concerned the safety of the Victorian community is compromised by current arrangements for requesting mobile location information from carriers and believes these arrangements are inadequate.

### Emergency Markers

Location information challenges are particularly difficult for 'open space' locations with no set addresses such as beaches, parks and trails. To help address the gap in mobile location services, an Emergency Marker program was created in 2005-06 and entered its seventh year of operation in 2012-13.

Emergency markers look like a street signs with white text on a green background. Each has a unique alphanumeric code made up of three letters and three numbers. This code is linked to ESTA's CAD system and specifies the location, GPS

coordinates, road access route or navigational data, all of which assists the dispatch of emergency services.

ESTA now has a total of 1865 Emergency Marker locations identifiable to call-takers in the Computer Aided Dispatch system. A total of 392 Emergency Markers were added during 2012-13, covering 19 different environments and locations. As at 31 July, 212 of the new Markers had been installed and another 180 were in the process of being installed.

### Highlight

- > A major safety upgrade to the popular Ballarat Skipton Rail Trail was completed with the installation of 55 Emergency Markers. Walkers, cyclists and horse-riders enjoying the trail are now never more than a few hundred metres from a marker post that will help speed up an emergency response if they need to call Triple Zero. The Rail Trail upgrade was funded by the City of Ballarat and completed in partnership with ESTA.

### Workforce Management

ESTA completed a major overhaul of Operations forecasting, rostering and reporting systems and processes and finalised implementation of its workforce management system during the year. The system enables ESTA to predict call arrival patterns and likely handling times more accurately. This means ESTA now has the capability to improve on its rosters to match staffing to community demand better. The software also has reporting capabilities that assist Team Leaders and Operations management.

Activity	2012 - 2013	2011-2012	Change
Calls taken (via all numbers)	2,349,505	2,203,506	6.7%
Events dispatched	1,859,524	1,690,775	9.9%
Average calls per day	6437	6020	6.9%
Triple Zero emergency calls	1,620,164	1,531,557	5.8%
Non-Triple Zero emergency calls	374,909	367,673	2.0%
Calls to VICSES 132500	21,085	37,598	-44.0%
Non-Emergency and Operational Calls	288,527	242,891	18.8%
Assisted ambulance with Code 1 events	315,160	307,738	2.4%
Assisted police with pursuits	1391	1337	4.0%
Assisted by phone with baby births	122	104	17.3%

### Call-Taking and Dispatch

Triple Zero is the most common way members of the community contact ESTA for emergency assistance. Emergency assistance can also be requested via numbers other than 000. These numbers are accessed by authorised personnel at police stations, hospitals and other premises including those identified as high risk. ESTA also provides call-taking and dispatch for non life-threatening emergencies involving storm or flood via 132 500. Other numbers are also used for non-emergency operational matters and services such as non-emergency patient transfers.

ESTA experienced increases of call-taking and dispatch activity across the range of call types, once again exceeding two million calls for all calls taken. Triple Zero emergency calls rose by 5.8 per cent to more than 1.6 million. These increases were primarily a result of expanding the Victorian regions where ESTA provides service, but also reflect increased community demand for ESTA services.

The total number of calls taken during 2012-13 was 2,349,505, an increase of 6.7 per cent over the previous year, and the total number of events dispatched grew to 1,859,524, an increase of 9.9 per cent over the same period.

ESTA's call-taking activity represented a call every 13 seconds compared with an average of 14 seconds the previous year.

### Call-taking and dispatch volumes

The only category of calls to decline in demand was VICSES calls to the Storm Emergency Number. Call demand for VICSES this year reflects the fact there were fewer days in 2012-13 subject to severe storm weather or floods.

### Highlights

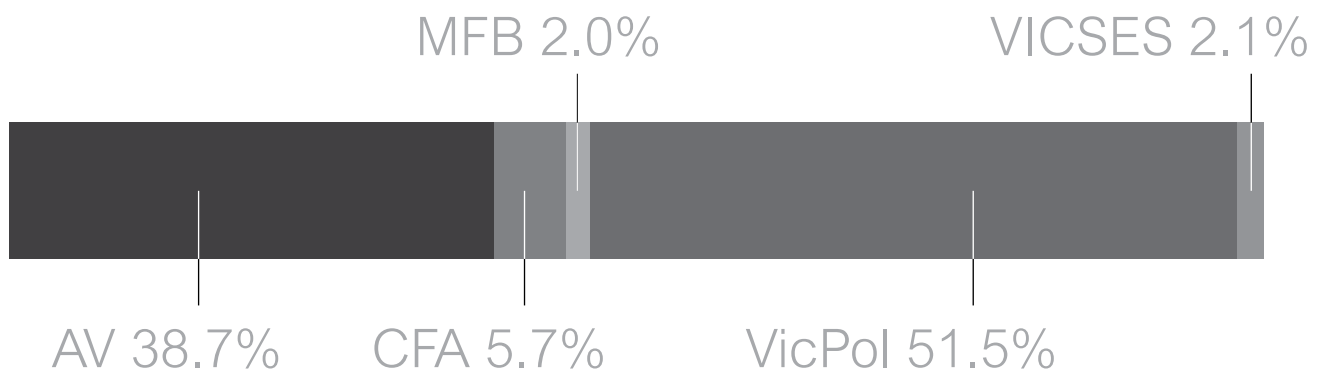
- > The number of Ambulance Victoria Referral Service Event types was increased to assist Ambulance Victoria with the management of events that can be handled by means other than sending an ambulance. The Referral Service coverage area was extended to the Barwon Region with other rural areas to follow.
- > The newly added Victoria Police Protective Service Officers (PSO) program was a priority throughout the year. ESTA and Victoria Police commenced a trial of the operation of two additional radio channels for dispatch between 6pm and 2am to provide additional radio capacity to manage the increased demand for service from PSOs.
- > As part of ESTA's continuous improvement approach, a dedicated Audit and Investigations Team was established within Operations and a new radio and telephony voice recording platform was introduced.

## Operations

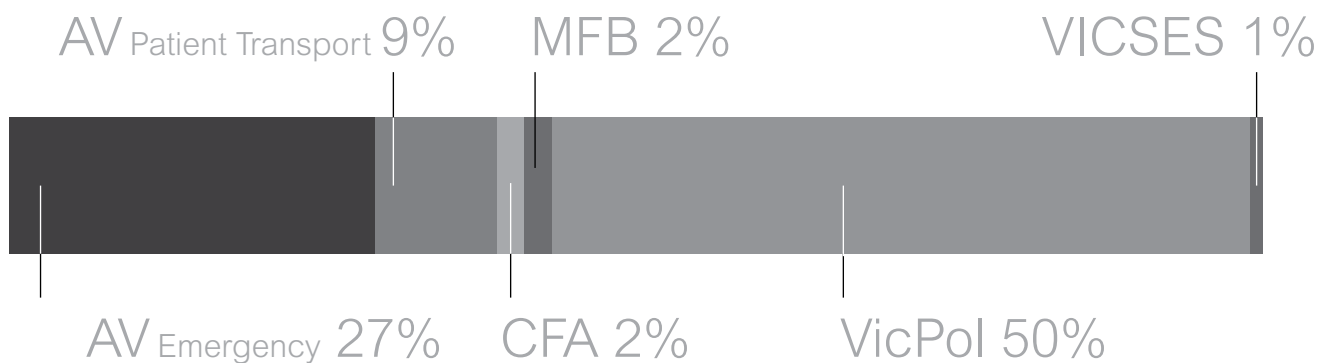
These charts illustrate the number of calls taken and events dispatched by agency during 2012-13.

### Calls taken

Ambulance Victoria (AV)	910,363	38.7%
CFA	134,681	5.7%
MFB	46,069	2.0%
Victoria Police (VicPol)	1,209,697	51.5%
VICSES	48,695	2.1%
<b>Total</b>	<b>2,349,505</b>	<b>100%</b>



Ambulance Victoria - Emergency	496,003	27%
Ambulance Victoria Patient Transport	158,405	9%
CFA	44,727	2%
MFB	38,316	2%
Victoria Police	1,101,890	50%
VICSES	20,183	1%
<b>Total:</b>	<b>1,859,524</b>	<b>100%</b>





**ESTA strives to achieve a consistent state-wide level of performance for each agency**

**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.

**Performance standards**

The following standards currently apply to ESTA's call-taking and dispatch services:

**Call Answer Performance**

**Victoria Police Emergency**

80 per cent answered<sup>1</sup> within 5 seconds

**Ambulance Emergency**

90 per cent answered within 5 seconds

**Ambulance Non-Emergency**

90 per cent answered within 30 seconds

**Fire Services Emergency**

90 per cent answered within 5 seconds

**Fire Services Non-Emergency/Operational**

90 per cent answered within 30 seconds

**VICSES Emergency**

90 per cent answered within 20 seconds

**VICSES Operational**

80 per cent answered within 20 seconds

**Dispatch Performance**

**Victoria Police Priority 1 Events**

80 per cent dispatched within 180 seconds

**Victoria Police Priority 2 Events**

80 per cent dispatched within 300 seconds

**Victoria Police Priority 3 Events**

80 per cent dispatched within 900 seconds

**Ambulance Code 1 Events**

90 per cent dispatched within 150 seconds

**Ambulance Code 2 Events**

90 per cent dispatched within 300 seconds

**Fire Services Priority 1 Events**

90 per cent dispatched within benchmark<sup>2</sup>

**Fire Services Priority 3 Events**

90 per cent dispatched within benchmark<sup>3</sup>

**VICSES Priority 1 Events**

90 per cent dispatched within 60 seconds

**VICSES Priority 2 & 3 Events**

90 per cent dispatched within benchmark<sup>4</sup>

2 Emergency Medical Response/Alarm Events – 28 seconds, Urban Events - 120 seconds, Rural Events – 190 seconds, Other Agency Events – 60 seconds  
 3 Urban Events – 160 seconds, Rural Events – 230 seconds  
 4 Urban Priority 2 & 3 Events – 460 seconds, Rural Priority 2 & 3 Events – 460 seconds, Other Agency Events – 230 seconds

1 Currently applies to Metropolitan Service Delivery only

## Operations

### Overall Qualitative Performance

ESTA assesses qualitative performance by using a combination of the results from regular internal service delivery audits of call-taking and dispatch processes and the number of valid Observation Reports<sup>5</sup> from the agencies received in relation to ESTA's service delivery.

During 2012-13 ESTA received 541 Observation Reports for the year, of which 189 reflected opportunities for improvement. This equates to approximately one Valid Observation Report per 9727 events dispatched, or 0.01 per cent.

Monthly Qualitative Performance standards are specific to each service and apply to all agencies<sup>6</sup> (except VICSES) in the categories of call processing, dispatch, messaging<sup>7</sup>, and data transfer<sup>8</sup>.

### Performance against Standards

#### VICTORIA POLICE

ESTA assumed responsibility for all police call-taking and dispatch state-wide during the year following the transfer of Victoria Police's Wangaratta D24 into ESTA. Emergency calls for Victoria Police are directed via a common call queue to dedicated ESTA call-takers located at the World Trade Centre and Ballarat SECCs. This arrangement provides the most efficient use of call-takers and ensures parity in call answer performance regardless of where in Victoria the caller is located.

- > ESTA again continued to exceed the performance benchmark requiring 80 per cent of emergency calls to be answered within 5 seconds.
- > Across the whole state, ESTA averaged a monthly call answer performance of 89.8 per cent for the year, answering 89.7 per cent of all calls within 5 seconds with an average call answer time of 3.4 seconds compared to 4.5 seconds last year.
- > ESTA consistently exceeded the metropolitan area dispatch performance benchmarks for Victoria Police in both the metropolitan and regional dispatch areas. ESTA dispatched 91.9 per cent of Priority 1 events within the metropolitan benchmark time of 160 seconds across the State.
- > For the period 1 July, 2012 to 31 January, 2013<sup>9</sup>, ESTA achieved 98.4 per cent of successful qualitative internal audits for emergency call processing, 98.1 per cent for emergency dispatch and 99.9 per cent for emergency messaging.
- > ESTA met or exceeded the metropolitan performance standard for 90 per cent of calls to be answered in 5 seconds for eight months of the year.
- > Across the whole state, ESTA averaged monthly call answer performance of 90.8 per cent, for the year answering 90.7 per cent of ambulance emergency calls within 5 seconds with an average call answer time of 3.9 seconds compared to 4.7 seconds last year.
- > ESTA answered 95.9 per cent of ambulance non-emergency calls within 30 seconds, with an average call answer time of 4.7 seconds compared to 7.2 seconds last year.
- > While ESTA did not meet the performance standard for Code 1<sup>10</sup> dispatch in 2012-13, ESTA is continuing to work with Ambulance Victoria to identify key performance issues and mitigation strategies.
- > ESTA dispatched 83.2 per cent of Code 1 events across the state within the metropolitan benchmark time of 150 seconds.
- > For the period 1 July, 2012 to 31 January, 2013<sup>9</sup>, ESTA achieved 98.4 per cent of successful qualitative internal audits for emergency call processing, 98.4 per cent for emergency dispatch and 99.8 per cent for emergency messaging.

#### AMBULANCE VICTORIA

Emergency calls for Ambulance Victoria are directed via a common call queue to dedicated call-takers located at the Tally Ho and Ballarat SECCs. This arrangement provides for the most efficient use of call-takers and ensures parity in call answer performance regardless of where in Victoria the caller is located.

<sup>5</sup> An Observation Report reflects feedback which may include complaints or compliments.

<sup>6</sup> For MFB and CFA, standards apply quarterly.

<sup>7</sup> For Ambulance Victoria, measurement is combined for Emergency and Non-emergency.

<sup>8</sup> Assessed on the basis of valid Observation Reports received

<sup>9</sup> ESTA has been unable to complete qualitative audits from January 2013 due to protected industrial action which has initiated bans on participation in audit activity. These bans began in February 2013 and remained in place at the end of the year.

<sup>10</sup> Code 1 events are the highest priority ambulance events.



**FIRE SERVICES**

Emergency calls for CFA and MFB assistance are directed via a common call queue to dedicated call-takers located at the Tally Ho and Ballarat SECCs. As with ambulance and police calls, this arrangement provides for the most efficient use of call-takers and ensures parity in call answer performance regardless of where in Victoria the caller is located.

ESTA:

- > Consistently met or exceeded the call answer performance standard for 90 per cent of emergency calls to be answered in 5 seconds, for both the MFB and CFA for each month.
- > Answered 96.8 per cent of emergency calls for CFA within 5 seconds and 95.3 per cent of emergency calls for MFB within 5 seconds, with an average call answer time of 1.8 seconds and 2.9 seconds respectively.
- > Answered 96.5 per cent of calls from CFA personnel and 98.1 per cent of calls from MFB personnel within 30 seconds.

- > Achieved 93.0 per cent of MFB events dispatched within the benchmark time. Dispatch performance for MFB met the performance standard for all months in 2012-2013.
- > Met the CFA's Priority 1 dispatch performance standard for eight months; however achieved 90.5 per cent of Priority 1 Event dispatches within the benchmark time for the year.
- > Met the dispatch performance standard for CFA priority 3 in only one month, but achieved 88.0 per cent of Priority 3 dispatches within the benchmark time for the year.
- > For the period 1 July, 2012 to 31 December, 2013<sup>11</sup>, for CFA ESTA achieved 98.4 cent of successful qualitative internal audits for emergency call processing, 100.0 per cent for emergency dispatch and 99.8 per cent for emergency messaging.
- > For the period 1 July, 2012 to 31 December, 2013<sup>11</sup>, for MFB ESTA achieved 98.4 cent of successful qualitative internal audits for emergency call processing, 100 per cent for emergency dispatch and 99.9 per cent for emergency messaging.

**VICSES**

ESTA's compliance against the VICSES Emergency call answer performance standards was met for six months of the year. Overall performance was again affected by the rapidly occurring and unpredictable presentation of calls for VICSES assistance, principally as a result of adverse weather. ESTA, in conjunction with VICSES, will continue to seek better ways to manage, respond to and measure surges in call demand related to weather events. ESTA:

- > Storm call activity varied from seven to 3177 calls in a day, with only six days in the year exceeding 400 calls.
- > Answered 85.3 per cent of storm calls for the year within the benchmark of 20 seconds and achieved an average call answer time of 27 seconds, compared to 78.9 seconds last year.
- > Answered 91.1 per cent of operational VICSES calls for the year within the benchmark time of 30 seconds.
- > Did not meet the 90.0 per cent Priority 1 dispatch benchmark in any month, but achieved 85.1 per cent of Priority 1 Events dispatched within the benchmark time for the year.
- > Consistently met the Priority 3 Dispatch benchmark throughout the year and achieved 96.0 per cent of Priority 3 events dispatched within the benchmark time for the year.

> On average ESTA takes a call every  
**13 seconds**  
 and dispatches an event every 18 seconds  
 365 days a year

11 ESTA has been unable to complete qualitative audits from January 2013 due to protected industrial action which has initiated bans on participation in audit activity. These bans began in February 2013 and remained in place at the end of the year.

## Customer Services

ESTA works closely with the emergency management sector and maintains close and important relationships with the Office of the Emergency Services Commissioner and the Fire Services Commissioner. ESTA created a Stakeholder Relations Department in March 2012 to provide focus to these important relationships; the Department was renamed Customer Services in May 2013.

The principal role of Customer Services is to ensure alignment between ESTA's service delivery and development activities with the requirements of the agencies it supports. Specifically, the Customer Services Department:

- > Builds, develops and enhances relationships with emergency services customers and other stakeholders;
- > Works strategically to ensure ESTA aligns its activities with Government and Emergency Management Sector priorities;
- > Delivers emergency services customers' service requests; and
- > Oversees responses to customer service and inter-agency communications.

Customer Services also provides the link between ESTA and its Advisory Committee. The ESTA Advisory Committee is created under ESTA's Act and helps facilitate working relationships with emergency services and management agencies. The Committee meets four times a year and comprises ESTA management, senior operational personnel from the emergency services and representatives from

the Fire Services Commissioner, Emergency Services Commissioner and Department of Justice.

### Highlights

ESTA's work with the Office of the Emergency Services Commissioner and the Fire Services Commissioner included progress toward the National Emergency Alert Service and the Fire Refuges Project. Customer Services continues to lead this work for ESTA, to ensure improved sectoral alignment and the maintenance of service delivery.

In 2012-13, Customer Services facilitated some important improvements that deliver better outcomes to the sector and streamline ESTA's internal operations.

ESTA's Administrative Arrangements set out how it will deliver services to its emergency service customers. A thorough review of the Administrative Arrangements was conducted in consultation with the sector. The revised arrangements will be implemented during 2013-14, and include a simplified governance structure with complete transition of the operational communications contracted services into ESTA's ongoing business model; clarification of 'all parties' accountabilities and responsibilities; and a more efficient engagement model. ESTA will be working with the agencies in the next stage of the review to develop a new set of performance standards and Service Level Agreements for the delivery of ESTA's suite of services.

- > ESTA delivered the first stage of a project to pass CAD data direct to Ambulance Victoria, giving the ambulance service real-time CAD event information for internal use for the first time. In its next stages, this Customer Services driven project will automate the provision to Ambulance Victoria of detailed information about service performance and event data

and will look to provide similar improvements of information flow to, in the first instance, the CFA and Victoria Police.

- > A backlog of 524 service and change requests, including more than 300 internal ESTA changes, was identified and reduced by more than 33 per cent; within that figure Agency requests have been reduced by close to 80 per cent.
- > Following a review of ESTA's change delivery process in early 2012, Customer Services oversaw the introduction of ServiceNow, a new tool that will improve service delivery. ServiceNow offers greater automation and visibility of how service requests are progressing. In 2013-14 it will be expanded to improve issue and problem management.
- > Customer Services also worked with its emergency services customers to streamline the number of committees and meetings that had been placing unnecessary demands on personnel. The previously separated 'Operations', 'Change Request Review' and 'Operational Communications Performance Review' committees have already been consolidated into a single monthly meeting per agency.
- > Customer Services annual stakeholder survey showed an increase in overall satisfaction in all categories. The responses reflected more proactive work with customers and a conscious focus on service delivery. While ESTA's mid-year organisational review initially created some confusion for stakeholders, this was outweighed by recognition ESTA was improving its interaction and relationships. It was also noted ESTA was becoming more solutions driven.

## Information and Technology Services



**ITS continues to recognise the importance of technology innovation to support the delivery of services**

The Information and Technology Services Department (ITS) manages the provision of critical information technology and operational communications services supporting the whole of ESTA and Victoria's emergency services agencies. Following ESTA's internal organisational review, ITS implemented a new structure that provides oversight of all technology, including the outsourced services delivered by third party providers and the internally delivered information technology services.

The core Emergency Services platforms and services are:

- > CAD
- > CAD Data Management and Geographic Information Systems
- > EAS
- > MDN
- > MMR

The ESTA supporting platforms and services are:

- > Corporate Systems and Support
- > Project Delivery

ITS continues to recognise the importance of technology innovation to support the delivery of services. In addition to the daily provision of emergency information and technology services, ITS is committed to the continuous improvement of ESTA's information technology and operational communications services.

### Highlights

- > ESTA redeveloped its Intranet in 2012-2013. It has improved organisational communication and is providing a reliable and current source of information to staff. Key features include ease of access and improved search capacity for ESTA staff seeking information about ESTA functions, structure, policy, people and processes.
- > ITS Operations section has continued to support efficiencies within ESTA's Support Office through the introduction of technologies that support better communications and collaboration. Improvement of the support server environment and implementation of new IT management tools has improved time-management and effectiveness. ITS also introduced an improved Service Desk contact system.

## Information and Technology Services

### Program Management Office

ESTA projects are managed by ITS. The complexity of ESTA's projects requires changes be managed incrementally or via transformational improvement. Change and project management processes are required to control activities and deliver quality solutions. ITS has adopted a sector-wide standardised project methodology and reporting framework developed on behalf of the emergency service agencies by the Department of Justice.

### Highlights

- > In 2012-13, the PMO delivered a program value of over \$26 million and at least 28 different projects providing new or enhanced services to the emergency services sector and individual agencies.
- > ESTA and the CFA formally engaged in work to support the delivery of a Regional Mobile Radio (RMR) digital network. The RMR will improve radio coverage for all CFA brigades in regional Victoria, providing direct communications with the ESTA centres at all times.

### Information, Data and Geographic Information Systems

ITS provides information and data management for the CAD environment and ESTA's Geographic Information Systems to support emergency services operations. ESTA builds and maintains the electronic maps used in the CAD system (ESTAMap). These electronic maps are based on geospatial data provided to ESTA by the Department of Environment and Primary Industries (DEPI) along with the Public Sector Mapping Association for interstate addressing. This information is used to verify the location of incidents and contains geographic data, extensive common place names, and specialised data for emergency services use, including data specific to each agency.

### Highlights

- > A capability was developed to send live emergency event data to emergency services agencies and other third parties directly from ESTA's CAD system. Emergency event data is now supplied to Ambulance Victoria in real time. This service also delivers Law Enforcement Assistance Program (LEAP) background checks from Victoria Police and, during 2012-13, was successfully used to send burn-off notifications to the Fire Services Commissioner.

- > ESTA developed new ways to update emergency services agencies with map changes in agency specific response zones. Previously implementation times were limited to ESTAMap releases whereas new initiatives during the year improve service to the agencies with updates on an as required basis.
- > A range of geocoding improvements to assist speedy location were made during the year and will continue, including improving the quality of primary and secondary school, childcare and other children's services data as well as aged care information and Alpine resorts locations. These improvements were assisted by a number of government departments including DEPI, Education and Early Childhood Development, Transport, Planning and Local Infrastructure, and Health.
- > ESTA continued to strengthen its partnership with DEPI and more than 70 Local Government areas, providing valuable feedback to improve the accuracy of Vicmap, and benefitting from a 2012 program to incorporate new address, road and property data from areas that previously had poor coverage.

## Operational Communications

### Computer Aided Dispatch

ESTA's CAD system is a central feature of Victoria's emergency response infrastructure. CAD combines software, map data and hardware that enables operators to enter and record event details and to assist in accurately pinpointing an incident location. CAD and associated systems assist ESTA personnel to determine an event type and the emergency resources required. It also assists dispatchers in sending an appropriate response to the correct location.

During 2012-13, CAD operated at satisfactory service levels. The service availability target was set at 99.8 per cent (including scheduled outages) and was met with combined availability across the three SECCs of 99.86 per cent which reflected an improvement over the 2011-12 figure of 99.8 per cent.

Three incidents occurred during 2012-13 that required unplanned use of ESTA's back-up systems for call-taking and dispatch. Post incident reviews revealed no systemic issues with the CAD service itself. In November, the back-up was used for three hours at the Ballarat SECC following a fault where a system used for CAD computers lost connection to the network. In May, a hardware failure triggered the CAD system to stop functioning normally. In June, work to fix erroneous alarms was required. Steps to resolve the problem did not initially work and subsequent troubleshooting affected CAD in Ballarat. ESTA is continuing to work closely with its vendors to ensure steps are taken as far as practicable to prevent CAD disruptions.

### Highlight

- > A new procedure was created to implement upgrades while keeping CAD operational rather than requiring use of a back-up system. This new procedure considerably increased the operational time of the CAD service during the year.

### Computer Aided Dispatch Upgrade

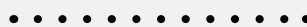
ESTA currently operates CAD on Intergraph software version 7.9.5. In 2011, the State Government provided \$10.26 million to increase the availability and quality of ESTA's call-taking and dispatch service through the upgrade of the CAD platform.

In 2012-13, the project team successfully loaded the new CAD version into the test environment and conducted over 2000 tests with a 90 per cent success rate. The CAD software provider, Intergraph, is now working closely with ESTA to resolve the unsuccessful test items before the upgraded CAD is fully implemented in 2013-14.

### CAD Resilience

The State Government provided funding totalling \$3.182 million in 2012-13 to improve the resilience and reliability of the overall CAD environment and call-taking and dispatch performance. In 2012-13, ESTA delivered a more sustainable financial model for software licencing; communications server upgrades; and a market review of software monitoring tools in preparation for procurement. Once work is completed in December 2013, the project will deliver a more resilient call-taking and dispatch processes, along with an IT monitoring solution and improved network resilience, security and redundancy.

> CAD availability was above the target of  
**99.8 per cent**  
 for the year and improved on 2011-12



## Information and Technology Services

### Emergency Alerting System

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

The EAS network comprises 227 sites distributed across the State of Victoria, transmitting messages to approximately 40,000 pagers. The EAS has proven 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.

Consistent with the original contract terms, ownership of the EAS Network and all its associated equipment (excluding pagers) was transitioned back to the State at the expiry of the Public Private Partnership (PPP) contract. The service is now supported on the basis of an operate and maintain contract.

#### EAS Messaging Volumes

Message Priority	2012-13	2011-12	Per Cent Change	Delivery Success 2102-13
Emergency	524,065	510,180	2.72%	99.997%
Non-Emergency	436,209	438,056	-0.42%	99.999%
Administrative	166,681	147,455	13.04%	99.995%
TOTAL	1,126,955	1,095,691	2.85%	99.997%

### Performance

The EAS performance for 2012-13 resulted in an overall message delivery success rate of 99.997 per cent (the same result as 2011-12) and above the target level of 99.95 per cent.

#### Highlights

> An EAS Network Upgrade Project is underway and is continuing to address the State's objectives aimed at improving network performance and coverage.

- > Work is underway to deliver a second channel on the EAS Network which will facilitate a considerable increase in message capacity.
- > Detailed Network Coverage mapping was conducted during 2012-13 to assist with emergency communications planning during large, extreme weather events and fires.

**Mobile Data Network**

The MDN is a secure, digital, data switching telecommunications network that provides connectivity between mobile data equipped emergency service 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 for corporate databases such as the LEAP used by Victoria Police; and
- > Automatic Vehicle Location which facilitates both the identification of the closest appropriate emergency service resource to

an event, in addition to personnel duress alerting that also provides the location of an agency resource under duress.

MDN Transactions			
Transaction Type	2012-13	2011-12	Per Cent Change
CAD – Ambulance Victoria	467,101	458,173	1.95%
CAD – Victoria Police	997,420	829,535	20.24%
LEAP inquiries	5,267,610	4,168,501	26.37%
Sheriff's Office	7,389	5,827	26.81%
<b>TOTAL Transactions</b>	<b>6,739,520</b>	<b>5,462,036</b>	<b>23.39%</b>

**Performance**

The availability of the MDN core network was 99.99 per cent for the year (the same result as 2011-12) against a target of 95 per cent. The network recorded an increase in MDN transactions, the biggest increases recorded being for Victoria Police (20.24 per cent), MDN LEAP (26.37 per cent), Sheriff's Office enquiries (26.81 per cent) and for CAD-MDN transactions overall.

The increase is mainly due to the introduction of new MDN functionality and wider use of laptop mobile data devices by Victoria Police, enabling members to make better use of MDN devices both inside and outside the Melbourne metropolitan service area.

**Highlights**

- > Software upgrades were implemented to provide greater functionality for users.
- > Integrated mapping was deployed enabling Ambulance Victoria navigation functionality via the MDN for the first time.
- > Increased use of MDN in regional Victoria supported by laptop data terminals.

## Information and Technology Services

### Metropolitan Mobile Radio

The MMR service is a digital radio voice communications system operating to international standard

protocols<sup>12</sup>. It provides mission critical high quality and secure communications over the Greater Metropolitan area supporting Victoria Police, Ambulance Victoria

and the MFB. The MMR comprises more than 8000 portable and vehicle radio sets, facilitated by a backhaul network comprising over 70 base stations.

MMR Radio Calls			
Agency	2012-13	2011-12	Per Cent Change
Ambulance Victoria	4,750,962	4,395,271	8.09%
MFB	1,313,353	1,198,028	9.63%
Victoria Police	12,835,206	14,126,366	-9.14%
<b>Total Calls</b>	<b>18,899,521</b>	<b>19,719,665</b>	<b>-4.16%</b>

### Performance

The MMR core network availability for the year was 100 per cent against a target of 99.95 per cent and compared to 99.99 per cent in 2011-12.

### Highlights

- > Reallocation of radio frequency spectrum to enable more efficient use and compliance with revised Australian Communications & Media Authority requirements.
- > Implementation of a Voice Logging Service to deliver a more sophisticated, flexible and efficient radio and telephony voice logging and recording system.
- > Upgrade of all dispatch consoles to provide a common IP console platform with flexible deployment across all dispatch centres.
- > Upgrade of six Base Station Groups (totalling 47 base stations) to improve the network longevity.

### MMR Extension Project

The MMR Extension Project successfully delivered initiatives to improve spectrum efficiency and longevity over the MMR service contract term. The project upgraded a microwave radio based link service to provide greater capacity between ESTA's Docklands and Ballarat Emergency Communications Centres. Link redundancy for the Tally-Ho Centre radio consoles was improved. The implementation and integration of a new, more flexible and efficient, radio and telephony voice logging and recording system was achieved across all emergency communications sites.

### Radio Frequency Spectrum Re-Allocation

A project team delivered MMR compliance with Stage 1 of the Australian Communications & Media Authority 400MHz radio Frequency Spectrum band plan, through a revised and compliant MMR network frequency plan and all necessary modifications to the network and equipment. The spectrum changes were put into effect ahead of schedule and under budget.



# Community Engagement



**ESTA cannot send help if it doesn't know where the emergency is**

ESTA's engagement activities are strongly focused on community education, in particular teaching children about, and how to use, Triple Zero services. ESTA works with other emergency services agencies to ensure information about calling Triple Zero is part of engagement and education efforts across the sector.

Important information:

- > '000' is the number to call if an emergency response is required.
- > ESTA cannot send help if it doesn't know where the emergency is. The location of the emergency is the first information an ESTA call-taker will need.
- > Children should be taught from pre-school how and when to call Triple Zero and they should know their address and the nearest corner as soon as they are able to repeat it.
- > A caller does not need to speak English to get assistance from Triple Zero. Interpreter services are available and the caller only need state the language they require.

- > Calling Triple Zero when there is no emergency puts lives at stake because it may delay help to someone in genuine need.
- > '000' should always be referred to as "Triple Zero" and never "Triple-Oh" which equates to '666' on alphanumeric handsets.

**Highlights**

- > Twenty three young Victorians aged between four and fifteen were recognised for their bravery and appropriate use of the Triple Zero service at an awards celebration in October. One of ESTA's Junior Triple Zero Heroes celebrated with an award was a 4 year old girl who rang 000 after her mother fainted and went into early labour. Also awarded were four young siblings who worked together to perform CPR on their mother when she stopped breathing following a serious asthma attack.
- > Thousands of Victorian families visited ESTA's stand at the Royal Melbourne Show over 11 days, with children learning how to use the Triple Zero service by speaking with call-takers and dispatchers and listening to real 000 call audio.

- > ESTA once again participated in the MFB's TEENS - Teaching, Enlightening, Encouraging, Nurturing Safe drivers - program which aims to address the alarming rise in teenage-related fatalities and injuries involving car crashes. ESTA highlighted the importance of being able to locate an injured person following a road accident.
- > The Triple Zero message was at the fore during the CFA Bushfire and Emergency Services Expo at Riddells Creek, raising safety awareness in the lead-up to the bushfire season.
- > ESTA staff again volunteered their time for the Royal Children's Hospital Good Friday Appeal telethon, providing technical and staffing support.
- > The ESTA team was also on hand for the CFA-run SAFE - Safety Awareness Field Education - program in Mildura and Swan Hill, delivering Triple Zero safety messages to primary school children across the Loddon Mallee region.

## Strategic Planning

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.

### Highlights

- > A review of audit, risk management and business continuity processes resulted in a new model to incorporate better these disciplines in the planning process.
- > ESTA partnered with the CSIRO to investigate potential for improving emergency management through social media monitoring. ESTA coordinated a consortium including all emergency agencies to pilot use of CSIRO developed tools. This pilot, led by ESTA, was the first shared initiative within the emergency services sector and is continuing.
- > The last quarter of 2012-13 saw ESTA begin the development of a benchmarking program. This benchmarking process will mature in 2013-14 and assist ESTA to improve core and support services.
- > ESTA recently became a member of the Association of Public-Safety Communications Officials Australasia to enhance and improve relationships within the public safety communications field. ESTA will continue to participate and be involved in influential forums.

### Planning

ESTA is into its second year of a rigorous new planning discipline. A planning forum was established which included representatives from across the emergency management sector to align plans and strategy.

#### **Audit, risk management, business continuity**

ESTA improved its audit framework in 2012-13, and continued to strengthen the relationship between audit and risk management. Executive Leadership and Audit Committee workshops were conducted to review current and emerging risks and re-evaluate the organisation's risk appetite.

ESTA successfully mitigated many of its high risks through targeted controls and treatments, and continued to conduct the risk management multi-agency forums to broaden and understand common sector risks. Risk mitigation activities continue.

The organisation also consolidated Risk Management and Business Continuity processes into a common centralised tool called Revive. Critical functions within each Department were identified and improved contingency and recovery procedures have been put in place. ESTA will continue to mature its Risk Management and Business Continuity governance, including the development of a more robust incident management and root cause analysis process.

## People



**> ESTA's staff are deeply committed to the community they serve**

ESTA's staff are deeply committed to the community they serve and are among the most dedicated and highly skilled in their field.

ESTA's call-taking and dispatch services are delivered from three communications centres located at Ballarat, Tally-Ho in East Burwood and World Trade Centre at Docklands. Support functions for the organisation during the year were located across two sites in Melbourne's central business district. During the year decisions were taken to consolidate ESTA's accommodation and a program to relocate all support functions to the SECCs – primarily the Tally-Ho SECC in East Burwood – commenced. ESTA will move from five sites to three during 2013-14.

ESTA employed an average of 801 or 752 full time equivalents (FTE) per month in 2012-13, compared with 744 employees or 713 FTE in 2011-12.

### Highlights

- > ESTA's commitment to developing management and leadership capability continued. ESTA's second Diploma of Management program commenced in partnership with Swinburne University in early 2013, with 25 first line managers participating.

A graduation ceremony was held in February for 44 staff who participated in the program during 2012. An ESTA Leadership program designed for senior and strategic leaders commenced at Swinburne in May. Eighteen managers participated in this program with a number of participants having elected to complete a Graduate Certificate in Business.

- > Service Award ceremonies were held for staff completing 10 and 15 year continuous service at ESTA. Awards were presented to 42 staff achieving 10 years of service and 12 staff achieving 15 years of service.

During 2012-13:

- > ESTA recruited 185 staff, including 165 call-takers and dispatchers (up from 133 the previous year) and 20 administrative and support staff (down from 35 the previous year). The increase in Operations staff in large part reflects the full-year effect of recruitment required for the transition of regional call taking and dispatch from external agencies to ESTA.
- > Absenteeism increased from 5.2 per cent in 2011-12 to 6.3 per cent in 2012-13, still within the year's target maximum of 6.5 per cent.

- > ESTA's annual employee attrition rate was reduced from 11 per cent in 2011-12 to 9.8 per cent in 2012-13. This compared with a target maximum of 15 per cent which has now been reduced to 10 per cent for the coming financial year.
- > Retention of staff beyond six months following recruitment fell from 86 per cent in 2011-12 to 80 per cent in 2012-13. The target remains a minimum of 80 per cent.
- > ESTA employees experienced 114 accidents during the year, of which 16 resulted in lost time. This represented a reduction from the 159 accidents, 24 of which involved lost time, in 2011-12.

The Enterprise Agreement for ESTA's Operations employees expired on 1 July 2012. A new Agreement is being negotiated consistent with the provisions of the Government wages policy. The unions initiated protected industrial action in February 2013, and negotiations were still underway at the end of the financial year.

The Enterprise Agreement for ESTA's administrative and support staff expired at the end of December 2012. ESTA commenced discussions for a new Agreement with the relevant union and negotiations were still underway at the end of the financial year.

## Environment



### ESTA's procurement strategy continues to include environmentally sustainable procurement.

ESTA's commitment to environmental sustainability continued in 2012-13, with activities undertaken in line with its Environmental Management Strategy.

Two significant changes in ESTA's operating environment during the year influenced environment related results. Staff numbers increased to an all-time high average of 752 FTEs, partly as a result of completing the transition of regional call-taking and dispatch services into ESTA. ESTA also embarked on an EAS paging network upgrade, which required significant travel by project personnel to deliver over 40,000 pagers to emergency services agencies across the State. This travel requirement increased ESTA's fleet by five vehicles, used an additional 4886 litres of fuel and increased ESTA fleet travel by 54,283 kilometres.

#### Sustainable Procurement

ESTA's procurement strategy continues to include environmentally sustainable procurement. ESTA has engaged a supplier that recycles electrical products including computers and telephones. This benefits the environment and provides a revenue stream when ESTA disposes of this equipment. Some items in ESTA's uniform range are now being made from recycled plastic to a quality that meets specifications and lessens environmental impact.

ESTA also includes Fair Trade considerations in aspects of its procurement.

#### Highlights

- > ESTA reduced paper consumption by 19 per cent, following the introduction of iPads to replace manuals for training and papers for Authority and Committee meetings.
- > Greenhouse gas (GHG) emissions per FTE also reduced during the year. Over the past 5 years ESTA's GHG emissions have diminished by more than 35 per cent per FTE.

- > Electricity consumption per FTE reduced. In December, ESTA moved onto the Victorian State Government Power contract achieving reduced power rates and the ability to leverage Government 'Green' initiatives. ESTA also improved the environment management system at the Tally-Ho SECC to provide a consistent temperature at the site, reducing energy required previously for over-heating and cooling.
- > Support Office also reduced its pool car fleet by one vehicle encouraging staff to use public transport and car-pooling.
- > Measurable water consumption is half that of last year. ESTA's water consumption reporting is improving with metering information now available for Tally-Ho and Ballarat SECCs. Information is not available for ESTA's Dockland's and CBD sites.
- > A waste audit was conducted at all sites with a relatively low amount of recyclable content found in landfill bins. ESTA uses colour coded 'eco bins' to encourage the separation of paper, cardboard and commingled waste. Opportunities to improve recycling rates and reduce non-recyclable waste will be pursued.

ENVIRONMENTAL REPORT							
Environment. Aspect	Description	Unit of measurement	Fin. Year 2012-13	Fin. Year 2011-12	Fin. Year 2010-11	Fin. Year 2009-10	Fin. Year 2008-09
<b>Paper</b>	Use per FTE	Reams	3.4	4.4	4.8	3.7	4.5
	Total Use	Reams	2,566	3,199	3,215	2,061	2,340
	Total GHG emissions	Tonnes CO2 equivalent	9.7	15.1	15.2	9.8	11.1
<b>Energy (Electricity &amp; Gas)</b>	Use per FTE	Megajoules per FTE	1290	21,657	21,320	24,569	24,223
	Use per square metre of office space	Megajoules per m <sup>2</sup>	88	1,565	1,768	1,797	1,663
	Total Use	Megajoules	970,359	15,679,453	14,220,157	13,608,484	12,596,123
	Total GHG emissions	Tonnes CO2 equivalent	3,510	4,693	4,296	4,181	3,719
	Green Power	Per Cent	25	25	25	20	20
<b>Water<sup>13</sup></b>	Consumption per FTE	Kilolitres per FTE	6.5	3.5	4	4.9	4.7
	Total Consumption	Kilolitres	4,955	1,246	1,153	1,183	973
	Total GHG emissions	Tonnes CO2 equivalent	0.2811	2.9	2.7	2.6	2.3
<b>Waste</b>	Generated per FTE	Kilograms per FTE	43	42	47	45	45
	Total Recycled	Per Cent	41	59	58	59	55
	Total GHG emissions	Tonnes CO2 equivalent	39.67	15	13.3	10.3	13.6
<b>Transport</b>	Fuel (petrol)	Litres	19,185	6,212	4,766	5,172	3,647
	Operational Kilometres travelled	Km	N/A	59,555	61,244	44,373	38,374
	Vehicle emissions	Tonnes CO2 equivalent/ 1000km	N/A	0.24	0.18	0.27	0.24
	Total GHG emissions	Tonnes CO2 equivalent	47.3	14.2	10.9	11.8	9.1
<b>GHG Emissions</b>	Total GHG emissions for Fin. Year	Tonnes CO2 equivalent	3,606	4,740	4,338	4,218	3,755
	Total GHG emissions per FTE	Tonnes CO2 equivalent	4.7	6.5	6.5	7.6	7.2

13 Water metering is available for Ballarat and Tally-Ho SECCs only. The Docklands and CBD sites are all located in multi-tenanted buildings and are not separately metered. Consumption has been estimated on percentage of building occupied and may not reflect a true indication of ESTA's water consumption.

## Corporate Governance

### Emergency Services Telecommunications Authority and Committees

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

- > Setting 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 then 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 Authority Membership during 2012-13 was:

#### Current Members

**Mr Roger Leeming** (Chairman)  
Appointed as a Member of ESTA in July 2006, Mr Leeming became Chairman in November 2012.

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 on the inaugural National Industry Skills Committee. He is a Director of the Holmesglen Institute of TAFE. Mr Leeming also formerly chaired the Authority's Human Resources and Remuneration Committee.

**Ms Christina Gillies** (Member)  
Appointed Director of Emergency Communications Victoria 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 in the boardroom. She also uses her current and past experience as an executive mentor. She is a Director of Oakton Ltd and Chair of the MS Society NSW, VIC and ACT. She has established and chairs a number of 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.

**Mr Peter Kronborg** (Member)  
Appointed as an ESTA Member in August 2012, Mr Kronborg is a Director, Professional Advisor and Mentor Coach. He is Director and Chairman of Kronborg Leadership Advisors Pty Ltd and former Chairman of Equitis - Australia. He holds a number of other Directorships and senior strategic advisory roles as well as serving as a Councillor and Council Member (Victoria) of the Australian Institute of Company Directors. Mr Kronborg is also a member of ESTA's Information and Communications Technology and Human Resources and Remuneration Committees.

**Ms Marion Lau OAM, JP.** (Member)  
Appointed as an ESTA member in February 2013 Miss Lau has a distinguished career which includes the Order of Australia awarded in 1996 for her work with older Australians and those from Chinese backgrounds; and a 2003 Centenary Medal for her work in promoting multiculturalism. Miss Lau leads her own management consultancy which focuses on aged care, ethnic aged and migrant women's health. She also provides counselling and mentoring for small businesses. Miss Lau has a strong background and significant qualifications in the nursing profession. She served over 15 years on the Board of Royal District Nursing Service, retiring in 2011, the same year she was inducted to the Victorian Honour Roll of Women.

**Mr Stewart Leslie** (Member)  
Appointed 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 Council member of the Australian Community Support Organisation, which assists the disadvantaged and holds a senior management role at a significant philanthropic foundation. Mr Leslie is a past member of the Board of the Royal Women's Hospital. Mr Leslie chairs the Authority's Audit, Risk Management and Compliance Committee and is a member of the Information and Communications Technology Committee.

**Mr Greg Tweedly** (Member)

Appointed as an ESTA member in September 2012, Mr Tweedly was formerly the Chief Executive of WorkSafe Victoria, and has served in a variety of directorships and senior executive positions in the past. Mr Tweedly is Chair of the ESTA Advisory Committee and is also a member of the Audit, Risk Management and Compliance Committee.

**Retired Members during 2012-13**

**Mr Paul Barker**

Chairman November 2008 - November 2012  
Member August 2008 - November 2008

**Mr Terrence Francis**

Member July 2005 - September 2012  
Director Emergency Communications Victoria July 2002- June 2005

**Ms Penelope Pengilley**

Member July 2005 - June 2013

**Committees**

The Authority operated four committees in 2012-13:

- > ESTA Advisory Committee;
- > Audit, Risk Management and Compliance Committee;
- > Human Resources and Remuneration Committee; and
- > 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 this Act, by the regulations or by the Authority.

The 2012-13 Advisory Committee members were:

- > **Terrence Francis**  
Chairman of the Advisory Committee until September, 2012
- > **Paul Barker**  
Chairman of the Advisory Committee from September to November, 2012, and ESTA Chairman until November, 2012
- > **Greg Tweedly**  
Chairman of the Advisory Committee from November, 2012 and Member of ESTA
- > **David Youssef**  
Deputy Chief Fire Officer, MFB
- > **Joe Buffone**  
Deputy Chief Officer, CFA
- > **Trevor White**  
Director Operations, Victoria State Emergency Service
- > **Mark Rogers**  
General Manager, Specialist Services Division, Ambulance Victoria
- > **Bill de Bruyn**  
Superintendent, Victoria Police

Standing invitees to the Advisory Committee were:

- > Michael Hallowes  
Commissioner, Office of the Emergency Services Commission
- > Craig Lapsley  
Fire Services Commissioner
- > Ian Nicklen  
Acting Director Emergency Management Programs & Resources, Department of Justice

The ESTA CEO and Leadership Team also attend Advisory Committee meetings.

## Corporate Governance

### 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 to stakeholders;
- > 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 2012-13 were:

- > Stewart Leslie (Chair)
- > Christina Gillies
- > Penny Pengilley
- > Greg Tweedly (from September 2012)

### 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 2012-13 were:

- > Roger Leeming (Chair) (until November 2012)
- > Paul Barker (until November 2012)
- > Penelope Pengilley (Chair from December 2012)
- > Peter Kronborg (from November 2012)
- > Christina Gillies (from December 2012)

### Information and Communications Technology Committee

The Information and Communications Technology Committee was established in December 2009.

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 decisions.

Members of the Information and Communications Technology Committee in 2012-13 were:

- > Christina Gillies (Chair)
- > Terry Francis (until September 2012)
- > Roger Leeming (until November 2012)
- > Peter Kronborg (from August 2012)
- > Stewart Leslie
- > Karen Corry (Independent member)



Attendance at Authority and Committee meetings

Authority Members	Authority meetings		Audit, Risk Management and Compliance Committee		Human Resources Committee		Information & Communications Technology Committee		ESTA Advisory Committee	
	A	B	A	B	A	B	A	B	A	B
Paul Barker	5	5			1	1			1	1
Terrence Francis	3	2								
Christina Gillies	12	12	4	3	3	1	4	4		
Peter Kronborg	10	9			4	4	4	4		
Marion Lau	5	4								
Roger Leeming	12	12			2	2	2	2		
Stewart Leslie	12	12	4	4			4	3		
Penelope Pengilly	12	12	4	4	5	5				
Greg Tweedly	9	9	3	3					3	3
Karen Corry*							4	4		

**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

**Statutory information**

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

**Publications**

In addition to material distributed through its website, ESTA produced and distributed internal publications updating staff about business activities. The Annual Report for 2011-12 was also presented to Parliament. A Business Plan 2012-13 was also published.

**Consultants**

During 2012-13 ESTA engaged contractors/consultancies of the following values: three engagements over \$100,000, totalling \$455,128; eight engagements between \$5000 and \$100,000 totalling \$329,567; and two engagements below \$5000 totalling \$5500. Total expenditure was \$790,195.

**National Competition Policy**

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

**Purchasing**

All tenders and quotes undertaken were consistent with the ESTA Policy on Procurement which is based upon the Victorian Government Purchasing Board Policies and Guidelines.

**Freedom of Information**

ESTA was subject to the Freedom of Information Act 1982 (Vic.) and was committed to making documents and information available to the community whenever it could.

The designated person for the purpose of the Act was, the Chief Executive Officer.

ESTA used a computerised records management system to manage its correspondence and documents

during 2012-13. Other computer systems manage financial, human resources and operational activities. Manual files are also employed at ESTA.

People wanting access to ESTA documentation under the Freedom of Information Act 1982 (FOI Act) should write to:

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](mailto:info@esta.vic.gov.au)

## Corporate Governance

ESTA responded to 61 FOI requests during 2012-13 compared to 40 in 2011-12.

In June 2013, ESTA was also given a Ministerial authorisation enabling it to release information that would otherwise be confidential under the Emergency Services Telecommunications Authority Act 2004 (ESTA Act) and therefore unable to be released under the FOI Act. This authorisation now allows ESTA in certain circumstances to release information for the purposes of:

- > Educating the community or any section of the community about the role of and the services offered by the Authority;
- > Promoting public health and safety;
- > Responding to complaints, enquiries or compliments about or relating to the Authority, a Member of or acting Member of the Authority or an employee of the Authority;
- > Support for the staff of the Authority, which may include commendations or other recognition; and
- > Responding to requests for access to records under the FOI Act so far as the exemptions contained in that Act (other than that contained in s 38 of that Act) do not apply to the information.

### Privacy Legislation

ESTA is subject to the Information Privacy Act 2000 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 emergency service agencies, law enforcement bodies, the Courts and judicial officers or may be used for purposes authorised by the Telecommunications Act, the ESTA Act and the Ministerial authorisation noted above.

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:

#### Chief Executive Officer

Emergency Services  
Telecommunications Authority  
Level 6  
215 Spring Street  
Melbourne 3000

### 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 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
- > 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 undertakes employee surveys that, among other matters, monitor our workplace climate and policy and program effectiveness.

Human Resources procedures detail arrangements for the reporting of any discrimination, bullying or harassment to their 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.

**People with a Disability**

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

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

- > Implementing a Reasonable Adjustment Policy that will 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 Disability Discrimination 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;
- > Operating Internet and webpages to satisfy disability access standards; and
- > Providing access to publicly available ESTA documents in formats suitable for people with a disability.

**Risk Management**

I, Roger Leeming certify that the Emergency Services Telecommunications Authority 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.



.....  
 Roger Leeming  
 Chairman

## Declaration to the Financial Statements

### Authority Member's, Accountable Officer's 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 2013 and financial position of ESTA as at 30 June 2013.

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 26 August 2013.

On behalf of the Authority:

#### Roger Leeming

Chairman

Melbourne

26 August 2013

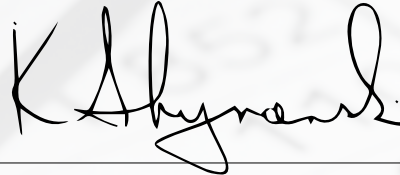


#### Ken Shymanski

Chief Executive Officer

Melbourne

26 August 2013



#### Geoff Cutter

Chief Financial Officer

Melbourne

26 August 2013



Financial Statements

➤ Financial Statements



## Financial Statements

### COMPREHENSIVE OPERATING STATEMENT

for the financial year ended 30 June 2013

	Notes	2013 \$'000	2012 \$'000
<b>Income from transactions</b>			
Revenue	4(a)	191,210	175,080
<b>Total Income from transactions</b>		<b>191,210</b>	<b>175,080</b>
<b>Expenses from transactions</b>			
Employee expenses	4(b)	74,737	68,940
Depreciation and amortisation	4(c)	27,008	48,335
Other operating expenses	4(d)	88,094	60,291
Interest expense	4(e)	1,758	4,653
Transfer of EAS assets	4(f)	5,159	0
<b>Total Expenses from transactions</b>		<b>196,755</b>	<b>182,219</b>
<b>Net result from transactions (net operating balance)</b>		<b>(5,545)</b>	<b>(7,139)</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on non-financial assets	4(g)	(33)	(215)
Other gains/(losses) from other economic flows	4(h)	253	(1,441)
<b>Total other economic flows included in net result</b>		<b>220</b>	<b>(1,656)</b>
<b>Net result</b>		<b>(5,325)</b>	<b>(8,795)</b>
<b>Comprehensive result</b>		<b>(5,325)</b>	<b>(8,795)</b>

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

## Financial Statements

<b>BALANCE SHEET</b>			
as at 30 June 2013			
	Notes	2013 \$'000	2012 \$'000
<b>Assets</b>			
<b>Financial assets</b>			
Cash & deposits	17(a)	18,566	18,256
Short term investments	17(a)	15,041	14,600
Receivables	5	17,267	15,521
<b>Total financial assets</b>		<b>50,874</b>	<b>48,376</b>
<b>Non-financial assets</b>			
Prepayments		1,758	1,792
Plant and equipment	6	56,489	54,760
Intangible assets	7	2,718	3,295
<b>Total non-financial assets</b>		<b>60,965</b>	<b>59,847</b>
<b>Total assets</b>		<b>111,839</b>	<b>108,223</b>
<b>Liabilities</b>			
Payables	8	33,919	29,212
Borrowings	9	25,180	27,656
Provisions	10	11,287	11,137
<b>Total liabilities</b>		<b>70,386</b>	<b>68,005</b>
<b>Net assets</b>		<b>41,453</b>	<b>40,218</b>
<b>Equity</b>			
Accumulated surplus/(deficit)		(16,490)	(10,542)
Contributed capital		46,203	39,644
Contract contingency reserve	18	11,740	11,117
<b>Net worth</b>		<b>41,453</b>	<b>40,219</b>
Commitments for expenditure	14		
Contingent liabilities and contingent assets	15		

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

## Financial Statements

### STATEMENT OF CHANGES IN EQUITY

for the financial year ended 30 June 2013

	Notes	Accumulated surplus/ (deficit) \$'000	Contributions by Owner \$'000	Contributed Capital Reserve for Contingency Reserves \$'000	Total \$'000
<b>Balance at 1 July 2011</b>		(3,210)	28,392	12,580	37,762
Net result for the year		(8,795)			(8,795)
Capital appropriations			11,252		11,252
Transactions with owner in their capacity as owner		1,463		(1,463)	-
<b>Balance at 30 June 2012</b>		<b>(10,542)</b>	<b>39,644</b>	<b>11,117</b>	<b>40,219</b>
Net result for the year		(5,325)	-	-	(5,325)
Transfer to accumulated surplus		-	-	-	-
Capital appropriations		-	6,559	-	6,559
Transactions with owner in their capacity as owner		(623)	-	623	-
<b>Balance at 30 June 2013</b>		<b>(16,490)</b>	<b>46,203</b>	<b>11,740</b>	<b>41,453</b>

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



## Financial Statements

<b>CASH FLOW STATEMENT</b>			
for the financial year ended 30 June 2013	Notes	2013 \$'000	2012 \$'000
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipts from customers		207,138	194,971
Interest Received		1,132	1,713
<b>Total receipts</b>		<b>208,270</b>	<b>196,684</b>
<b>Payments</b>			
Payments to employees and suppliers		(178,216)	(145,452)
Goods and Services Tax paid to the ATO		(5,193)	(2,955)
<b>Total payments</b>		<b>(183,409)</b>	<b>(148,407)</b>
<b>Net cash flows from/(used in) operating activities</b>	<b>17(b)</b>	<b>24,861</b>	<b>48,277</b>
<b>Cash flows from investing activities</b>			
Purchases of non-financial assets		(14,646)	(18,137)
Sales of non-financial assets		87	123
<b>Net cash flows from/(used in) investing activities</b>	<b>17(c)</b>	<b>(14,559)</b>	<b>(18,014)</b>
<b>Cash flows from financing activities</b>			
Owner contributions by State Government		6,559	11,252
Repayment of borrowings and finance leases		(16,110)	(45,997)
<b>Net cash flows from/(used in) financing activities</b>	<b>17(c)</b>	<b>(9,551)</b>	<b>(34,745)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>751</b>	<b>(4,482)</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>32,856</b>	<b>37,338</b>
<b>Cash and cash equivalents at end of the financial year</b>		<b>33,607</b>	<b>32,855</b>

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 in the Report of Operations which does not form part of these financial statements.

These financial statements were authorised for issue on 26 August 2013.

### 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 AASs 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.
- > Net Present Value 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.

The accounting policies set out below have been applied in preparing the statements for the year ended 30 June 2013 and the comparative information presented for the year ended 30 June 2012.

### 2.3 OBJECTIVES AND FUNDING

ESTA is predominantly funded by service charges levied upon the Emergency Services Organisations. 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 in the volume or changes arising from market measurements. 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 \$1,000, unless otherwise stated. Figures in the financial statements may not equate due to rounding.

**2.5 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 Emergency Services Organisations 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 Emergency Services Organisations 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.

**2.6 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 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 & 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

## Notes to the Financial Statements

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 6 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.

### **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.

## **2.7 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.

### **Loans and receivables**

Loans and receivables are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus and directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

The loans and receivables category includes cash and deposits (refer note 2.8), term deposits with maturity greater than three months, trade receivables, loans and other receivables; but not statutory receivables.

### **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.

**2.8 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 State contracts managed by ESTA.

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.

**Impairment of financial assets**

At the end of each reporting period, ESTA assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

Receivables are assessed for bad and doubtful debts on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts not written off by mutual consent and the allowance for doubtful receivables are classified as other economic flows in the net result.

During 2012-13 ESTA recognised bad debts related to an annual indexation service fees increase, and provided an allowance for doubtful receivables.

**2.9 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.

## Notes to the Financial Statements

### **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.

### **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 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.

## **2.10 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 provision 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 a discount rate that reflects the time value of money and risks specific to the provision.

**Employee Expenses**

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 expenses, 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 expenses as current liabilities, but are measured at the 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 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 the 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.

**2.11 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.

**2.12 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.

**2.13 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.

## Notes to the Financial Statements

### 2.14 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.

### 2.15 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.

### 2.16 NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2013 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 2013, the following standards and interpretations (applicable to departments) had been issued but were not mandatory for financial year ending 30 June 2013. 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 <i>Financial Instruments</i>	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace <i>IAS 39 Financial Instruments: Recognition and Measurement</i> (AASB 139 <i>Financial Instruments: Recognition and Measurement</i> ).	1 Jan 2015	Subject to AASB's further modifications to AASB 9, together with the anticipated changes resulting from the staged projects on impairments and hedge accounting, details of impacts will be assessed.
AASB 10 <i>Consolidated Financial Statements</i>	<p>This Standard forms the basis for determining which entities should be consolidated into an entity's financial statements. AASB 10 defines 'control' as requiring exposure or rights to variable returns and the ability to affect those returns through power over an investee, which may broaden the concept of control for public sector entities.</p> <p>The AASB has issued an exposure draft <i>ED 238 Consolidated Financial Statements – Australian Implementation Guidance for Not-for-Profit Entities</i> that explains and illustrates how the principles in the Standard apply from the perspective of not-for-profit entities in the private and public sectors.</p>	1 Jan 2014	<p>Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date.</p> <p>Subject to AASB's final deliberations on ED 238 and any modifications made to AASB 10 for not-for-profit entities, the entity will need to re-assess the nature of its relationships with other entities, including those that are currently not consolidated.</p>
AASB 11 <i>Joint Arrangements</i>	This Standard deals with the concept of joint control, and sets out a new principles-based approach for determining the type of joint arrangement that exists and the corresponding accounting treatment. The new categories of joint arrangements under AASB 11 are more aligned to the actual rights and obligations of the parties to the arrangement.	1 Jan 2014	<p>Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date.</p> <p>Subject to AASB's final deliberations and any modifications made to AASB 11 for not-for-profit entities, the entity will need to assess the nature of arrangements with other entities in determining whether a joint arrangement exists in light of AASB 11.</p>

## 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>
<i>AASB 12 Disclosure of Interests in Other Entities</i>	<p>This Standard requires disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on the financial statements. This Standard replaces the disclosure requirements in <i>AASB 127 Separate Financial Statements</i> and <i>AASB 131 Interests in Joint Ventures</i>.</p> <p>The exposure draft ED 238 proposes to add some implementation guidance to AASB 12, explaining and illustrating the definition of a 'structured entity' from a not-for-profit perspective.</p>	1 Jan 2014	<p>Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date.</p> <p>Impacts on the level and nature of the disclosures will be assessed based on the eventual implications arising from <i>AASB 10</i>, <i>AASB 11</i> and <i>AASB 128 Investments in Associates and Joint Ventures</i>.</p>
<i>AASB 13 Fair Value Measurement</i>	<p>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 Australian accounting standards. 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.</p>	1 Jan 2013	<p>Disclosure for fair value measurements using unobservable inputs are relatively detailed compared to disclosure for fair value measurements using observable inputs. Consequently, the Standard may increase the disclosures required assets measured using depreciated replacement cost.</p>
<i>AASB 119 Employee Benefits</i>	<p>In this revised Standard for defined benefit superannuation plans, there is a change to the methodology in the calculation of superannuation expenses, in particular there is now a change in the split between superannuation interest expense (classified as transactions) and actuarial gains and losses (classified as 'Other economic flows – other movements in equity') reported on the comprehensive operating statement.</p>	1 Jan 2013	<p>Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date.</p> <p>While the total superannuation expense is unchanged, the revised methodology is expected to have a negative impact on the net result from transactions a few Victorian public sector entities that report superannuation defined benefit plans.</p>

<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>
<i>AASB 127 Separate Financial Statements</i>	This revised Standard prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.	1 Jan 2014	Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date. The AASB is assessing the applicability of principles in AASB 127 in a not-for-profit context.  As such, the impact will be assessed after the AASB's deliberation.
<i>AASB 128 Investments in Associates and Joint Ventures</i>	This revised Standard sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.	1 Jan 2014	Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date. The AASB is assessing the applicability of principles in AASB 128 in a not-for-profit context.  As such, the impact will be assessed after the AASB's deliberation.
<i>AASB 1053 Application of Tiers of Australian Accounting Standards</i>	This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements.	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.
<i>AASB 1055 Budgetary Reporting</i>	AASB 1055 extends the scope of budgetary reporting that is currently applicable for the whole of government and general government sector (GGS) to NFP entities within the GGS, provided that these entities present separate budget to the parliament.	1 January 2014	<i>[If separate budget is presented to the parliament]:</i> > The entity will be required to restate in the financial statements the budgetary information in accordance with the presentation format prescribed in Australian Accounting Standards and explain the significant variances from the original budget.  <i>[If separate budget is not presented to the parliament]:</i> > This Standard is not applicable as no budget disclosure is required.

## Notes to the Financial Statements

### 3. COMPREHENSIVE OPERATING STATEMENT - LINES OF BUSINESS

	CTD Operations		Operational Communications		Projects (iii)		Support Function (iv)		Total	
	(i)		(ii)							
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income from transactions</b>										
Service revenue	82,565	78,607	80,229	89,102	-	-	2,246	2,493	165,041	170,202
Project revenue	-	-	-	-	26,169	4,878	-	-	26,169	4,878
<b>Total Income from transactions</b>	<b>82,565</b>	<b>78,607</b>	<b>80,229</b>	<b>89,102</b>	<b>26,169</b>	<b>4,878</b>	<b>2,246</b>	<b>2,493</b>	<b>191,210</b>	<b>175,080</b>
<b>Expenses from transactions</b>										
Employee expenses	66,617	63,595	-	-	2,296	3,281	5,823	2,064	74,737	68,940
Depreciation and amortisation	7,045	6,805	19,427	41,280	-	-	536	250	27,008	48,335
Other operating expenses	15,307	15,536	51,041	36,736	17,792	4,984	3,953	3,034	88,093	60,291
Interest expense	35	15	1,723	4,638	-	-	-	-	1,758	4,653
Transfer of EAS assets	-	-	-	-	5,159	-	-	-	5,159	0
<b>Total Expenses from transactions</b>	<b>89,004</b>	<b>85,951</b>	<b>72,191</b>	<b>82,654</b>	<b>25,247</b>	<b>8,265</b>	<b>10,312</b>	<b>5,348</b>	<b>196,755</b>	<b>182,219</b>
<b>Net result from transactions (net operating balance)</b>	<b>(6,438)</b>	<b>(7,344)</b>	<b>8,038</b>	<b>6,448</b>	<b>922</b>	<b>(3,387)</b>	<b>(8,066)</b>	<b>(2,855)</b>	<b>(5,545)</b>	<b>(7,139)</b>
<b>Other economic flows included in net result</b>										
Net gain/(loss) on non-financial assets	-	-	-	-	-	-	(33)	(215)	(33)	(215)
Other gains/(losses) from other economic flows	-	-	-	-	-	-	253	(1,441)	253	(1,441)
<b>Total other economic flows included in net result</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>220</b>	<b>(1,656)</b>	<b>220</b>	<b>(1,656)</b>
<b>Net result</b>	<b>(6,438)</b>	<b>(7,343)</b>	<b>8,038</b>	<b>6,448</b>	<b>922</b>	<b>(3,387)</b>	<b>(7,846)</b>	<b>(4,511)</b>	<b>(5,325)</b>	<b>(8,795)</b>
<b>Comprehensive result</b>	<b>(6,438)</b>	<b>(7,343)</b>	<b>8,038</b>	<b>6,448</b>	<b>922</b>	<b>(3,387)</b>	<b>(7,846)</b>	<b>(4,511)</b>	<b>(5,325)</b>	<b>(8,795)</b>

**(i) CTD (Call-Taking and Dispatch) Operations**

Based on the objectives of the Human Resources & Development and Information and Technology Services departments, these departments are allocated to CTD Operations. Accordingly, the service revenue and expenses related to calltaking & dispatch operations, HR&D, ITS and contract administration are allocated to CTD Operations.

**(ii) Operational Communications**

Operational Communications represents revenue and expenses for state service contracts managed by ESTA on behalf of the Department of Justice. Accordingly, the service revenue and service expenditures (including lease interest & depreciation/amortisation) are allocated to Operational Communications.

**(iii) Projects**

ESTA manages various projects funded by State, Emergency Services Organisations and Contingency reserves. Accordingly, Projects represent revenue and expenditures related to the project delivery.

**(iv) Support Function**

Based on the objectives of Finance and Commercial Services, Customer Services & Corporate Support, these departments are allocated to Support Function. Accordingly the revenue and expenses related to these departments are allocated to Support Function.

**4. NET RESULT FROM TRANSACTIONS (NET OPERATING BALANCE)**

	2013	2012
	\$'000	\$'000
<b>Income from transactions</b>		
<b>(a) Revenue</b>		
CTD services revenue	75,389	71,702
Project revenue (i)	26,168	4,878
State service contracts revenue	87,755	96,131
Other operating revenue	729	707
Interest on deposits	1,169	1,662
	191,210	175,080
<b>Revenue from operations</b>	<b>191,210</b>	<b>175,080</b>
(i)	ESTA recognised \$1.4m revenue related to CAD resilience projects in 2012/13. This project is expected to incur further expenditure and will be recognised in relevant FY 2013/14.	
<b>Expenses from transactions</b>		
<b>(b) Employee expenses</b>		
Salaries, wages and overtime	57,582	53,884
Sick leave, annual leave and long service leave	7,294	6,288
Superannuation	5,447	4,968
Related on-costs	4,414	3,799
<b>Total employee expenses</b>	<b>74,737</b>	<b>68,939</b>
<b>(c) Depreciation and amortisation</b>		
Depreciation of property, plant and equipment	6,911	3,675
Amortisation expense	20,097	44,660
<b>Total depreciation and amortisation</b>	<b>27,008</b>	<b>48,335</b>
<b>(d) Other operating expenses</b>		
Staff costs other	959	708
Contractors/Professional Services	4,829	5,736
Communications	4,480	4,752
Information technology and infrastructure	6,014	5,568
Payments under state service contracts	64,800	36,736
Property	4,468	4,465
Office equipment	480	903
Travel and accommodation	237	305
Stationery	193	229
Finance & insurance costs	303	244
Audit services	469	371
Bad debts from transactions	598	-
General	264	274
<b>Total other operating expenses</b>	<b>88,094</b>	<b>60,291</b>

## Notes to the Financial Statements

	2013	2012
	\$'000	\$'000
<b>(e) Interest expense</b>		
Finance lease interest	1,758	4,653
<b>Total interest expense</b>	<b>1,758</b>	<b>4,653</b>
<b>(f) Non discretionary expenditure</b>		
Transfer of EAS assets (i)	5,159	-
<b>Total transfer of EAS assets</b>	<b>5,159</b>	<b>0</b>
<b>Expenses from operations</b>	<b>196,756</b>	<b>182,218</b>
<b>Other economic flows included in net result</b>		
<b>(g) Net gain/(loss) on non-financial assets</b>		
Net gain/(loss) on disposal of property, plant and equipment	(33)	(215)
<b>Total net gain/(loss) on non-financial assets</b>	<b>(33)</b>	<b>(215)</b>
<b>(h) Other gains/(losses) from other economic flows</b>		
Net gain/(loss) arising from revaluation of long service leave liability	253	(1,441)
<b>Total other gains/(losses) from other economic flows</b>	<b>253</b>	<b>(1,441)</b>

- (i) Under the EAS operating and maintenance contract commencing November 2012 (previously under a Public Private Partnership contract), the State now owns the assets. ESTA acquired (funded by the EAS Network Upgrade Project) and transferred \$5.1m assets to the Department of Justice as assets given free of charge in 2012/13. This aligns to the Department of Justice's treatment of assets received via free of charge transfer. These assets are part of an EAS Network upgrade project which is expected to be completed in 2014/15.

### 5. 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 contracts managed on behalf of the State.

	2013	2012
	\$'000	\$'000
<b>Current</b>		
<b>Contractual</b>		
Services	7,499	5,108
Accrued investment income	85	48
Provision for doubtful contractual receivables	(35)	0
Other receivables	7,456	8,414
	15,005	13,570
<b>Statutory</b>		
GST input tax credit recoverable	2,262	1,951
	2,262	1,951
<b>Total current receivables</b>	<b>17,267</b>	<b>15,521</b>

## 6. PLANT AND EQUIPMENT

### Carrying amounts

	2013	2012
	\$'000	\$'000
<b>Computers and communications equipment</b>		
Computers and communications equipment at fair value	38,191	21,543
Less: accumulated depreciation	(19,622)	(13,517)
	<b>18,569</b>	<b>8,026</b>
<b>Leased motor vehicles</b>		
Motor Vehicles Leased	546	564
Less: accumulated amortisation	(200)	(153)
	<b>346</b>	<b>411</b>
<b>Leased communications equipment</b>		
Communications equipment leased	166,801	221,347
Less: accumulated amortisation	(142,176)	(192,481)
	<b>24,625</b>	<b>28,866</b>
<b>Plant and equipment</b>		
Plant and equipment at fair value	1,810	1,881
Less: accumulated depreciation	(1,666)	(1,499)
	<b>144</b>	<b>382</b>
<b>Work in progress</b>		
Capital works	4,061	6,386
	<b>4,061</b>	<b>6,386</b>
<b>Leasehold improvements</b>		
Leasehold improvements at fair value	14,116	13,818
Less: accumulated amortisation	(5,372)	(3,128)
	<b>8,744</b>	<b>10,690</b>
<b>Net carrying amount of plant and equipment</b>	<b>56,489</b>	<b>54,761</b>

## Notes to the Financial Statements

## 6 (a) Movements in carrying amounts

2013	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
<b>Opening balance</b>		8,026	411	28,866	382	10,690	6,385	54,760
Additions		11,293	142	13,492	-	298	3,056	28,281
Disposals		(1)	(87)	-	(32)	-	-	(120)
Assets acquired on behalf of DoJ		5,159	-	-	-	-	-	5,159
Assets transferred to DoJ free of charge		(5,159)	-	-	-	-	-	(5,159)
Depreciation/ amortisation expense		(6,129)	(120)	(17,733)	(206)	(2,244)	-	
Capitalisation of works in progress		5,380	-	-	-	-	(5,380)	-
<b>Closing balance</b>		<b>18,569</b>	<b>346</b>	<b>24,625</b>	<b>144</b>	<b>8,744</b>	<b>4,061</b>	<b>56,489</b>

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
<b>Opening balance</b>		3,738	336	71,896	588	2,054	6,989	85,601
Additions		261	294	273	11	720	15,665	17,223
Disposals		-	(102)	-	(23)	(182)	-	(307)
Assets acquired on behalf of DoJ		-	-	-	-	-	-	-
Assets transferred to DoJ free of charge		-	-	-	-	-	-	-
Depreciation/ amortisation expense		(2,612)	(117)	(43,303)	(231)	(1,495)	-	
Capitalisation of works in progress		6,639	-	-	37	9,593	(16,269)	-
<b>Closing balance</b>		<b>8,026</b>	<b>411</b>	<b>28,866</b>	<b>382</b>	<b>10,690</b>	<b>6,385</b>	<b>54,759</b>

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.
- (ii) In 2012/13 ESTA disposed \$68m (NBV \$0) of EAS leased communication equipment in line with expiry of leasing arrangements. As per the contract terms the ownership of these state assets were transferred from the service provider to the State (DoJ).
- (iii) In 2012/13 ESTA acquired assets (funded by the EAS Network Upgrade Project) on behalf of the State . These assets were transferred to the State (DoJ) free of charge.

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
Computers and communications equipment (under MMR Contract )	4 years
Leased motor vehicles	1 - 3 years
Leased communications equipment	4 years
Plant and equipment	5 - 10 years
Leasehold improvements	5 - 10 years
Software (Intergraph)	9 years



**7. INTANGIBLE ASSETS**

	Note	Intergraph Software Licences	
		2013 \$'000	2012 \$'000
<b>Gross carrying amount</b>			
<b>Opening balance</b>		5,200	5,200
Additions (CAD Software licenses)		-	-
Disposals		-	-
Transfer to assets classified as held for sale		-	-
<b>Closing balance</b>		<b>5,200</b>	<b>5,200</b>
<b>Accumulated amortisation and impairment</b>			
<b>Opening balance</b>		(1,905)	(1,328)
Amortisation expense (a)		(577)	(577)
Disposals		-	-
Transfer to assets classified as held for sale		-	-
<b>Closing balance</b>		<b>(2,482)</b>	<b>(1,905)</b>
<b>Net book value at the end of the financial year</b>		<b>2,718</b>	<b>3,295</b>

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

**8. PAYABLES**

	2013 \$'000	2012 \$'000
<b>Current payables</b>		
<b>Contractual</b>		
Supplies & services	13,244	12,012
Unearned income	2,349	1,606
Accruals	15,847	12,945
	<b>31,440</b>	<b>26,563</b>
<b>Statutory</b>		
Payroll tax payable	408	430
GST payable	2,071	2,219
	<b>2,479</b>	<b>2,649</b>
<b>Total payables</b>	<b>33,919</b>	<b>29,212</b>

**9. BORROWINGS (I)**

	2013 \$'000	2012 \$'000
<b>Current finance lease liability</b>		
Communications equipment	11,955	16,708
Motor vehicles	164	233
<b>Total current borrowings</b>	<b>12,119</b>	<b>16,941</b>
<b>Non current finance lease liability</b>		
Communications equipment	12,874	10,532
Motor vehicles	187	183
<b>Total non-current borrowings</b>	<b>13,061</b>	<b>10,715</b>
<b>Total borrowings</b>	<b>25,180</b>	<b>27,656</b>

(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.

## Notes to the Financial Statements

### 10. PROVISIONS

	2013	2012
	\$'000	\$'000
<b>Current</b>		
(i) Employee benefits - annual leave and time in lieu:		
(ii) Unconditional and expected to be settled within 12 months	2,847	2,930
(iii) Unconditional and expected to be settled after 12 months	1,220	985
Employee benefits - long service leave:		
(ii) Unconditional and expected to be settled within 12 months	611	418
(iii) Unconditional and expected to be settled after 12 months	2,054	1,773
	6,732	6,106
Provisions related to employee benefit on-costs		
(ii) Unconditional and expected to be settled within 12 months	707	503
(iii) Unconditional and expected to be settled after 12 months	425	419
	1,132	922
<b>Total current provisions</b>	<b>7,864</b>	<b>7,028</b>
<b>Non-current</b>		
(i) Employee benefits	2,180	2,969
Employee benefit on-costs	427	454
(iv) Make - good provision	817	686
<b>Total non-current provisions</b>	<b>3,424</b>	<b>4,109</b>
<b>Total provisions</b>	<b>11,288</b>	<b>11,137</b>

### 11. EMPLOYEE BENEFITS AND RELATED ON-COSTS (I)

	2013	2012
	\$'000	\$'000
<b>Current employee benefits</b>		
Annual leave and time in lieu entitlements	4,067	3,916
Long service leave entitlements	2,665	2,191
<b>Non-current employee benefits</b>		
Long service leave entitlements	2,180	2,969
<b>Total employee benefits</b>	<b>8,912</b>	<b>9,076</b>
Current on-costs	1,132	922
Non-current on-costs	427	454
<b>Total on-costs</b>	<b>1,559</b>	<b>1,376</b>
<b>Total employee benefits and related on-costs</b>	<b>10,471</b>	<b>10,452</b>

- (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 at the end of lease term. 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) now merged with Australian Super 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 2012 and 30 June 2013.

	2013	2012
	\$'000	\$'000
<b>Employer contributions</b>		
AGEST/Australian Super	627	593
Vic Super	3,954	3,674
Personal superannuation funds	509	433
<b>Total employer contributions to the funds</b>	<b>5,090</b>	<b>4,700</b>
<b>Outstanding contributions</b>	<b>358</b>	<b>268</b>
<b>Total Contributions</b>	<b>5,448</b>	<b>4,968</b>

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	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
<b>PPP related finance lease liabilities payable</b>				
Not longer than 1 year	12,889	18,026	11,955	16,708
Longer than 1 year and not longer than 5 years	13,219	11,199	12,874	10,532
Longer than 5 years	-	-	-	-
<b>Other related finance lease liabilities payable</b>				
Not longer than 1 year	180	225	164	233
Longer than 1 year and not longer than 5 years	196	224	187	183
Longer than 5 years	-	-	-	-
<b>Minimum future lease payments</b>	<b>26,484</b>	<b>29,674</b>	<b>25,180</b>	<b>27,656</b>
Less future finance charges	(1,304)	(2,018)	-	-
<b>Present value of minimum lease payments</b>	<b>25,180</b>	<b>27,656</b>	<b>25,180</b>	<b>27,656</b>
<b>Included in the financial statements as:</b>				
Current borrowings lease liabilities (note 9)			12,119	16,941
Non-current borrowing lease liabilities (note 9)			13,061	10,715
			<b>25,180</b>	<b>27,656</b>

(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.

	2013	2012
	\$'000	\$'000
Non-cancellable operating leases		
Not longer than 1 year	2,388	2,934
Longer than 1 year and not longer than 5 years	7,900	8,269
Longer than 5 years	2,785	4,695
	<b>13,073</b>	<b>15,898</b>

## Notes to the Financial Statements

### 14. COMMITMENTS FOR EXPENDITURE

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

#### (i) Service Concession (PPP) related commitments

	2013		2012	
	\$'000	\$'000	\$'000	\$'000
	Net Present Value	Nominal Value	Net Present Value	Nominal Value
<b>Service concession arrangements</b>				
MDN	32,551	34,152	56,060	58,786
MMR	77,278	83,289	750	773
EAS	-	-	6,765	6,972
<b>Total service concession commitments</b>	<b>109,829</b>	<b>117,441</b>	<b>63,575</b>	<b>66,531</b>
Less PPP related finance lease liabilities (Note 13)	23,298	24,828	26,040	27,240
<b>Total PPP operation and service commitment</b>		<b>(Note 14(ii)(e))</b>	<b>37,535</b>	<b>39,291</b>

#### (ii) Commitments are payable as follows

	2013	2012
	\$'000	\$'000
<b>(a) Capital expenditure commitments</b>		
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	1,146	712
Longer than 1 year & not longer than 5 years	-	-
Longer than 5 years	-	-
	<b>1,146</b>	<b>712</b>
<b>(b) Property lease agreements</b>		
Commitments in relation to property leases contracted for at the reporting date but not recognised as liabilities, payable:		
Not longer than 1 year	2,327	2,881
Longer than 1 year & not longer than 5 years	7,790	8,196
Longer than 5 years	2,785	4,695
	<b>12,902</b>	<b>15,772</b>
<b>(c) Photocopier operating lease agreements</b>		
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	61	53
Longer than 1 year & not longer than 5 years	110	73
Longer than 5 years	-	-
	<b>171</b>	<b>126</b>
<b>(d) Software Licence &amp; Services Agreement (i)</b>		
A commitment exists in relation to a software licencing and support agreement for Call-Taking held with Intergraph Corporation Pty Ltd.		
Not longer than 1 year	2,546	2,439
Longer than 1 year & not longer than 5 years	-	-
Longer than 5 years	-	-
	<b>2,546</b>	<b>2,439</b>
<b>(e) PPP operation and service commitments (ii)</b>		
Not longer than 1 year	39,186	15,736
Longer than 1 year & not longer than 5 years	53,427	23,555
Longer than 5 years	-	-
	<b>92,613</b>	<b>39,291</b>

<b>(f) PPP payments from contingency (iii)</b>		
Not longer than 1 year	512	815
Longer than 1 year & not longer than 5 years	-	-
Longer than 5 years	-	-
	<b>512</b>	<b>815</b>
<b>(g) Operating and Maintenance Contract (EAS) (iv)</b>		
Not longer than 1 year	28,881	-
Longer than 1 year & not longer than 5 years	51,383	-
Longer than 5 years	-	-
	<b>80,264</b>	<b>-</b>
<b>Total commitments for expenditure (exclusive of GST)</b>	<b>190,154</b>	<b>59,155</b>
Plus GST recoverable from the Australian Taxation Office	19,015	5,915
<b>Total commitments for expenditure (inclusive of GST)</b>	<b>209,169</b>	<b>65,070</b>

- (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 2013 is \$11.7m.
- (iv) This expenditure is offset by equivalent amounts in revenue under the EAS Operating & Maintenance contract.

## 15. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

	2013	2012
	\$'000	\$'000
<b>Contingent Liability</b>		
(i) Make Good - ESTA Support Office	375	-
	<b>375</b>	<b>-</b>

- (i) ESTA is negotiating an extension of the 215 Spring Street lease for an additional seven months (until April 14). ESTA make good liability is contingent upon the lease extension terms and conditions.
- (ii) ESTA had no contingent assets 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 page 60.

## Notes to the Financial Statements

Table 16.1: Categorisation of financial instruments

2013		Contractual financial assets - loans and receivables \$'000	Contractual financial liabilities at amortised cost \$'000	Total \$'000
<b>Contractual financial assets</b>				
	Cash and deposits	18,567	-	18,567
(i)	Receivables:			
	Services	7,464	-	7,464
	Other	7,456	-	7,456
	Accrued investment income	85	-	85
	Other receivables			
	Investments and other contractual financial assets:			
	Term deposits	15,041	-	15,041
<b>Total contractual financial assets</b>		<b>48,613</b>	<b>-</b>	<b>48,613</b>
<b>Contractual financial liabilities</b>				
(i)	Payables:			
	Supplies and services	-	13,244	13,244
	Unearned Income	-	2,349	2,349
	Accruals	-	15,847	15,847
	Borrowings:			
	Lease liabilities	-	25,180	25,180
<b>Total contractual financial liabilities</b>		<b>-</b>	<b>56,620</b>	<b>56,620</b>
<hr/>				
2012		Contractual financial assets - loans and receivables \$'000	Contractual financial liabilities at amortised cost \$'000	Total \$'000
<b>Contractual financial assets</b>				
	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
<b>Total contractual financial assets</b>		<b>46,427</b>	<b>-</b>	<b>46,427</b>
<b>Contractual financial liabilities</b>				
(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
<b>Total contractual financial liabilities</b>		<b>-</b>	<b>54,219</b>	<b>54,219</b>

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**

2013	Net holding gain/(loss)	Total interest	Fee income/	Total
	\$'000	income/(expense)	(expense)	\$'000
<b>Contractual financial assets</b>				
Financial assets - loans and receivables	-	1,169	-	1,169
<b>Total contractual financial assets</b>	-	<b>1,169</b>	-	1,169
<b>Contractual financial liabilities</b>				
Financial liabilities at amortised cost	-	1,758	-	1,758
<b>Total contractual financial liabilities</b>	-	<b>1,758</b>	-	<b>1,758</b>

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

**(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**

2013	Financial institutions (AA credit rating)	Government agencies (AAA credit rating)	Total
	\$'000	\$'000	\$'000
Cash and deposits	14,378	19,226	33,604
<b>Total contractual financial assets</b>	14,378	19,226	33,604
2012			
Cash and deposits	14,069	18,784	32,853
<b>Total contractual financial assets</b>	14,069	18,784	32,853

## Notes to the Financial Statements

## 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
<b>2013</b>						
(i) <b>Receivables:</b>						
Services	7,464	7,195	268	1	-	-
Accrued investment income	85	85				
Other receivables	7,456	7,456				
<b>Investments and other contractual financial assets:</b>						
Term deposits	15,041	15,041				
<b>Total</b>	<b>30,046</b>	<b>29,777</b>	<b>268</b>	<b>1</b>	<b>-</b>	<b>-</b>
<b>2012</b>						
(i) <b>Receivables:</b>						
Services	5,108	4,545	541	8	8	6
Accrued investment income	48	48				
Other receivables	8,414	8,414				
<b>Investments and other contractual financial assets:</b>						
Term deposits	14,600	14,600				
<b>Total</b>	<b>28,170</b>	<b>27,607</b>	<b>541</b>	<b>8</b>	<b>8</b>	<b>6</b>

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
<b>2013</b>							
(i) <b>Payables:</b>							
Supplies and services	13,244	13,244	13,244	-	-	-	-
Unearned Income	2,349	2,349	2,349	-	-	-	-
Accruals	15,847	15,847	15,847	-	-	-	-
<b>Borrowings:</b>							
Lease liabilities	25,180	25,180	1,049	2,039	9,040	13,054	-
<b>Total</b>	<b>56,620</b>	<b>56,620</b>	<b>32,489</b>	<b>2,039</b>	<b>9,040</b>	<b>13,054</b>	<b>-</b>
<b>2012</b>							
(i) <b>Payables:</b>							
Supplies and services	12,012	12,012	12,012	-	-	-	-
Unearned Income	1,606	1,606	1,606	-	-	-	-
Accruals	12,945	12,945	12,945	-	-	-	-
<b>Borrowings:</b>							
Lease liabilities	27,656	27,656	6,458	3,695	6,788	10,715	-
<b>Total</b>	<b>54,219</b>	<b>54,219</b>	<b>33,021</b>	<b>3,695</b>	<b>6,788</b>	<b>10,715</b>	<b>-</b>

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.

		Interest rate exposure				
		Weighted avg. annual effective interest rate %	Carrying amount	Fixed interest rate	Variable interest rate	Non- interest bearing
2013			\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>						
	<b>Cash and Deposits:</b>	2.98%	18,567	-	18,564	3
(i)	<b>Receivables:</b>					
	Services		7,464	-	-	7,464
	Accrued investment income		85	-	-	85
	Other receivables		7,456	-	-	7,456
	Investments and other contractual financial assets:					
	Term deposits	3.27%	15,041	15,041	-	-
<b>Total contractual financial assets</b>			<b>48,613</b>	<b>15,041</b>	<b>18,564</b>	<b>15,008</b>
<b>Financial liabilities</b>						
(i)	<b>Payables:</b>					
	Supplies and services		13,244	-	-	13,244
	Unearned Income		2,349	-	-	2,349
	Other payables		15,847	-	-	15,847
	<b>Borrowings:</b>					
	Lease liabilities	6.97%	25,180	25,180	-	-
<b>Total contractual financial liabilities</b>			<b>56,620</b>	<b>25,180</b>	<b>-</b>	<b>31,440</b>
<b>2012</b>			<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Financial assets</b>						
	<b>Cash and Deposits:</b>	4.28%	18,257	-	18,254	3
(i)	<b>Receivables:</b>					
	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	-	-
<b>Total contractual financial assets</b>			<b>46,427</b>	<b>14,600</b>	<b>18,254</b>	<b>13,573</b>

## Notes to the Financial Statements

	Interest rate exposure				
	Weighted avg. annual effective interest rate %	Carrying amount	Fixed interest rate	Variable interest rate	Non- interest bearing
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial liabilities</b>					
(i) <b>Payables:</b>					
Supplies and services		12,012	-	-	12,012
Unearned Income		1,606	-	-	1,606
Other payables		12,945	-	-	12,945
<b>Borrowings:</b>					
Lease liabilities	7.82%	27,656	27,656	-	-
<b>Total contractual financial liabilities</b>		<b>54,219</b>	<b>27,656</b>	<b>-</b>	<b>26,563</b>

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.

	2013		2012	
	Carrying amount	Net fair value	Carrying amount	Net fair value
	\$'000	\$'000	\$'000	\$'000
<b>Contractual financial assets</b>				
<b>Cash and Deposits:</b>	18,567	18,567	18,257	18,257
(i) <b>Receivables:</b>				
Services	7,464	7,464	5,108	5,108
Accrued investment income	85	85	48	48
Other receivables	7,456	7,456	8,414	8,414
Investments and other contractual financial assets:				
Term deposits	15,041	15,041	14,600	14,600
<b>Total contractual financial assets</b>	<b>48,613</b>	<b>48,613</b>	<b>46,427</b>	<b>46,427</b>
<b>Contractual financial liabilities</b>				
<b>Payables:</b>				
Supplies and services	13,244	13,244	12,012	12,012
Unearned income	2,349	2,349	1,606	1,606
Other payables	15,847	15,847	12,945	12,945
<b>Borrowings:</b>				
Lease liabilities	25,180	25,180	27,656	27,656
<b>Total contractual financial liabilities</b>	<b>56,620</b>	<b>56,620</b>	<b>54,219</b>	<b>54,219</b>

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**

	2013	2012
	\$'000	\$'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	18,566	18,256
Short term investments	15,041	14,600
	<b>33,607</b>	<b>32,856</b>
Represented by:		
Non discretionary funds for third parties		
MDN contingency Reserve	6,221	6,223
MMR contingency Reserve	3,476	3,542
EAS contingency Reserve	2,043	1,352
Available discretionary funds	<b>21,867</b>	<b>21,738</b>

**(b) Reconciliation of net result for the period**

	2013	2012
	\$'000	\$'000
<b>Net result for the period</b>	(5,325)	(8,795)
<b>Non-cash movements:</b>		
Depreciation and amortisation	27,008	48,335
Loss/(gain) on sale of assets	33	215
<b>Movements in assets and liabilities:</b>		
Decrease (increase) in receivables	(1,470)	4,339
Decrease (increase) in prepayments	33	(1,167)
Increase (decrease) in payables	3,655	1,773
Increase (decrease) in unearned income	743	1,195
Increase (decrease) in provisions	184	2,382
<b>Net cash flows from/(used in) operating activities</b>	<b>24,860</b>	<b>48,277</b>

**(c) Non-cash financing and investing activities**

During the reporting period ESTA acquired motor vehicles and technology assets for the PPP contract - MMR (Metropolitan Mobile Radio) through a finance lease arrangement to the value of \$142k and \$13.5 mill respectively. 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 service contract specific contingency reserves.

## Notes to the Financial Statements

### 19. RESPONSIBLE PERSONS

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

Minister for Police and Emergency Services - The Hon. Peter Ryan, MLA	1 July 2012 to 13 March 2013
Minister for Police and Emergency Services - The Hon. Kim Wells, MP	13 March 2013 to 30 June 2013
Chairman - Mr Paul Barker	1 July 2012 to 05 November 2012
Chairman - Mr Roger Leeming	20 November 2012 to 30 June 2013
Chief Executive Officer - Mr Ken Shymanski	1 July 2012 to 30 June 2013
Authority Member - Mr Terrence Francis	1 July 2012 to 13 September 2012
Authority Member - Ms Christina Gillies	1 July 2012 to 30 June 2013
Authority Member - Ms Penelope Pengilley	1 July 2012 to 30 June 2013
Authority Member - Mr Roger Leeming	1 July 2012 to 19 November 2012
Authority Member - Mr Stewart Leslie	1 July 2012 to 30 June 2013
Authority Member - Mr Peter Kronborg	7 August 2012 to 30 June 2013
Authority Member - Mr Greg Tweedly	13 September 2012 to 30 June 2013
Authority Member - Ms Marion Lau	5 February 2013 to 30 June 2013

#### Remuneration

The roles of Minister for Police and Emergency Services and ESTA Chairman were occupied by four individuals over the course of the year ending 30 June 2013. Total remuneration received or receivable by the Accountable Officers in connection with the management of ESTA during the reporting period was in the range: \$320,000 - \$329,999 (\$300,000 - \$309,999 in 2012)

Remuneration of Authority Members and Accountable Officer in ESTA are as follows:

Income band	Base remuneration	Total remuneration	Base remuneration	Total remuneration
	2013	2013	2012	2012
	No.	No.	No.	No.
\$0 - \$9,999	1	1	1	1
\$10,000 - \$19,999	1	1	-	-
\$20,000 - \$29,999	3	3	4	4
\$30,000 - \$39,999	3	3	1	1
\$50,000 - \$59,999	1	1	-	-
\$60,000 - \$69,999	-	-	-	-
\$70,000 - \$79,999	-	-	1	1
\$280,000 - \$289,999	-	-	1	-
\$290,000 - \$299,999	1	-	-	-
\$300,000 - \$309,999	-	-	-	1
\$320,000 - \$329,999	-	1	-	-
<b>Total Numbers</b>	<b>10</b>	<b>10</b>	<b>8</b>	<b>8</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Total Amount</b>	<b>543</b>	<b>570</b>	<b>515</b>	<b>534</b>

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

## 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	Total	Base	Total
	Remuneration	Remuneration	Remuneration	Remuneration
	2013	2013	2012	2012
	No.	No.	No.	No.
\$0 - \$99,999	3	1	3	1
\$120,000 - \$129,999	-	-	2	1
\$130,000 - \$139,999	-	-	-	1
\$140,000 - \$149,999	1	-	-	-
\$150,000 - \$159,999	1	1	1	0
\$160,000 - \$169,999	1	1	1	1
\$170,000 - \$179,999	1	1	1	2
\$180,000 - \$189,999	1	1	-	1
\$190,000 - \$199,999	-	1	1	-
\$200,000 - \$209,999	1	1	1	1
\$210,000 - \$219,999	1	1	1	1
\$220,000 - \$229,999	-	-	-	1
\$230,000 - \$239,999	-	-	1	0
\$240,000 - \$249,999	-	-	-	-
\$250,000 - \$259,999	-	1	1	1
\$260,000 - \$269,999	1	1	-	-
\$270,000 - \$279,999	-	-	-	1
\$280,000 - \$289,999	-	1	0	1
<b>Total number of executives (i)</b>	<b>11</b>	<b>11</b>	<b>13</b>	<b>13</b>
<b>Total annualised employee equivalent (AEE) (ii)</b>	<b>8.6</b>	<b>8.6</b>	<b>9.8</b>	<b>9.8</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Total Amount</b>	<b>1,642</b>	<b>2,139</b>	<b>2,025</b>	<b>2,506</b>

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

	2013	2012
	\$'000	\$'000
<b>Victorian Auditor General's Office</b>		
Audit of the financial report	30	30
	<b>30</b>	<b>30</b>

## 22. SUBSEQUENT EVENTS

### Tenancy Lease -Tally Ho Level 1

The ESTA Board approved relocation of the Support Office to Tally Ho Level 1 in early 2014. ESTA is in the process of negotiating a lease for Level 1 at 33 Lakeside Drive Burwood East Vic 3151, and an extension of the Support Office lease until April 2014.

### Operational and Support EBA

Operational and Support EBA negotiations are underway and registered agreements are expected in 2013/14.

## Independent Auditor's Report

# VAGO

Victorian Auditor-General's Office

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### 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 2013 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 determine is necessary to enable the preparation and fair presentation 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 2013 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 2013 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  
2 September 2013

  
for John Doyle  
Auditor-General

## Glossary of terms and acronyms

### Financial statements

Depending on the context of the sentence where the term 'financial statements' is used, it may include only the main financial statements (i.e. comprehensive operating statement, balance sheet, cash flow statements, and statement of changes in equity); or it may also be used to replace the old term 'financial report' under the revised *AASB 101 (Sept 2007)*, which means it may include the main financial statements and the notes.

### Intangible assets

Intangible assets represent identifiable non-monetary assets without physical substance.

### Interest expense

Costs incurred in connection with the borrowing of funds. Interest expenses include interest on bank overdrafts and short-term and long-term borrowings, amortisation of discounts or premiums relating to borrowings, interest component of finance leases repayments, and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.

### Interest income

Interest income includes interest received on bank term deposits, interest from investments, and other interest received.

### Net result

Net result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other non-owner changes in equity'.

### Net result from transactions/net operating balance

Net result from transactions or net operating balance is a key fiscal aggregate and is revenue from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

### Non-financial assets

Non-financial assets are all assets that are not 'financial assets'.

### Other economic flows

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. It includes gains and losses from disposals, revaluations and impairments of noncurrent physical and intangible assets; actuarial gains and losses arising from defined benefit superannuation plans; fair value changes of financial instruments and agricultural assets; and depletion of natural assets (non-produced) from their use or removal. In simple terms, other economic flows are changes arising from market remeasurements.

### Payables

Includes short and long term trade debt and accounts payable, grants and interest payable.

### Receivables

Includes short and long term trade credit and accounts receivable, grants, taxes and interest receivable.

### Sales of goods and services

Refers to income from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services, work done as an agent for private enterprises. It also includes rental income under operating leases and on produced assets such as buildings and entertainment, but excludes rent income from the use of non-produced assets such as land. User charges includes sale of goods and services income.

### Supplies and services

Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of ESTA.

### Transactions

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They 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. In simple terms, transactions arise from the policy decisions of the government.



Acronyms used throughout this report:

ATO	Australian Taxation Office
AV	Ambulance Victoria
CAD	Computer Aided Dispatch
CFA	Country Fire Authority
CTD	Call-taking and Dispatch
DEPI	Department of Environment & Primary Industries
EAS	Emergency Alerting System
ECSAC	Emergency Call Service Advisory Committee
ESOs	Emergency Services Organisations
ESTA	Emergency Services Telecommunications Authority
FRD	Financial Reporting Directions
FTE	Full Time Equivalent
GHG	Greenhouse Gas
GPS	Global Positioning System
GST	Goods and Services Tax
LEAP	Law Enforcement Assistance Program
LSL	Long Service Leave
MDN	Mobile Data Network
MFB	Metropolitan Fire Brigade
MMR	Metropolitan Mobile Radio
PMO	Program Management Office
PPP	Public Private Partnership
RMR	Rural Mobile Radio
SECCs	State Emergency Communications Centres
VAGO	Victorian Auditors General Office
VicPol	Victoria Police
VICSES	Victoria State Emergency Service



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