



2014-15 ESTA ANNUAL REPORT


ESTA 000
Saving Time Saving Lives

THE TRIPLE ZERO SERVICE IS VERY HIGHLY REGARDED AND HIGHLY VALUED.

MORE THAN 40 PER CENT OF VICTORIANS HAVE CALLED TRIPLE ZERO AND THEY RATE THEIR EXPERIENCE POSITIVELY, ESPECIALLY THOSE WHO HAVE MADE MORE URGENT AND MORE FREQUENT CALLS.

MORE THAN ONE-THIRD OF VICTORIANS WHO HAVE CALLED TRIPLE ZERO RATE THE SERVICE **10 OUT OF 10.**

Source – Independent Community Insights Research
undertaken in 2014-15 – see page 08 for further detail



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CHAIRMAN'S FOREWORD

ESTA provides a critical service to the Victoria community, linking people in need with the best possible emergency service response for their personal circumstances. Demand for Triple Zero services has continued to grow in Victoria year on year, and 2014-15 has been no exception. There was a three per cent increase in calls to the service on top of the 2.3 per cent increase we reported last year. ESTA also operates in a complex technical environment, and the Authority is mindful of the organisation's role managing the provision of essential operational communications services for the State.

The Authority has given close focus during the year to forward-looking strategies that will assist ESTA deliver quality services even as demand and complexity continue to increase. Victoria's Emergency Management Strategic Action Plan provides the framework for ESTA to plan investments and activities that reflect and support state-wide priorities including sector collaboration. ESTA is unique in Australia in providing emergency and non-emergency call-taking and dispatch for all emergency services agencies state-wide. This arrangement supports the all hazards, all agency approach to emergency management that is central to the Strategic Action Plan.

A large part of the Authority's focus on future planning has been giving attention to ESTA's funding arrangements and to developing strategies to achieve greater financial sustainability. We believe ESTA's multi-year transformation program established during the year will assist the organisation in becoming more financially and operationally efficient whilst delivering on its strategic goals. We are indebted to Emergency Management Victoria for its efforts in support of ESTA's future funding and efficiency arrangements.

ESTA's risk, assurance and audit functions have continued to mature in 2014-15. Significant improvements in business continuity arrangements and planning have been evident, including strategic investments in networks, infrastructure and systems that support the call-taking and dispatch and operational communications services.

Independent community insights research undertaken during the year provided evidence of how highly respected the Triple Zero service is in Victoria. ESTA's operators are genuinely first responders when it comes to taking calls and dispatching emergency services. These frontline employees are supported by talented technical and other expert and specialist personnel.

The Authority undertook the important task of recruiting a new CEO to commence in July 2015. Following an extensive search, it was a pleasure to appoint from within ESTA's leadership and we congratulate Chief Operations Officer, Julia Oxley on her promotion to the role. ESTA's effort to address and build employee engagement has been a highlight during 2014-15, one that will be furthered by Julia and her management team in the year ahead.

On behalf of the Authority I thank out-going CEO Ken Shymanski for his considerable service to ESTA and the Victorian Community over four and a half years. We wish him well for the future as he returns to Canada. Ken has shaped ESTA into a more professional and disciplined organisation and has built a strong management team for its future. We are grateful for the efforts of his Executive Leadership Team and all of our employees throughout 2014-15. I also wish to thank my fellow Authority Members, including new Members Christine Collin and Paul Henderson, and retiring Members Dan Quagliani and Neil Lucas. ESTA's achievements during the year have been supported by many individuals throughout the sector including the Minister for Emergency Services and her advisers, the emergency services agencies we serve, and the people of the Department of Justice & Regulation and Emergency Management Victoria (EMV), in particular Emergency Services Commissioner Craig Lapsley, EMV CEO Neil Robertson, the Inspector-General for Emergency Management Tony Pearce and their teams.

Roger Leeming
Chairman



CEO'S REPORT

The Victorian Government is leading a new strategic approach to emergency management aimed at achieving the vision of safer and more resilient communities. ESTA welcomes the Government's prioritisation of connected, collaborative sectoral responses to assist the community in emergencies. ESTA is committed to the success of the Emergency Management Strategic Action Plan and works closely with EMV to achieve these goals.

Emergencies such as bushfires, floods and storms test entire communities and require highly coordinated, professional responses. Other emergencies are highly personal, often affecting an individual or small number of people. Regardless of the circumstances a professional, skilled and caring Triple Zero service is essential to get people the help they need. ESTA is proud to provide this service for the people of Victoria and proud to support the emergency services agencies that go to their aid.

ESTA recognises that to serve the community and meet the requirements of the sector it must be efficient and invest to support its future operations. A review of ESTA's funding model continued throughout the year and remains at the centre of efforts to become a more sustainable operation into the future. In line with its 2014-18 Strategic Plan the organisation put a number of initiatives in place to streamline processes and improve systems. It also delivered a range of improvements to network and systems resilience in 2014-15, and successfully upgraded its Computer Aided Dispatch (CAD) software. ESTA also started work on a \$15 million upgrade of the telephony system that supports the Triple Zero service.

Demand, in particular for emergency assistance, continues to grow in Victoria. ESTA answered more than 2.4 million calls in 2014-15; this is on average more

than 6600 calls a day. More than 1.7 million of these calls were Triple Zero calls. Dispatching the appropriate emergency services response for people in need is an equally important role for ESTA, and the year saw more than two million events dispatched, an average of more than 5600 each day.

Independent research undertaken during the year demonstrated that the Triple Zero service is highly regarded by the community and that its reputation, in line with Victoria's emergency service agencies, is strong. These agencies are ESTA's customers and there have been considerable efforts throughout the year to foster collaborative relationships that help improve service. A multi-agency project team devised new Administrative Arrangements, which establish how ESTA will deliver services to the emergency services agencies and how the organisations will interact. ESTA welcomed the opportunity during 2014-15 to work with the Government's Ambulance Performance and Policy Consultative Committee, and also directly with Ambulance Victoria, to identify and deliver improvements for ambulance call-taking and dispatch. This work will continue into 2015-16.

This Annual Report details these initiatives and ESTA's many achievements in 2014-15. It is my last Report for ESTA as I leave the role of CEO to return to my home in Canada. The highlight of my time with ESTA was seeing more than 360 past and present employees receive the prestigious National Emergency Medal for their role in the 2009 Victorian Bushfires. It represented for me all that is extraordinary and good about the service ESTA provides to the community. In leaving I want to thank the people of ESTA for their support. I include in my thanks my management team and Members of the Authority. My time at ESTA has offered me the privilege of making many friends inside the organisation and throughout the sector. I want to thank and acknowledge Victoria's emergency services Chiefs and CEOs; Emergency Services Commissioner, Craig Lapsley; EMV CEO, Neil Robertson; and the Inspector-General for Emergency Management, Tony Pearce, and their teams. My appreciation goes also to our Minister, the Honourable Jane Garrett and her staff.



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

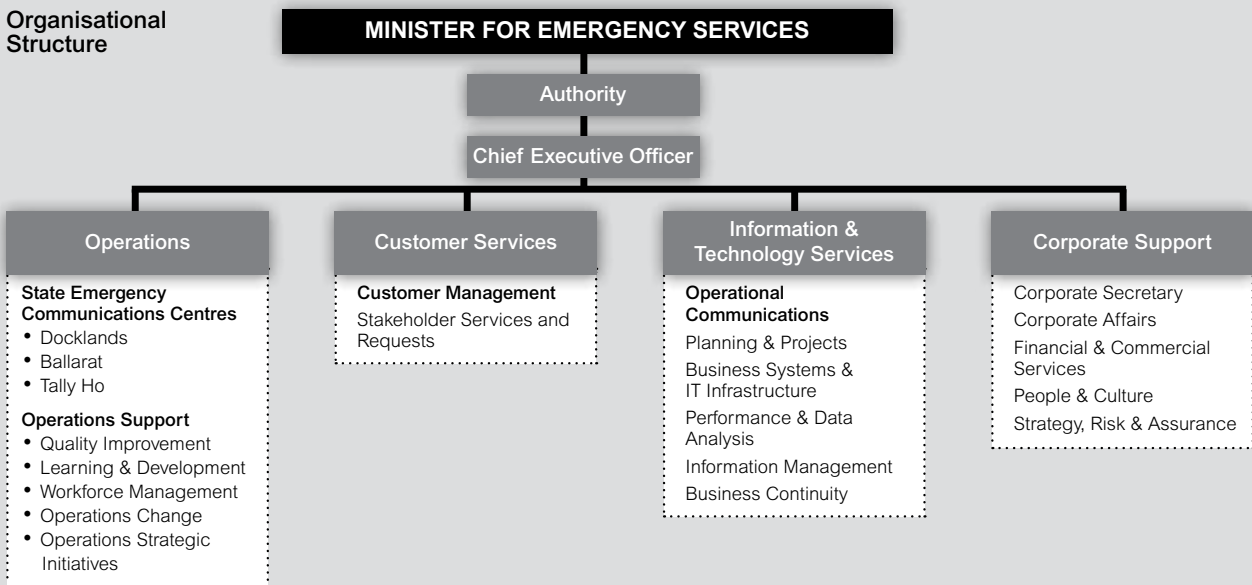
- Excellent Customer Service
- Fairness, Integrity and Respect
- Support, Encourage and Develop
- One ESTA

ESTA's Community

ESTA's purpose is to serve the Victorian community. Key stakeholders during 2014-15 included:

- 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
- Government
 - Minister for Emergency Services
 - Emergency Management Commissioner
 - Inspector-General for Emergency Management
 - Emergency Management Victoria
 - Department of Justice and Regulation
 - Department of Premier and Cabinet
 - Department of Treasury and Finance
 - Department of Health and Human Services
 - Department of Environment, Land, Water and Planning
 - Bureau of Meteorology
 - Corrections Victoria
 - Lifesaving Victoria
 - Sheriff's Office Victoria
 - Victorian Public Sector Commission
- Suppliers and technology partners
- Communication Workers Union
- United Firefighters Union
- United Voice

Organisational Structure



ESTA's Executive Leadership Team during 2014-15, comprised CEO, Ken Shymanski; Chief Financial Officer, Geoff Cutter succeeded by Leo Felicissimo; Chief Information Officer, Deborah Weiss; Chief Operations Officer, Julia Oxley; Corporate Secretary, Graeme Allison succeeded by John Schurink; and the Heads of Customer Services, John Schurink; Corporate Affairs, Rosie Mullaly; People & Culture, Peter Coulter succeeded by Thera Storie; and Transformation, Strategy, Risk and Assurance, Janine Holloway.



ABOUT ESTA

ESTA ANSWERED MORE THAN **2.4 MILLION CALLS** FOR ASSISTANCE IN 2014-15; ON AVERAGE THIS IS A **CALL EVERY 13 SECONDS** OR MORE THAN 6600 A DAY. MORE THAN 1.7 MILLION OF THESE CALLS COME VIA THE TRIPLE ZERO EMERGENCY CALL SERVICE.

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 answered more than 2.4 million calls for assistance in 2014-15; on average this is a call every 13 seconds or more than 6600 a day. More than 1.7 million of these calls come via the Triple Zero emergency call service. During the same period, ESTA dispatched more than two million events, an average of more than 5600 each day or one every 15 seconds.

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; this year carrying close to 20 million radio calls over the Metropolitan Mobile Radio service (MMR); supporting 9.8 million data transactions on the Mobile Data Network (MDN); and delivering close to 1.3 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. It reflects the Victorian Government's vision for centralised emergency management including the alignment of strategy, planning and investment across emergency services agencies and the promotion of unified information systems. 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 and where it is needed.

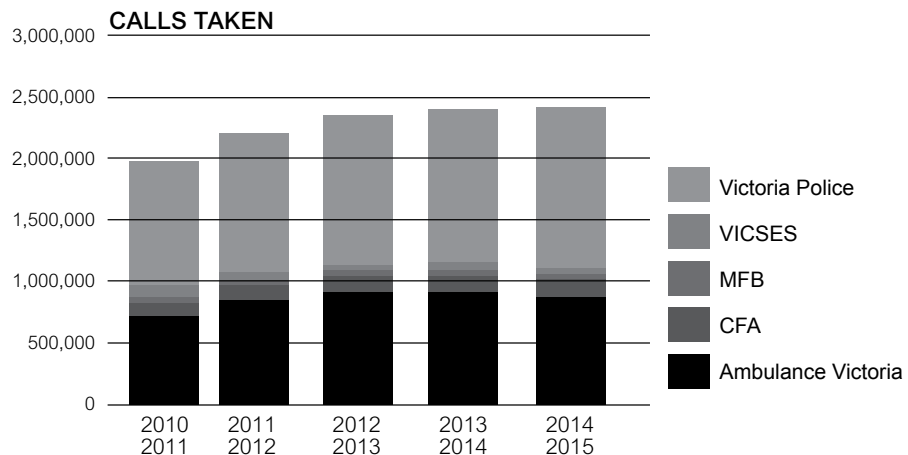
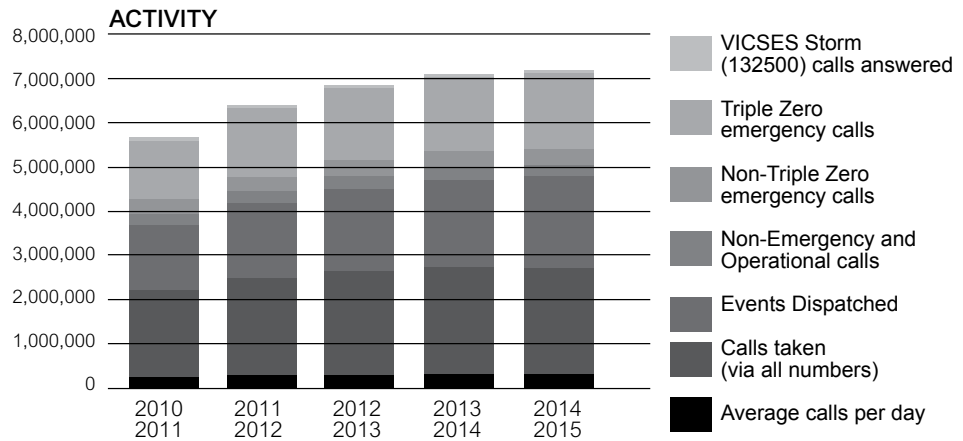
ESTA's employees are deeply committed to the community they serve and are among the most dedicated and highly skilled in their field. Call-taking and dispatch services are delivered from three State Emergency Communications Centres (SECCs) located at Ballarat, Tally Ho and Docklands.

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.

GROWTH IN DEMAND

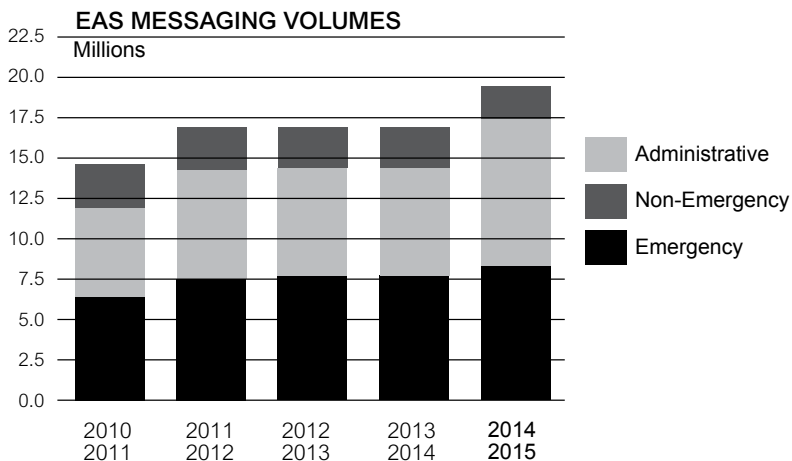
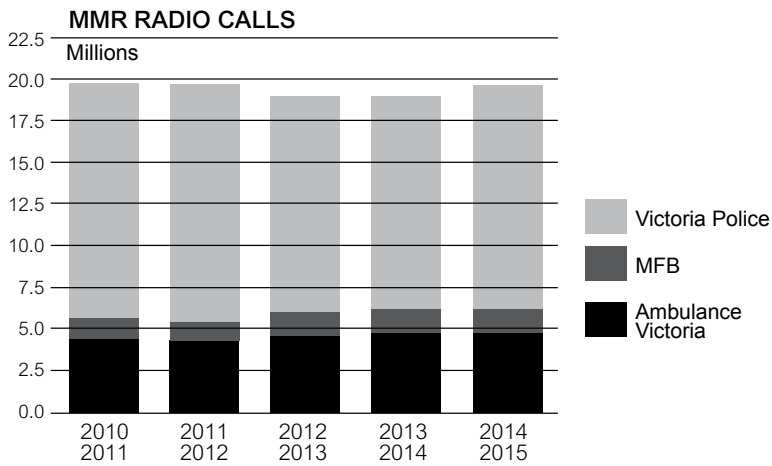
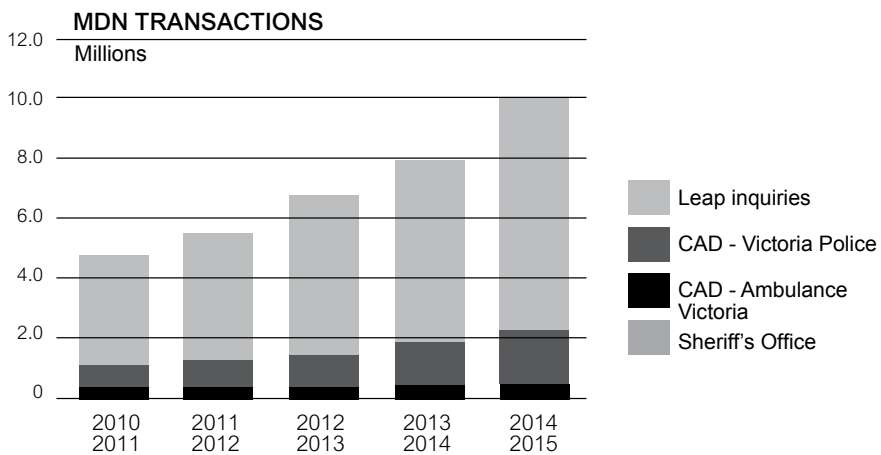
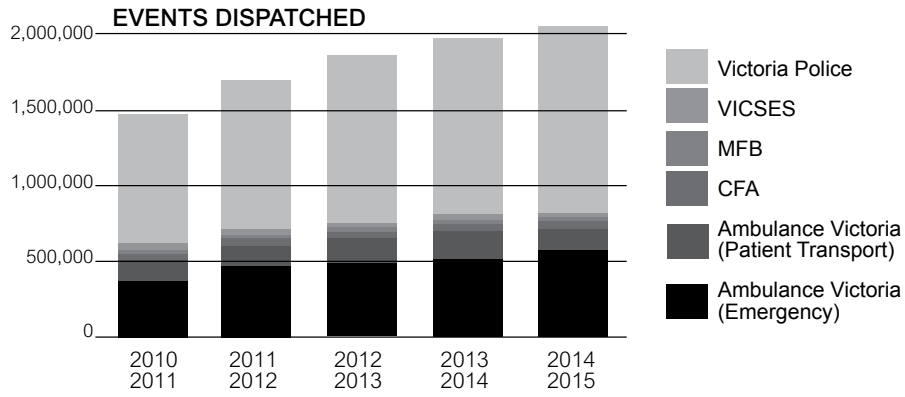
DEMAND FOR ESTA'S SERVICES CONTINUES TO GROW. DURING 2014-15 ESTA ANSWERED **2,413,335** CALLS RESULTING IN THE **DISPATCH OF 2,047,994** EVENTS, REPRESENTING A 0.3 PER CENT INCREASE IN THE TOTAL NUMBER OF CALLS TAKEN COMPARED WITH THE PREVIOUS YEAR.

TRIPLE ZERO EMERGENCY CALLS GREW IN VOLUME TO 1,707,209 - A **THREE PER CENT INCREASE** COMPARED TO 2013-14.



Notes:

- ESTA gradually assumed responsibility for regional ambulance and police call-taking and dispatch from 2010 to 2013
- In 2014-15 it was decided to incorporate Ambulance Code 3 and Ambulance Non-Emergency Patient Transport events into this dispatch reporting



OPERATIONS



ESTA Operations provides a critical link between members of the community and Victoria's emergency services when help is required. ESTA's call-takers support callers at the time they need assistance. Instructions, scene safety, and patient care advice provided during Triple Zero calls can make the difference between good or poor outcomes, including in some cases life and death. ESTA dispatchers in turn are responsible for relaying critical situational information to the emergency services and directing units to the scene.

ESTA receives calls from a variety of sources, including members of the public, emergency services, and health providers. Many of these calls involve a serious or life-threatening emergency. Operations' personnel took on average 6612 calls each day and dispatched 5611 events.

The 2014-15 year saw significant improvements to operating technologies, and many of the associated systems that support ESTA's SECCs in this critical work.

TRIPLE ZERO COMMUNITY INSIGHTS RESEARCH

ESTA commissioned two pieces of research in 2014 in order to understand better the Victorian community's expectations, perceptions and experience of Triple Zero. The results from this independent research were strongly positive for both Triple Zero and emergency services in Victoria.

The research indicates ESTA and Triple Zero's reputation with the public is very sound.

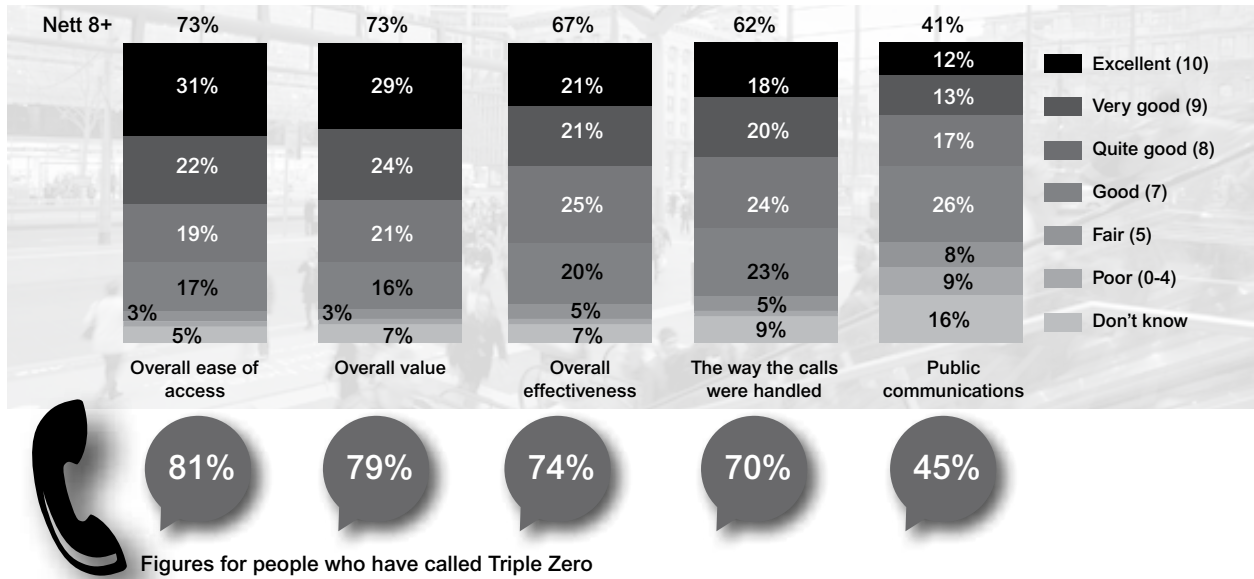
Key findings included:

- Triple Zero has a strong reputation.
- The Victorian community values Triple Zero highly.
- More than 40 per cent of Victorians have called Triple Zero, with 15 per cent in the year before the survey, and they rate their experience positively, especially those who have made more urgent more frequent calls.
- Customer service was rated highly.
- The community expect ESTA Operators to take control of the call, and to do it with empathy.
- Awareness of Triple Zero and when to call is reasonably well known.
- The majority of Victorians surveyed are highly likely to be Triple Zero advocates.

ESTA undertook this research because there had not been a systematic survey of the Victorian public's opinion of Triple Zero, and little real information was available about:

- Public perceptions of Triple Zero;
- The Victorian community's expectations of Triple Zero; and
- Community views of the performance of the service.

The research, conducted by an independent research agency, comprised an in-depth qualitative study of a small but representative sample of Victorians, by interview and focus group. This was followed by a larger online quantitative survey to gain a measure of the Victorian community's sentiment towards Triple Zero, their knowledge of the service, their expectations and their experience if they had called Triple Zero. This online survey polled 615 Victorian residents; the age, gender and regional representation were matched to reflect the population distribution.



TRIPLE ZERO CALLER EXPERIENCE

The survey results indicate that the Triple Zero service is very highly regarded and highly valued with 60 per cent of Victorians rating it a score of 8 or more (out of 10). For people who had called Triple Zero recently this increased to 67 per cent (which is directly comparable to the initial qualitative study's result of 68 per cent).

People who had made a Triple Zero call gave significantly higher ratings for all aspects including: overall reputation, overall value, accessibility, effectiveness and the way calls are handled.

More than 40 per cent of Victorians have called Triple Zero, and they rated their experience positively, especially those with more urgent calls and more frequent callers. More than one-third rated the service 10 out of 10.

Of those surveyed, 42 per cent had personally called Triple Zero; 15 per cent in the past year. The majority of those, 88 per cent, felt positively about their experience with Triple Zero, with 36 per cent extremely positive and giving a score of 10 out of 10.

CUSTOMER SERVICE WAS RATED HIGHLY

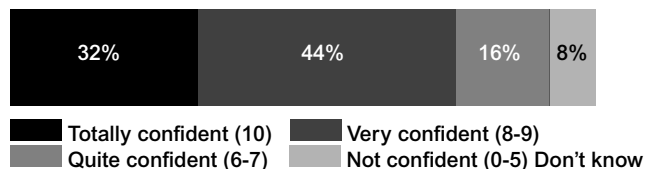
Customer service was perceived as good to excellent by most, with 78 per cent responding greater than eight out of 10 for quality of service and only four per cent rating the service poorly.

The community expect ESTA Operators to take control of Triple Zero calls, and to do it with empathy: 56 per cent of people expected a high level of empathy and 74 per cent of people expected a high level of control.

Knowledge of the Triple Zero Service



Confident in knowing when to call the Triple Zero Service



KNOWLEDGE OF WHEN TO CALL

The purpose of Triple Zero and when to call is reasonably well known for emergencies with some ambiguity for less urgent events. The majority of those surveyed, 87 per cent, rated their knowledge of Triple Zero as fair or better, and 76 per cent felt confident they knew when to call Triple Zero. However, only 16 per cent could recall seeing anything about Triple Zero in the past six months. Most of that recall, 73 per cent, was for television news or current affairs, and 65 per cent of this was seen as positive.

The majority of Victorians surveyed are highly likely to be Triple Zero advocates, with 61 per cent of all respondents reporting they were likely to speak well of Triple Zero rising to 71 per cent of those who had been recent callers.

OPERATIONS

GROWTH IN DEMAND

Demand for ESTA's services continues to grow. During 2014-15 ESTA answered 2,413,335 calls resulting in the dispatch of 2,047,994 events, representing a 0.3 per cent increase in the total number of calls taken compared with the previous year.

The following illustrates the number and type of calls received and events dispatched during the 2014-15 financial year:

Activity	2014-15	2013-14	Change
Calls taken (via all numbers)	2,413,335	2,406,433	+ 0.3%
Events dispatched	2,047,994	1,975,889	+ 3.6 ¹
Average calls per day	6,612	6,593	+ 0.3%
Triple Zero emergency calls	1,707,209	1,657,441	+ 3.0%
Non-Triple Zero emergency calls	363,295	387,419	- 6.2%
VICSES Storm (132500) calls answered	22,335	31,911	- 30.0%
Non-Emergency and Operational Calls	262,852	290,193	- 9.4%
Assisted ambulance with Code 1 events	335,529	326,091	+ 2.9%
Assisted with children locked in cars	2,930	2,680	+ 9.3%
Assisted police with pursuits	2,462	1,866	+ 31.9%
Assisted by phone with baby births ²	107	26	+ 311.5%
Assisted by phone with high priority life-threatening ambulance emergencies ³	17,548	15,239	+ 15.2%
Burn-off events registered	78,514	62,800	+ 25.0%

¹ In 2014-15 it was decided to incorporate Ambulance Code 3 and Ambulance Non-Emergency Patient Transport events into this calculation and this accounts for the high increase.

² The number of events where a baby was born during the telephone call, and prior to ambulance arrival.

³ The number of 'Priority 0' events; this is the most life-threatening / critical of all ambulance priorities.

⁴ ESTA automatically receives the telephone subscriber's billing address when a Triple Zero call is received. In the majority of cases when the call is from a fixed line, that address is where assistance is required and location verification is relatively straightforward. This is not the case for the majority of calls from mobiles.

MOBILE ORIGIN LOCATION INFORMATION (MOLI)

When ESTA receives a Triple Zero call it must verify where assistance is required before it can send an appropriate emergency service response. Identifying exactly where help is needed is, accordingly, the critical first step in responding to any Triple Zero call.

The year on year increase in calls from mobile telephones to Triple Zero represents a serious and continuing public safety challenge because it takes longer on average to establish where to send help when calls are made on mobiles.⁴ In 2014-15, 59.9 per cent of Triple Zero calls were made from mobile phones, compared with 57.8 per cent the previous year. Growth in the past three years has been five per cent.

ESTA adopted two new tools during 2014-15 to assist in locating emergencies from mobile phone callers.

The first of the tools, known as Push MOLI, provides location data based upon a mobile phone caller's vicinity to a telephone tower. This data generates a pictorial display on the call-taker's map screen, indicating an approximate location of the caller.

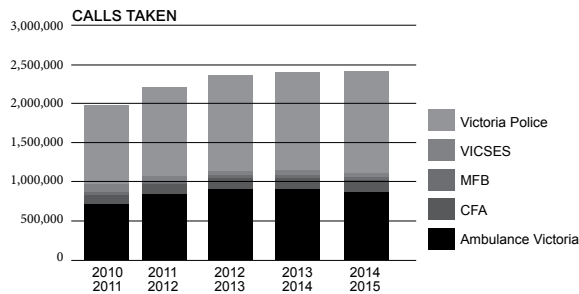
Despite the introduction of Push MOLI, ESTA continues to call for Australia's mobile carriers to introduce more accurate and reliable mobile location data than Push MOLI is capable of providing. Push MOLI does not provide the levels of accurate actual caller location that technologies used elsewhere in the world deliver. ESTA believes better location technology is needed in Australia to support community safety.

A further tool adopted by ESTA allows GPS (Global Positioning System) location data from smartphones to be provided, without the need for a special application to be loaded on the caller's phone. In cases where callers don't know their location the call-taker can arrange for the caller's smartphone location to be transmitted to ESTA.

CALLS TAKEN

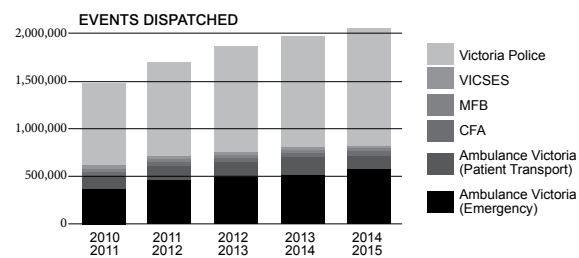
Triple Zero emergency calls grew in volume to 1,707,209, a three per cent increase compared to 2013-14.

Agency	2014-15	
Victoria Police	1,296,049	53.7%
Ambulance Victoria	879,147	36.4%
CFA	141,415	5.9%
VICSES	50,683	2.1%
MFB	46,041	1.9%
Total	2,413,335	100%



EVENTS DISPATCHED

Agency	2014-15	
Victoria Police	1,224,283	59.8%
Ambulance Victoria (Emergency)	578,357	28.2%
Ambulance Victoria (Patient Transport)	136,857	6.7%
CFA	44,768	2.2%
MFB	40,184	2.0%
VICSES	23,545	1.1%
Total	2,047,994	100%



HEIGHTENED ACTIVITY

Several severe weather and fire related events in 2014-15 generated surges in demand for Operations and emergency services agencies. These events typically resulted in significant increases to call-taking and dispatch activity. ESTA uses comprehensive information from the State Control Centre to inform resourcing and management of severe weather and fire related events. Additional personnel are scheduled and 'surge' workstations are activated in preparation whenever the Bureau of Meteorology indicates a severe weather is pending. ESTA proactively manages the distribution of operational resources across agencies during these events to ensure impacts on service delivery are minimised.

31 July 2014

Victoria experienced severe weather conditions with destructive winds reaching 80 kilometres per hour. Peak gusts of 140 kilometres per hour were forecast for parts of the state. During the height of this weather, VICSES storm emergency calls peaked at 70 calls in a 15 minute period. This is an estimated 1067 per cent increase in activity when compared with the days before and after the storm.

16 December 2014

Extreme Fire Danger warnings were forecast in the Mallee and Northern Country districts as hot and dry conditions, combined with a damaging westerly wind front, threatened to move rapidly across the state. ESTA used the storm warnings issued by the Bureau of Meteorology and its predictive modelling tool 'MetEye' to help determine likely call and demand increases. Calls to ESTA peaked during the afternoon, with 129 calls being offered in a 15 minute interval at 4:30 pm. This was an approximately 37 per cent increase compared to the days before and after the storm activity.

7 January 2015

Temperatures in the high 30s combined with strong northerly winds saw Fire Danger Warnings forecast for much of the state. Further exacerbating the extreme conditions was a period of thunderstorm activity across the eastern suburbs of Melbourne, when strong winds, lightning, and heavy rain caused widespread damage. Activity levels within ESTA increased by 700 per cent for some agencies at the peak of storm.

OPERATIONS

28 February 2015

Victoria experienced unexpected and extreme weather conditions with destructive winds and severe thunderstorms. A severe weather warning was issued by the Bureau of Meteorology less than an hour before call activity began to increase. ESTA was unable to plan as effectively as usual due to the sudden onset of the weather front. This impacted call answer performance for Victoria Police, CFA, and VICSES. Staff were recalled and dynamically deployed across the VICSES emergency storm line to meet this increase in activity, which, at the height of the storm, was some 4000 per cent greater than usual. This was ESTA's busiest day⁵ of the year.

OTHER

ESTA also experiences peaks in demand during festive celebrations such as Christmas and New Year's Eve. Call activity on Christmas Day began to increase at 9:30 pm and peaked with 116 calls in a 15 minute interval. Call demand on New Year's Eve was an estimated 92 per cent greater than comparable days in previous weeks. Extra operational employees were deployed during the period and ESTA met required performance levels for all agencies.

HIGHLIGHTS**AMBULANCE PERFORMANCE AND POLICY CONSULTATIVE COMMITTEE**

The Government has established an Ambulance Performance and Policy Consultative Committee chaired by the Minister for Health and Ambulance Response. The aim of the Committee is to improve ambulance response times. ESTA was invited to contribute to the work of the Committee through its Ambulance Call-Taking and Dispatch Working Group. The Working Group commenced a review of ambulance call-taking and dispatch arrangements, specifically:

- The appropriateness of current triage categories.
- Opportunities to improve the timely identification of patient needs and dispatch of the right response(s).
- The most effective way to improve community awareness of the role of emergency ambulance services.

⁵ More calls were offered during this day than any other in 2014-15.

ESTA continues to contribute to these forums, and is working closely with Ambulance Victoria to implement the recommendations provided so far.

AMBULANCE DISPATCH IMPROVEMENT

Improving Victoria's overall ambulance response was a major focus for ESTA in 2014-15. A joint Ambulance Victoria and ESTA Operations Executive Steering Committee has overseen the work of a Dispatch Improvement Working Group acting to improve dispatch performance, ambulance fleet availability, and subsequently but most importantly, patient outcomes. ESTA trialled and implemented two successful initiatives:

- Dispatchers were given the discretion to respond the ambulance within a five kilometre radius that will 'arrive first', not necessarily the one that is geographically closest.
- New procedures were introduced that better identify and manage patients where altered consciousness is a factor.

ESTA's Total Time to Dispatch performance has improved since the introduction of these initiatives. This important work will continue in 2015-16.

OPERATIONS LEARNING AND DEVELOPMENT

The team responsible for training ESTA's frontline employees was re-established and improvements were made to the structure of the Operations Learning and Development team. ESTA worked with employee representatives to trial a new Learning and Development Facilitator role. Work also commenced on updating ESTA's training program for call-takers and dispatchers.

CHANGES TO QUALITY AUDITING

ESTA's Team Leaders and its Quality Improvement Team regularly review calls and dispatch activities to ensure high quality standards are met. Coaching, feedback, and development opportunities are provided to employees, encouraging a culture of continuous improvement. During 2014-15 changes were made to the way in which calls and dispatch activities are assessed. ESTA moved from a rigid quality auditing framework to one that provides leaders with greater flexibility and effectiveness in how audits are managed along with increased independent oversight from the Quality Improvement Team.

VICTORIA POLICE DISPATCH EXPANSION

ESTA received funding from Victoria Police to trial the use of Assistant Radio Operators to help with summer workload. This represents an opportunity to improve service considering the heightened activity associated with additional Protective Service Officers.

EMPOWERING TEAM LEADERS

ESTA empowered its Team Leaders by facilitating a shift from focussing on administrative tasks to a future model that encourages investment in people and performance. ESTA identified a number of areas to streamline and improve in order to create capacity for Team Leaders.

PERFORMANCE AGAINST STANDARDS

ESTA's call-taking and dispatch performance standards are determined by the Inspector-General for Emergency Management (IGEM). ESTA reports monthly against these qualitative and quantitative standards.

State-wide performance standards apply for the fire services and VICSES. For Victoria Police and Ambulance Victoria, performance standards apply only to the metropolitan area. However, ESTA provides additional reporting on its regional and state-wide performance using the metropolitan standards as a point of comparison.

QUANTITATIVE PERFORMANCE⁶

The majority of the monthly IGEM standards were met or exceeded during 2014-15.

VICTORIA POLICE

Victorians requesting police assistance are directed to a team of ESTA call-takers located at the Docklands and Ballarat SECCs. This common call-queue enables callers to be connected to the first available call-taker, regardless of where the call originates.

ESTA:

- Exceeded the performance benchmark of answering 80 per cent of emergency calls within five seconds in all months of the year.
- Answered 87.9 per cent of calls for the year within five seconds. This is compared to 88.2 per cent in the previous year.
- Averaged a state-wide monthly call answer performance of 87.7 per cent for the year, with an average call answer time of 4.2 seconds compared to 4.1 seconds last year.
- Exceeded the metropolitan area dispatch performance benchmark on a state-wide basis by dispatching 90.4 per cent of Priority 1 Victoria Police events within the metropolitan benchmark time of 160 seconds.

AMBULANCE VICTORIA

Victorians in need of emergency ambulance assistance are directed to a team of ESTA call-takers located at the Tally Ho and Ballarat SECCs. This common call-queue enables callers to be connected to the first available call-taker, regardless of where the call originates.

ESTA:

- Met or exceeded the metropolitan performance standard for 90 per cent of calls to be answered within five seconds in all but two months of the year. ESTA also achieved this level of performance on a regional and state-wide basis.
- Averaged a metropolitan monthly call answer performance of 92.7 per cent, with an average call answer time of 3.2 seconds.
- Answered 96.6 per cent of ambulance non-emergency calls within 30 seconds, with an average call answer time of 3.4 seconds.
- Dispatched 78.7 per cent of Code 1 events across the state within the metropolitan benchmark time of 150 seconds, compared to 77.1 per cent last year. ESTA's metropolitan performance standard is 90 per cent of Code 1 events to be dispatched within the 150 seconds.

ESTA and Ambulance Victoria continue to work together to identify improvement initiatives that will improve compliance to this benchmark. A number of initiatives were introduced in 2014-15, and will continue throughout 2015-16.

⁶ Where reference is made to dispatch performance, it should be noted that prior to the upgrade of the ESTA CAD system to Version 9v11, Event Create Time was generally derived from the time the ESTA Operator pressed the 'Create Event' button. This timestamp is currently not available in the CAD Version 9v11 and ESTA now determines the Event Create Time based on the time the ESTA operator begins to enter information into the new Event form. The difference in these two times is typically less than two seconds.

OPERATIONS

FIRE SERVICES

Victorians in need of emergency fire brigade assistance are directed to a team of ESTA call-takers located at the Tally Ho and Ballarat SECCs. This common call-queue enables callers to be directed to the first available call-taker, regardless of where the call originates.

ESTA:

- Exceeded the call answer performance standard of answering 90 per cent of emergency calls within five seconds, every month for both CFA and MFB.
- Averaged a call answer time of 1.2 seconds for emergency CFA calls.
- Averaged a call answer time of 1.7 seconds for emergency MFB calls.
- Dispatched 93.7 per cent of MFB events compared to the benchmark which is 90 per cent. This compares to 92.6 last year. Dispatch performance for MFB met the performance standard in each month of the year.
- Met the dispatch performance standard for CFA Priority 1 in all but two months of the year.
- The CFA Priority 3 dispatch standard was only met four of 12 months; an improvement on last year, where it was met in only one month. Strong seasonality affects ESTA's ability to meet this target, particularly during less busy months when a small number of events have a much higher impact proportionally to overall performance. Consequently, ESTA recognises that the target is not suitable year-round, and recommends further review be undertaken.

VICSES

Compliance with the VICSES emergency call answer benchmark was met in only four months of the year. Call activity to the VICSES storm queue is extremely dynamic, with adverse weather often resulting in significant surges in call volume with limited notice. For example, VICSES storm emergency calls offered to ESTA varied from six to 1640 calls per day. Only 18 days in the year exceeded 200 calls.

ESTA:

- Met the storm emergency standard for four months of the year, compared with two months during 2013-14.
- Answered 70.6 per cent of storm calls for the year within the benchmark of 90 per cent of calls answered within 20 seconds.
- Took, on average, 54 seconds to answer incoming calls to the storm queue.

- Met the Priority 1 dispatch standard in two months of the year, compared to none last year.
- Dispatched 84.7 per cent of Priority 1 events within the benchmark of 90 per cent of events dispatched within 60 seconds.
- Met the Priority 2 and 3 dispatch standard in all but two months for the year, achieving a performance of 93.3 per cent of events dispatched within the benchmark of 90 per cent within 460 seconds, compared with 91.5 per cent last year.

VICSES calls are presented in the police emergency queue, at a lower priority than police emergency calls; this, combined with the normally low VICSES call volumes, makes achieving daily call answer performance challenging. A range of performance improvement options are being investigated, in particular, how ESTA's planned telephony upgrade will enable the ability to improve daily performance with skills-based routing and more efficient deployment of call-takers to the call queues where they are most needed.

A new VICSES event type was introduced in March 2015. This enabled streamlining and simplification of workflows for ambulance dispatchers requesting rescue assistance, and it is anticipated it will improve dispatch quality and efficiency for VICSES. ESTA recognises that the structure of the SES target is not suitable year-round, and recommends further review be undertaken.

QUALITATIVE PERFORMANCE

ESTA's Team Leaders, and the Quality Improvement Team, monitor and assess call-taking and dispatch qualitative performance using internal quality and service delivery audits. ESTA also receives qualitative performance information from other emergency service organisations via submission of Observation Reports. An Observation Report provides feedback to ESTA which may include complaints, opportunities for improvement, or compliments for performance.

ESTA received 1002 Observation Reports during 2014-15. ESTA reviewed these and identified 598 of the Reports offered opportunities for improvement. This equates to approximately one valid Observation Report per 3425 events dispatched or 0.03 per cent of all total events.

ESTA's performance in 2014-15, including the standards applied to emergency and non-emergency call-taking and dispatch services are further detailed in the Appendix to the Report.



PEOPLE & CULTURE

A REVISED THREE YEAR PEOPLE & CULTURE STRATEGY COMMENCED IN 2014-15 INCLUDING NEW APPROACHES TO RECRUITMENT, RETENTION, OCCUPATIONAL HEALTH, SAFETY, WELLNESS, CHANGE MANAGEMENT, AND RENEWAL.

Service to the Victorian community is the highest priority for ESTA employees. ESTA's specialist operators are dedicated professionals providing a unique and critical service to Victorians and emergency services personnel. They are backed up by a small, multi-disciplinary workforce in ESTA's Support Office.

ESTA operates three communications centres for emergency and non-emergency call-taking and dispatch. These are located at Mt Helen near Ballarat, Tally Ho in East Burwood and the World Trade Centre at Docklands. Support functions are located at Tally Ho.

A revised three year People and Culture Strategy commenced in 2014-15 including new approaches to recruitment, retention, occupational health, safety, wellness, change management, and renewal.

During 2014-15:

ESTA employed an average of 862 employees or 774 full time equivalents (FTE) per month in 2014-15, as compared with 828 employees or 757 FTE in 2013-14. This growth is represented in both the SECC's and Support Office.

ESTA's annual employee attrition rate increased from 8.6 per cent in 2013-14 to 10.23 per cent in 2014-2015. A total of 88 employees left ESTA during 2014-15.

To replace employees who left ESTA during the year, ESTA recruited 150 staff, up from 131 recruited the previous year. The recruitment during the year included 87 call-takers compared with 92 the previous year.

Year on year ESTA-wide absenteeism decreased from 4.93 per cent in 2013-2014 to 4.47 per cent in 2014-2015.

Communications Centre absenteeism decreased from 6.79 cent per annum in 2013-2014 to 6.39 per cent per annum in 2014-2015, within the targeted maximum of 6.5 per cent.

Support staff absenteeism increased from 2.82 per cent in 2013-2014 to 2.93 per cent in 2014-2015.

HEALTH, SAFETY, AND WELLNESS STRATEGY 2015-2020

The wellbeing of ESTA's people, and the provision of a safe, supportive working environment, is a foundation for ESTA achieving its goals. A new five year health, safety, and wellbeing strategy, 'ESTA Live, Work – Be Well' was devised and adopted during the year. This strategy provides direction and guidance for ESTA and promotes a systems approach to improving and strengthening Occupational Health and Safety (OHS) management and culture with a focus on leadership and participation.

PEOPLE & CULTURE

The strategy comprises five initiatives, with each supporting the next and providing foundations for a holistic approach:

- Strengthening ESTA's OHS management system – aligning ESTA's Safety Management System with Australian AS/NZS 4801 and international OHSAS 18001 standards; increasing employee and senior management knowledge of OHS; and focusing on areas such as managing hazards, workplace inspections and improving work practices for managers engaging and supervising contractors.
- Cultural change – gaining employee perspectives and priorities on OHS and developing a broader employee engagement program supported by face-to-face and online OHS training.
- Targeting key injury prevention areas – working together and focusing on a systems approach to reduce the risk of vicarious trauma associated with call-taking and dispatch tasks, slips, trips and falls, and acoustic incidents.
- Injury management – developing standardised best practice early intervention and safe return to work approaches to care for injured employees.
- Workplace wellness – enabling employees and contractors, together with their families and friends, to access wellbeing information and better manage health and make positive lifestyle choices.

ESTA employees experienced 79 reported incidents during the year, of which 21 resulted in lost time injuries. This represented a reduction from 114 reported incidents in 2013-14, of which 19 involved lost time injuries.⁷

⁷ An error was found in the 2013-14 reported incidents and lost time injuries, with 114 reported incidents instead of 106 as reported and 19 lost time injuries instead of 13 as reported

HIGHLIGHTS

EMPLOYEE ENGAGEMENT AND ALIGNMENT

ESTA measured its employee engagement and alignment in late 2014, and undertook a series of employee focus groups in 2015 to help identify areas for improvement. As a result of the employee feedback, ESTA started a review of its Values and Behaviours, and recognition and reward programs. An Employee Engagement Action Plan was co-created with team members and actions will be implemented and measured throughout 2015-16. Early initiatives included the extension of the Employee Assistance Program to include career assistance. ESTA also commenced a partnership with a leading health provider that includes four free medical and physiotherapy services for injured employees as part of ESTA's strategy to care for employees.

GENDER EQUITY

ESTA undertook a review of its gender equity practices during the year. The organisation has a predominantly female based workforce with 68 per cent of call-taking and dispatch employees and 62 per cent of Team Leaders being female. The gender make up of ESTA's Executive Leadership Team was 53 per cent female and 47 per cent male. ESTA's overall workforce is 63 per cent female and 37 per cent male.

Operations employees who are employed under the Operations Enterprise Agreement have 100 per cent salary equity on an hourly rate basis. The gender equity gap varies among support personnel. When all support employees hourly rate salaries were averaged and compared, women earned only 0.2 per cent less than men.

RECRUITMENT IMPROVEMENTS

Operations introduced pre-employment testing software specifically designed to assess a candidate's suitability for a role in emergency communications. The software allows ESTA to measure candidates on the necessary skills for a career in Operations at ESTA, including multi-tasking, performance under pressure, information retention and recall, numerical reasoning, comprehension and map reading. Psychometric testing that identifies specific traits vital for emergency call-taking was introduced. ESTA prioritised screening for empathy, resilience and stress tolerance, important attributes for emergency call-takers and dispatchers, along with customer service orientation.

LEADERSHIP DEVELOPMENT

ESTA's Leadership Development Program is a highly valued employment offering, with 96 managers completing ESTA's Diploma of Management in its four years of operations. ESTA partnered with Swinburne University in both 2014 and 2015 to again offer the Diploma for line managers. There are 19 managers participating in 2015 and a graduation ceremony was held in December for the 27 managers who completed the program in 2014. A Leadership Program designed for senior and strategic leaders also continued at Swinburne with 23 managers participating. A graduation ceremony was held in February for six managers who achieved a Graduate Certificate in Business.

A range of other learning and development activities were also supported throughout the year including workshops, team building initiatives, personal insight opportunities, and external training and learning.

LEADERSHIP

ESTA ran leadership forums for its Assistant Centre Managers and Team Leaders. These forums fostered better communication, problem solving, and a focus on people leadership and engagement. The approach is new for ESTA, signalling an intention for more inclusive, engaging and engaged workplaces.

SERVICE AWARDS

ESTA recognises staff with continuous service for five, 10 and 15 years and, this year, for the first time recognised team members who have worked for ESTA and its predecessor organisations for 20 years. Special events with colleagues, family and friends are organised once a year to celebrate employees with 10, 15 and 20 years service, while five year recipients are recognised at their workplace.

Improvements to the service award program in 2014-15 saw employees celebrated for service milestones in 2014 up to the end of 2015. Awards were presented to 134 staff in total; 73 staff achieving 10 years of service, 29 staff achieving 15 years of service and 32 staff achieving 20 years of service.

NATIONAL EMERGENCY MEDAL

During 2013-14, more than 360 current and former ESTA staff were awarded the prestigious National Emergency Medal for their significant service throughout the 2009 Victorian Bushfires. This year, ESTA formally celebrated the outstanding contribution made by our National Emergency Medal awardees in a series of ceremonies attended by recipients' families, colleagues, and special guests.

ENTERPRISE AGREEMENTS

Bargaining for a new Operational Enterprise Agreement commenced six months prior to the Agreement expiry date of 30 June 2015. A new Enterprise Agreement for employees in administrative and support roles was formally approved and implemented during the 2014-15 year.

CUSTOMERS



ESTA reviewed its management and oversight of customer relationships during 2014-15, identifying a range of improvements to be fully implemented in 2015-16. The review recommended stronger customer management practices, including planning and service delivery improvements, more effective governance around planning; and more streamlined workflows with structured end-to-end processes.

ESTA's direct customers are Victoria's emergency services and allied agencies. A small Customer Services team within ESTA worked with these organisations throughout the year to review, prioritise, and improve the services ESTA provides to the sector. A key focus for this group is to progress and deliver appropriate responses to agency and internal service and change requests.

The automation of many previously manual workflows has been achieved, delivering significant benefits including more efficient management of standard service requests.

Customer Services chaired the multi-agency Service Performance and Development Committee, at which all aspects of ESTA's performance and services development are reviewed and discussed by senior emergency services and ESTA representatives on a monthly basis.

HIGHLIGHTS

NEW ADMINISTRATIVE ARRANGEMENTS

ESTA Customer Services continued to lead a highly collaborative multi-agency project team to devise and complete a new Administrative Arrangements regime, in compliance with the ESTA Act (2004).

These new Administrative Arrangements established how ESTA will deliver services to the emergency services agencies and how the organisations will interact. They define accountabilities and responsibilities; describe precisely what the services comprise; and outline a collaborative approach to decision-making. The ESTA Advisory Committee endorsed the revised Administrative Arrangements in December 2014. However, further review is continuing to improve the Service Delivery Requirements and the outcomes of the Econometric Model trial are known and agreed.

CUSTOMER SURVEY

ESTA issues a customer survey biennially as a means of assessing its performance against customer expectations. In the intervening years a brief 'pulse' survey is issued. Feedback in 2014 was positive, indicating improved working relationships and noting ESTA's willingness to meet the needs of stakeholders; the availability of key staff; and the provision of regular updates. Stakeholders commented on positive cultural change within ESTA.

The survey results also indicated opportunities for improvement. Further interviews were independently conducted with customers as part of ESTA's review of customer management and these have helped shape the changes to planning and service delivery; governance; and workflows structure that ESTA will deliver in 2015-16.

In 2014, overall satisfaction increased slightly to 5.9 from the previous year but remains lower than satisfaction levels recorded in 2012. Close to 60 per cent of respondents in 2014 gave a score of between six and eight out of 10; 22 per cent gave five out of 10; and 17 per cent ranged between two and four out of 10.



COMMUNITY ENGAGEMENT

ESTA recognises the importance of educating Victorians about the use of the Triple Zero service. It works with emergency service agencies to ensure information about calling Triple Zero is part of sector-wide engagement and education efforts. Facebook and Twitter are regularly used as an effective means of building engagement. A review of ESTA's social media platforms demonstrated high levels of engagement via Facebook in particular.

Positive news coverage continued to increase, with a focus on pursuing news coverage that features the work of Triple Zero; raises its profile within the community; and helps spread important community education messages about the service.

ESTA celebrated its 11th annual Junior Triple Zero Heroes Awards in 2015, with 27 young Victorians recognised for their bravery and appropriate use of the Triple Zero service. The Junior Heroes were presented their awards by the Minister for Emergency Services, The Honourable Jane Garrett, at a special ceremony in May. The Award ceremony received extensive and widespread media. Heroes presented awards included:

- A nine-year-old who helped deliver his baby brother;
- a five year old who called family when his mum fell unconscious;
- a nine year old whose grandmother fell and fractured her leg;
- young brothers who called for their mum who had a seizure and became unresponsive; and
- a 13 year old who controlled the bleeding for his dad who had an accident with a chainsaw.

ESTA continued to support the promotion and further development of the Federal Government funded 'Emergency+ App' via the Triple Zero Awareness Working Group, an Australian sector-wide body. The 'Emergency+ App' helps users connect to Triple Zero and relays location information using smartphone GPS technology to Triple Zero call-takers.

ESTA was involved again in a CFA coordinated program – Safety Awareness Field Education (SAFE) – a structured and interactive program run each year delivering Triple Zero safety messages to children in grades three and four. This year 150 students attended from CFA's District 18, attending five different sessions presented by community educators from ESTA, Victoria Police, Ambulance Victoria, SES and Buloke Shire Council.

ESTA employees raised a record amount for this year's Royal Children's Hospital Good Friday Appeal – helping contribute over \$5200 to the worthy cause. For the fifth consecutive year, ESTA staff volunteered their time and efforts to help raise much needed funds for equipment, research and education to support the work of the Hospital. The computer/telephone design that ESTA proposed to Appeal organisers some three years ago, was implemented this year, facilitating calls and undertaking data processing at the same time.

ESTA also participated in a variety of other fundraisers throughout the year including the 'ALS Ice Bucket Challenge', an organisation-wide baking competition on Blue Ribbon Day, Relay for Life, raising money for the Cancer Council; and donated money to victims of the Nepal earthquake in April 2015.

INFORMATION & TECHNOLOGY SERVICES

THE EAS NETWORK UPGRADE PROJECT DELIVERED AN ENTIRE REFRESH OF THE RADIO NETWORK EXTENDING ITS LIFE PAST 2020. IT REPLACED 40,812 PAGERS FOR VOLUNTEERS AND CAREER STAFF IN CFA, VICSES AND AMBULANCE VICTORIA.

ESTA's **Information and Technology Services** team (ITS) manages the provision of information technology, data, geospatial and operational communications services supporting the organisation and Victoria's emergency service agencies. It identifies, prioritises and executes a portfolio of short, medium and long term initiatives through formal projects and programs. These projects and programs are aligned with Victorian Government policy for the emergency service sector, the Emergency Management Strategic Action Plan and ESTA's strategy.

ESTA's operational communications services include the:

- Computer Aided Dispatch (CAD) system
- Emergency Alerting System (EAS)
- Mobile Data Network (MDN)
- Metropolitan Mobile Radio (MMR)
- Triple Zero Telephony Platform

ITS also manages data and information services. These include geospatial data and mapping activities essential to the delivery of appropriate emergency responses.

ESTA's planning effort located in ITS was focussed on transformation and efficiency initiatives that are part of the ESTA efficiency improvement program, and customer requests. Eight concepts were developed to support future project business cases.

ITS introduced and upgraded technologies during the year to drive efficiency, improve communication and collaboration throughout the organisation.

PROGRAMS AND PROJECTS

ESTA's significant portfolio of projects is managed within ITS. In 2014-15, ITS managed 18 different programs or projects with a total portfolio budget valued at over \$13.6 million for the financial year. Five projects were successfully completed during the year.

MOBILE DATA NETWORK (MDN) CONTINUITY

The Mobile Data Network (MDN) Continuity project commenced in August 2013 to provide continuity of MDN services to the State and existing customers in the medium term. It successfully extended the MDN Service Agreement to provide a continuation of the existing service for the next two years plus two optional years. Negotiations for the new contract were more protracted than forecast; however yielded some significant benefits. These included flexibility in the term to align with the Government's longer term operational communications plan, and technology options together with potential savings and/or capability enhancements.

EMERGENCY ALERTING SYSTEM (EAS) NETWORK UPGRADE

The 2009 Victorian Bushfires Royal Commission recommended the existing EAS network performance be improved during peak events and ESTA was provided \$21.53 million to increase the capacity of the EAS Network. Following Ministerial approval in July 2011, the scope of the EAS Network Upgrade project was reviewed and a range of improvement options were added. The project officially commenced in February 2012, and was successfully completed in March 2015, within the total project budget of \$46.5 million.

The EAS Network Upgrade project delivered an entire refresh of the radio network extending its life past 2020. It replaced 40,812 pagers for volunteers and career staff in CFA, VICSES and Ambulance Victoria. It improved the network with reduced congestion and message throughput across the State by adding additional sites to reduce black-spots. The Project was delivered within budget with benefits being realised in time for the 2014-15 fire season.

COMPUTER AIDED DISPATCH (CAD) UPGRADE

ESTA uses the CAD system to provide mission critical support for its call-taking and dispatch operations. The previous version of the system was implemented by ESTA in 2007, and by 2014-15 was four major software releases behind the latest software version. The CAD Upgrade project commenced in January 2012 and the system went live in October 2014, with the project officially being closed on 30 November 2014. With a budget of \$10.3 million the CAD Upgrade project delivered the refreshment of outdated and unsupported technology, which included an upgrade to ESTA's mission critical call-taking and dispatch system. The project delivered all the business case benefits and was under budget but was significantly delayed due to industrial action in 2013-14.

The project delivered the following benefits:

- Enhanced the reliability and availability of the overall CAD system by the replication of critical CAD infrastructure at Tally Ho and Ballarat;
- The introduction of protected database services;
- The automation of interfaces to systems external but connected to CAD;
- Removed single points of failure within the overall CAD system by substantially improving the reliability of the ESTA data communications networks;
- Provided new capability and functionality such as the introduction of non-emergency scheduling;
- Delivered a software version that has current vendor support, providing reduced risk of delays to the resolution of any potential system failure;
- Upgraded supporting services to provide reliable and supported IT infrastructure and all out of support hardware and software was retired; and
- Establishment of a systems testing environment integrated with all agency technology environments.

MOBILE ORIGIN LOCATION INFORMATION (MOLI)

In order to improve emergency response times, the Australian Communications and Media Authority required Telstra to send more precise mobile location information when a mobile phone is used for a Triple Zero call. Push MOLI was implemented as a scope change within the CAD Upgrade project. On receipt of a mobile call, CAD will present a shape on the call-taker's map showing an approximation of the caller's location. The ESTA Implementation of Push MOLI commenced in August 2013 and was achieved in April 2015.

METROPOLITAN MOBILE RADIO (MMR) IMPLEMENTATION EXTENSION PROJECT

The MMR Implementation Extension project commenced in February 2012 and resulted in the successful delivery of software, hardware and base station upgrades for the MMR network. It was completed in January 2015 under its \$1 million budget but was delayed due to a dependency on the CFA Regional Radio Dispatch System project. Undertaking this program of works has ensured that the State has a mission critical voice service in metropolitan Melbourne that is supported to the end of the contract extension term (2016). The project also ensured the supporting technology is robust and technically current.

PROGRAM AND PROJECT MANAGEMENT

In addition to the successful delivery of these projects, ITS also progressed a number of key projects and programs during 2014-15 including:

- Work to upgrade the workforce planning tool to improve the planning and management of Operations staff;
- Completing upgrades to network and infrastructure supporting and monitoring the CAD system;
- A project to upgrade and transform significantly the MDN service involving new terminals and new capabilities for the emergency services agencies;
- A data warehouse to provide a more efficient, reliable and flexible data management and reporting service;

INFORMATION & TECHNOLOGY SERVICES

- A project to introduce four new customers – Corrections Victoria, Lifesaving Victoria, the Sheriff's Office Victoria and VICSES - to Victoria's metropolitan and regional radio networks to comply with Australian Communications and Media Authority regulatory compliance requirements;
- The implementation of a Triple Zero telephony program that includes the replacement of the decade old telephony system supporting call-taking and dispatch; and
- A project to drive the transformation of IT managed services and customer services by leveraging a streamlined set of processes.

BUSINESS CONTINUITY AND DISASTER RECOVERY

A Business Continuity and Disaster Recovery Steering Committee continues to oversee business continuity management and disaster recovery processes across ESTA. The Committee ensures that business continuity management and disaster recovery arrangements are in place at all ESTA sites. Recent developments include a program of work to improve existing Crisis Management arrangements that would support the management of major incidents which could affect service delivery.

ESTA shifted its focus from business continuity and disaster recovery in 2014-15, to business resilience. This approach shifts focus from rapid recovery to an ability to adapt quickly and respond to environmental opportunities, demands, disruptions or threats and continue operations with limited impact to the organisation.

HIGHLIGHTS

ITS continued to address a number of technical single points of failure, especially in relation to network resilience and monitoring. Several projects provided a number of improvements to the resilience and reliability of the CAD system. These improvements include the introduction of a more advanced Database Management System and upgrade to the data communications network at each of ESTA's three SECCs.

A regular, planned exchange of metropolitan and regional police radio channels between centres commenced during the year. This business continuity exercise enabled regional police dispatchers to gain insight into and confidence operating the metropolitan radio system and procedures. Similarly, metropolitan police dispatchers built an awareness of the unique regional operating model. These types of exercises strengthen ESTA's resilience should an unforeseen event necessitate the transfer of work from one Centre to another.

ESTA regularly trains and practices its use of manual operations. Manual operations is the back-up process for CAD operations and involves call-takers recording call details by hand on detailed cards, and dispatch being managed via this card process. Planned CAD works in June provided an opportunity to test manual operations.

EMERGENCY DATA AND GEOGRAPHIC INFORMATION SYSTEMS

Data and information are essential in the delivery of emergency and non-emergency call-taking and dispatch and for operational communications in the emergency services sector.

ITS currently provides databases, analytical analysis, data integration, data and geospatial data management and reporting. It builds and maintains the electronic maps used in the CAD system which are known as ESTA Maps. ESTA Maps are based on geospatial data provided to ESTA by the Department of Environment, Land, Water and Planning and by the Public Sector Mapping Association for interstate addressing. This information is used to verify the location of people calling Triple Zero and contains geographic data, common place names, and specialised data for emergency services use, including data specific to each agency response business rules. The map now contains over 3.7 million address points.

HIGHLIGHTS

A number of key software updates to enhance high availability took place in the data management area in 2014-2015. The database software for call-taking and dispatch was upgraded with full site redundancy across Tally Ho and Ballarat. The business-to-business interface was upgraded to high availability with dual feeds from both sites using real time and always-on technology.

Aircraft responses were added to the call-taking and dispatch system for the fire season. This means a more rapid response of aircraft to grass and scrub fires in regional areas. The aircraft are now recommended and dispatched in a manner similar to a ground-based tanker and a paging message is sent to the aircraft crew who then respond to the fire.

The Geographical Information Systems team was awarded the Association of Public Safety Communications Officials Australasia Emergency Management Resilience Award for their work on the Mount Buller addressing. This was implemented into the call-taking and dispatch systems to improve emergency location verification.

Enhanced Location Services has continued to deliver improvements to the call-takers ability to verify the location of Triple Zero callers and have delivered the urban addressing standard for Mt Hotham and Falls Creek Alpine Resorts in time for the 2015 ski season, and a rural addressing standard for French Island.

An additional 233 Emergency Markers were installed across the State. 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. The additional installations bring the total number of Emergency Markers in Victoria to 2477.

INFORMATION & TECHNOLOGY SERVICES

OPERATIONAL COMMUNICATIONS

CAD

ESTA's CAD system is a key component of Victoria's centralised emergency response infrastructure. The CAD system combines software, hardware and map data that enable ESTA operators to enter and record emergency event details, and assisting in accurately pinpointing an incident location. The CAD system and associated systems assist ESTA operators in determining an event type and the required emergency resources. It also assists dispatchers in sending the appropriate response to the correct location.

Performance

The CAD system operated at satisfactory service levels during 2014-15. The service availability target is set at 99.8 per cent and was met with combined availability across the three SECCs of 99.98 per cent; an improvement over the 2013-14 figure of 99.96 per cent.

One incident occurred during 2014-15 that required unplanned use of ESTA's back-up processes for call-taking and dispatch. In September, during the planned implementation of the CAD software upgrade, a critical agency operational issue arose requiring a rollback of the planned upgrade; ESTA's CAD experienced an unplanned outage of 105 minutes across all SECCs as a result. Service to emergency services agencies was maintained throughout.

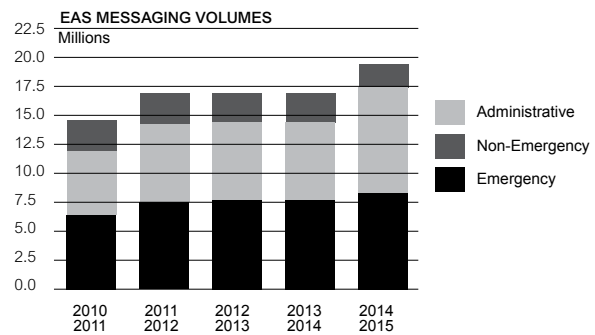
EAS

The EAS is a dedicated alerting system that alerts and simultaneously mobilises career staff and volunteer members from CFA, VICSES and Ambulance Victoria. Text messages sent via EAS personal paging devices dispatch emergency services' personnel to incidents.

The EAS network comprises 227 sites across Victoria, and transmits messages to over 40,000 pagers. The EAS is reliable and efficient and is able to sustain a high level of service during high demand or peak events.

EAS Messaging Volumes

Message Priority	2014-15	2013-14	% Change	Delivery Success 2014-15
Emergency	558,269	520,456	7.27%	99.994%
Non-Emergency	600,884	442,853	35.68%	99.999%
Administrative	139,367	169,631	-17.84%	100.000%
TOTAL Messages	1,298,520	1,132,940	14.62%	99.997%



Performance

The EAS transmitted more than 1.29 million messages in 2014-15, with an overall message delivery success rate of 99.997 per cent, above the target level of 99.95 per cent.

HIGHLIGHTS

Funding of \$46.5 million over four years was received from the State Government in 2009-10 to improve coverage and network performance during major events. Benefits have been realised with a 40 per cent decrease in the number of messages failing to meet message delivery targets in a 2015 fire event in comparison to a comparable 2014 fire event. Ambulance Victoria also benefited from these improvements.

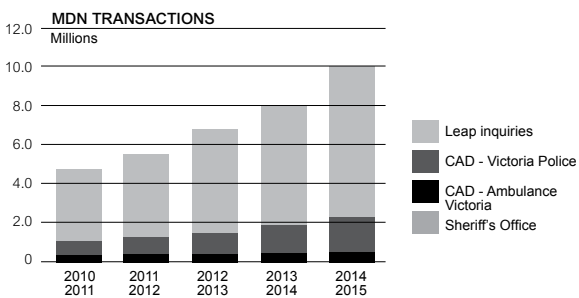
An EAS capital refresh program was completed in March 2015 to ensure that the EAS operates with high levels of performance and reliability for this mission critical network.

MDN

The MDN is a secure, digital, data switching telecommunications network providing connectivity between mobile data equipped emergency service resources in the field, Agency corporate databases, and the CAD system. It enables the efficient dispatch of events to emergency service resources in the field. It includes in-field enquiry functionality for agency databases such as the Victoria Police crime statistics database. The MDN also supports automatic vehicle location which facilitates both the identification of the closest appropriate emergency service resource to an event, and personnel duress alerting that provides the location of agency personnel under duress.

MDN Transactions

Transaction Type	2014-15	2013-14	Per Cent Change
CAD – Ambulance Victoria	493,375	492,861	0.10%
CAD – Victoria Police	1,789,337	1,404,837	27.37%
LEAP inquiries	7,669,210	5,972,495	28.41%
Sheriff's Office	7404	6571	12.68%
TOTAL Transactions	9,848,996	7,876,764	25.04%



Performance

The network recorded a substantial increase in MDN transactions, with Victoria Police CAD transactions and LEAP inquiries both reporting increases in excess of 25 per cent for the year. The availability of the MDN core network was 99.93 per cent for the year against a target of 99.90 per cent and compared with 99.99 per cent availability in 2013-14.

All key components of the MDN reported above target availability.

HIGHLIGHTS

MDN terminal client upgrades were implemented to provide enhanced functionality for Ambulance Victoria and Victoria Police.

The increased use of MDN in regional Victoria continued in 2014-15 supported by existing laptop data terminals for agency personnel using commercial telecommunications carriers.

MDN continued to support the growth of Victoria Police's 'BlueNet' Automatic Number Plate Recognition program to provide officers with greater access to Victoria Police data while mobile.

The State of Victoria extended the MDN Service Agreement in December to continue to provide service for the next two years.



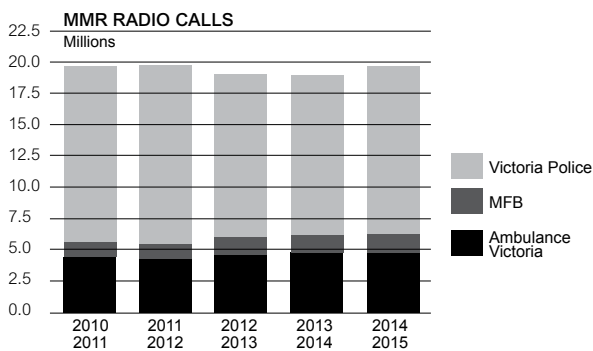
INFORMATION & TECHNOLOGY SERVICES

MMR

The MMR service is a digital radio voice communications system. It provides mission critical high quality and secure voice communications in the greater metropolitan area supporting Victoria Police, Ambulance Victoria and the MFB. The MMR network comprises 111 radio transceiver sites, servicing more than 9000 portable and vehicle radios.

MMR RADIO CALLS

Agency	2014-15	2013-14	% Change
Ambulance Victoria	4,920,994	4,845,668	1.55%
MFB	1,369,772	1,349,385	1.51%
Victoria Police	13,372,916	12,795,681	4.51%
TOTAL Calls	19,600,421	18,990,734	3.21%



Performance

The MMR core network availability for the year was 100 per cent against a target of 99.995 per cent compared with 99.99 per cent last year.

Triple Zero Telephony

ESTA's telephony platform is divided into two main parts – the Triple Zero call-taking and a corporate phone system. A Project is underway to replace the Triple Zero telephony platform.

Performance

The availability of the Triple Zero component of ESTA's telephony platform was 100 per cent in 2014-15 compared with 99.999 per cent in 2013-14.

HIGHLIGHTS

In April 2015, ESTA signed a seven-year contract to replace our Triple Zero telephony platform. The contract, worth \$11 million over seven years, is a major milestone in an overall \$15 million telephony upgrade. The new communications platform will include new 'intelligent' ways to prioritise calls; automatic voice switching across all our SECCs; greater integration between systems; and improved surge management. It will also improve the way ESTA uses resources, captures data, and increases system redundancy.

HIGHLIGHTS

A major upgrade to the MMR Network was completed replacing all MMR base station transceivers and a software upgrade to the MMR operating system. This upgrade provides enhanced features such as dynamic site resilience to improve system reliability and removes site redundancy risk.


A significant program of works commenced to provide MMR coverage for Protective Service Officers at train stations across the metropolitan area.

ESTA, EMV and the current MMR provider have agreed to the extension of existing MMR services for an additional one year post the July 2016 end of contract.



STRATEGY

AN OPERATING MODEL DIAGNOSTIC FOR OPERATIONS WILL BE COMPLETED, INCLUDING A ROAD MAP FOR ITS IMPLEMENTATION AND 'QUICK WINS' DELIVERED.



ESTA has a detailed **Strategic Plan** for 2014-18. The plan outlines ESTA's goals, priorities and investments for the period, and sets out how success will be measured. The plan is built around seven strategic priorities each with milestones to be delivered in stages to 2018.

The priorities are:

- Highly skilled, flexible and engaged people.
- Leadership in delivery of diverse and flexible service access.
- Smart, agile and efficient operations and technology.
- Excellence in service to emergency service agencies.
- Valued source of public safety information.
- Streamlined and effective management systems.
- Financial viability.

ESTA is making a range of strategic investments to assist it achieve these priorities. These investments include finances, resources, expertise and relationships including:

- Developing a flexible, engaged, well-resourced and multi-skilled workforce.
- Achieving negotiated service line agreements with all customer agencies.
- Innovating to match requests for service to the best emergency resource.
- Investigating and, where possible, realising new revenue sources.
- Improving operating systems and processes.
- Developing effective skills for future service delivery.
- Building data management and analytics capability.
- Improving management systems.

STRATEGIC MILESTONES DELIVERED

A number of key strategic milestones were identified and delivered in 2014-15. The milestones and outcomes in summary are:

A new, fully operational and resilient version of CAD will be in place with an agreed plan for future upgrades.

- This milestone was achieved with CAD 9.1.1 fully implemented and a CAD road map for regular CAD upgrades endorsed by the Authority's Information, Communication and Technology Committee.

STRATEGY

A financially sustainable business model, including funding and cost plans, will be in place.

- A suite of efficiency improvement programs to deliver a sustainable business model was developed.
- Agreement was reached with the Department of Justice and Regulation and EMV to pilot the econometric model to determine the price of ESTA services, and to verify and test it for future adoption; also for continuing funding support.

The strategy for ESTA's next Operations Enterprise Agreement will be complete.

- This milestone was achieved and negotiations for the Operations Enterprise Agreement commenced six months ahead of expiry.

An operating model diagnostic for Operations will be completed, including a road map for its implementation and 'quick wins' delivered.

- This milestone was achieved with a number of initiatives commenced and delivered under ESTA's efficiency improvement agenda, including planning for system and overall operational improvements; changes to recruitment and training; and employee engagement and alignment activities were initiated.

Service Line Agreements and Standards will be agreed with the five emergency service agencies.

- This milestone is well progressed including a number of beneficial outcomes including agency in-principle agreement to pilot the econometric model for determining the price of ESTA services.
- The econometric model discussions with agencies will continue into the new financial year and development of further Service Level Agreements for other ESTA provided services will commence.

The recruitment and training elements of ESTA's workforce and People and Culture strategies will be underway with some elements completed.

- A new call-taking and dispatch training structure and model was designed and a manager appointed. The new Operations Learning and Development model is in pilot following extensive staff consultation.

The latest MOLI technology will be piloted.

- This milestone was achieved with the latest version of MOLI available in Australia being used by Triple Zero operators.

- ESTA also commenced a trial of additional software to assist locate callers from mobile phones who are unable to communicate their location.

- ESTA continues to lobby federal agencies for full MOLI implementation.

An automated labour management information system will be in place by December 2014.

- This milestone is well-progressed but was affected by flow-on effects from delays in upgrading the CAD. ESTA pushed the project timing out to the end of the financial year and succeeded in piloting the automated system for leave and schedule management and modernisation of the payroll system.

A project to replace ESTA's emergency telephony system will be funded and underway.

- This milestone was achieved with the project being initiated; tender documentation completed; a tender released to the market; and a vendor selected.
- The \$15 million telephony replacement project is underway.

A data warehouse solution will be selected and implementation commenced.

- This milestone is well-progressed with data warehouse requirements completed and a tender ready for release to market.

ESTA launched a multi-year efficiency improvement program at the beginning of the year. The aim of the program is to help ESTA become more efficient; achieve its goals in ways that are both financially and operationally sustainable; and deliver on its 2014-18 Strategic Plan.

The program includes a range of specific, tangible initiatives and projects over the next three years including the introduction of smarter payroll, human resources and management systems. Automating previously inefficient manual processes will enable employees to direct their efforts toward quality people management and more streamlined service delivery. The program will improve recruitment processes and deliver e-learning and other training investments.

A major focus for the efficiency improvement program is to deliver benefits to individuals and the organisation as a whole, while lifting employee engagement and alignment.

ESTA's focus on transforming to achieve a more sustainable footing reflects both a capacity for greater efficiency, as well as funding arrangements which do not adequately reflect growth in demand for call-taking and dispatch services.

Changes in the emergency management sector with the creation of EMV have also contributed to ESTA's transformation agenda. The Emergency Management Strategic Action Plan outlines the Government's emergency management reform agenda, sets priorities, and assists in determining investment decisions. EMV has provided an outline of what it expects ESTA to contribute under the Plan. This includes developing a financial action plan to maximise the efficiency of Operations; to sustain the provision of call-taking and dispatch; and address ongoing increases to service demand.

Efficiency improvement program achievements during 2014-15 were constrained by available funding. ESTA continues to seek ways to realise benefits within the current financial environment.

HIGHLIGHTS

Significant progress was made toward automating previously time-consuming and inefficient manual processes. An automated system for leave and schedule management was initiated to help ESTA eliminate an estimated 50,000 manual forms; and modernisation of the payroll system progressed to near completion.

ESTA measured its employee engagement and alignment in late 2014. An employee engagement and alignment plan was co-created with ESTA employees aimed at improving engagement and alignment during 2015-16 and beyond.

Advances in recruitment and training were realised, including the introduction of pre-employment, call taker and dispatch specific, testing software. Training arrangements for Operations personnel was overhauled in consultation with employees. A trial of ESTA's new Learning and Development approach for Operations is underway.

RISK & AUDIT



ESTA's Transformation and Strategy team includes ESTA's risk, assurance and audit functions. It also develops funding for key business cases and liaises with EMV regarding investment.

There were 25 audits conducted in 2014-15 with a total of 114 findings. The majority of these audits were conducted by ESTA's internal assurance auditor, followed by audits received from IGEM and the Victorian Auditor-General's Office (VAGO). ESTA closed a total of 17 audits and 39 findings during the year.

HIGHLIGHTS

VAGO conducted an audit of Emergency Response ICT Systems during the year. ESTA provided information and assistance for the audit which focussed on the information, communications and technology systems used in the emergency response process. The objective of this audit was to assess the reliability, capacity, resilience and effectiveness of key emergency response systems. This includes the ability of ESTA and other key emergency service agencies to ensure continuity of service during system outages and efforts to improve business continuity and make critical systems more resilient.

ESTA provided data and information to assist VAGO in its audit of Emergency Response Times. The audit objective was to determine the extent to which agencies are accountable for emergency response time performance.

ESTA also provided data and information to assist the VAGO in the performance audit on Digital Dashboard: Review of major ICT projects and initiatives. ESTA was ranked number three within the Justice portfolio for ICT spend. This was primarily related to the large operational communications projects ESTA delivered on behalf of the emergency services sector.

ESTA adopted an automated Information Technology Governance, Risk and Compliance tool. As a result 70 per cent of the manual processes for Risk and Audit were automated and direct employee involvement in managing risk and responding to audit was achieved.

FINANCE

ESTA's Finance & Commercial Services team

provides key services and functions to assist ESTA's financial sustainability and operations. Its role includes accounting; asset and facilities management; budget and costing; contract and procurement management; payroll and financial reporting to the Authority.

ESTA FUNDING MODEL REVIEW

A Department of Justice and Regulation review of ESTA's funding model commenced in 2013-14, remained a major focus in 2014-15. Review activity during the year included the piloting of an econometric tool developed in 2013-14 to improve ESTA's forecasting abilities. The tool does this by linking demand for ESTA's services with required resources and costs. The pilot phase is a step towards use of the tool to equalise ESTA's funding from the emergency service agencies from 2017-18. In the interim ESTA continues to work closely with the Department on funding matters.

HIGHLIGHTS

ESTA's services, as well as business resilience, continuity and disaster recovery, rely on the sound provision of services from a variety of suppliers and service providers. The organisation follows Victorian Government Procurement Board guidelines and internationally recognised procurement practices to ensure the successful provision of goods and services from suppliers.

A fully integrated, web based 'Procure-to-Pay' system was introduced to deliver efficiencies through automation of back office processes.

FINANCIAL RESULTS

ESTA's financial statements for 2014-15 are included in this Annual Report. The organisation's consolidated Net Result reflects a combination of its lines of business, including projects:

- Emergency and non-emergency call-taking and dispatch operations and related support functions;
- Operational communications (State service contracts managed by ESTA on behalf of the Department of Justice and Regulation);
- Support and administrative functions, including Customer Services.

The Net Result for 2014-15 is a deficit of \$17.6m, an increase from the 2013-14 deficit of \$8.8m, which comprises:

	Net Result Surplus / (Deficit)	
	2014/15	2013/14
	\$'000	\$'000
Net result by Line of Business:		
CTD Operations	(3,888)	(2,466)
Operational Communications	(4,197)	4,503
Projects	(3,487)	(3,174)
Support	(6,055)	(7,692)
Net Result	(17,627)	(8,829)

FINANCE

The summary highlights that each of ESTA's lines of business reported a Net loss in 2014-15. Included in the overall net result is depreciation and amortisation totalling \$25.6 million, \$17.5 million of which relates to the State owned operational communications assets now managed by ESTA.

Due to the nature of different revenue sources and purposes, the treatment of revenue can be guided by either AASB 118 *Revenue* or AASB 1004 *Contributions*. Compliance with standards for recognition of grant income may result in revenue and matching expenditure being recognised in different periods, especially for multi-year Department of Justice and Regulation funded projects.

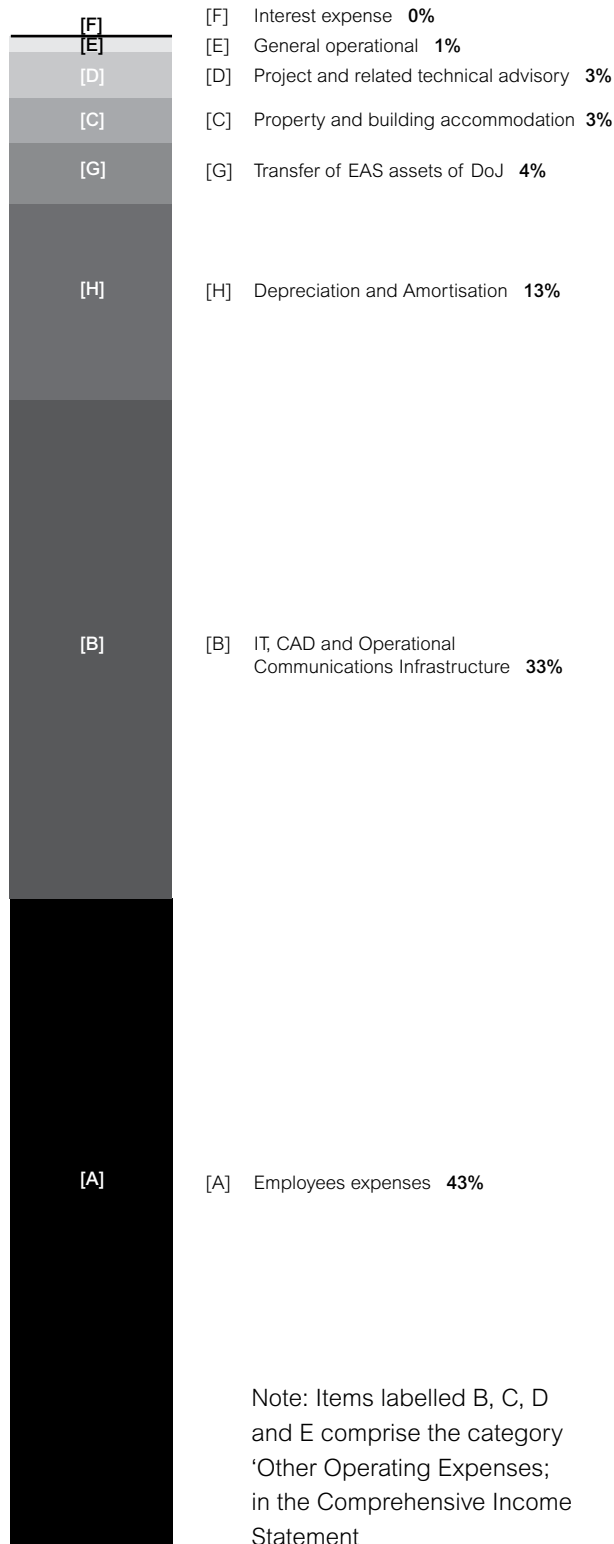
ESTA's cash in banks and investments in money market instruments at 30 June 2015 of \$25.6 million include amounts earmarked for employee entitlements and amounts quarantined under the provisions of contracts managed on behalf of the State and multi-year Projects. At 30 June 2015 these amounts total \$30.4 million. ESTA therefore has a negative net operating cash position at the end of the year.

Cash and equivalent holdings increased by \$1.7m from 2013-14, noting that \$10 million was received from the Department of Justice and Regulation under the Letter of Comfort in June 2015. If not for this additional funding, cash would have eroded by \$8.3m.

EXPENDITURE

ESTA accounts for changes of significant magnitude in relation to the accounting of State contracts it manages. It also takes on and manages key sector projects, many with multi-million dollar budgets. These contract requirements and funded projects contribute to significant year-on-year variations to ESTA's underlying business net result and cash flows. In 2014-15, these contracts and projects included EAS network upgrade, the value of \$8.6 M which was recognised through ESTA accounts as passed back to the State.

Operating expenses by type





ENVIRONMENT

ESTA's environmental objectives and targets are set in its Environmental Management Strategy and form part of the organisation's commitment to sustainability. The nature of ESTA's 24 hour a day, year round operations contributes to its energy consumption. ESTA has a high reliance on electrical equipment to provide service to the community. ESTA has a maintenance regime for its electrical and environmental infrastructure which assists in improvements in efficiency and minimising unnecessary power usage.

PAPER CONSUMPTION

Paper usage decreased marginally reflecting a change in habits for information storage due to the introduction of activity base working at the Support Office part way through the previous year.

ENERGY & FUEL CONSUMPTION

Energy and fuel consumption per FTE was higher than the previous financial year predominantly due to the allocation of all base building energy usage for the Tally Ho site, for which ESTA became the primary tenant in February 2014.

WATER

Water consumption increased slightly over the previous year due to a marginal increase in FTE. Water metering is only available for Ballarat and Tally Ho SECCs. The Docklands Centre is located in multi-tenanted buildings, and not separately metered. Consumption has been estimated on percentage of building occupied for that premises and may not reflect a true indication of ESTA's water consumption.

WASTE

The level of waste per FTE has declined significantly from the previous financial year. ESTA's waste is measured by audit sampling.

TRANSPORT

Kilometres travelled and fuel usage has increased significantly during 2014-15 due to increased travel between the SECC's for operational and project (primarily CAD upgrade) purposes, and for travel to regional radio sites.

SUSTAINABLE PROCUREMENT

ESTA's procurement strategy includes environmentally sustainable procurement activities including environmental weighting factors in tender evaluations. As a matter of policy, ESTA gives consideration to recycling goods that are no longer required, including via donation, and it also engages suppliers to dispose of goods by environmentally sound methods. During 2014-15, ESTA undertook accommodation works at its Docklands site and the removal of building products including fixtures and chattels saw the recycling of all products that were able to be recycled, including moving equipment to other sites for further operational usage. The remainder of the building products were environmentally disposed of. These activities were in line with Victorian Government Procurement Board procurement guidelines for recycling goods.

GHG EMISSIONS

ESTAs GHG emissions per FTE increased by one per cent from the previous year.

ENVIRONMENT

Environment	Unit of	Fin. Year	Fin. Year	Fin. Year	Fin. Year	Fin. Year	
Aspect	Description	Measurement	2014-15	2013-14	2012-13	2011-12	2010-11
Paper	Use per FTE	Reams per FTE	3.5	3.6	3.3	4.4	4.8
	Total Use	Reams	2751	2823	2566	3199	3215
	Total GHG emissions	Tonnes CO ² equivalent	9.6	9.9	9.7	15.1	15.2
Energy	Use per FTE	Mega joules per FTE	20,403	18,751	19,559	21,501	21,307
(Electricity & Gas)	Use per square metre of office space	Mega joules per m ²	1654	1649	1797	1565	1768
	Total Use	Mega joules	16,061,141	14,733,228	15,006,136	15,679,453	14,220,157
	Total GHG emissions	Tonnes CO ² equivalent	4529	4155	4232	4422	4010
	Green Power	%	25	25	25	25	25
Water	Consumption per FTE	Kilolitres per FTE	4.8	4.2	6.5	1.7	1.7
	Total Consumption	Kilolitres	3771	3313	4955	1246	1153
	Total GHG emissions	Tonnes CO ² equivalent	8.8	7.7	11.5	2.9	2.7
Waste	Generated per FTE	Kilograms per FTE	34.5	43	63	42	47
	Total Recycled	%	26.1	28	28	59	58
	Total GHG emissions	Tonnes CO ² equivalent	22.13	15.4	39.67	15	13.3
Transport	Fuel (petrol)	Litres	7742	5530	6508	6212	4766
	Operational	Km	88,687	49,700	65,773	59,555	61,244
	Kilometres travelled						
	Vehicle emissions	Tonnes CO ² equivalent/1000km	0.24	0.31	0.28	0.29	0.22
	Total GHG emissions	Tonnes CO ² equivalent	21.7	15.5	18.2	17.4	13.3
GHG Emissions	Total GHG emissions for Fin. Year	Tonnes CO ² equivalent	4591	4204	4311	4472	4055
	Total GHG emissions per FTE	Tonnes CO ² equivalent	5.8	5.3	5.6	6.1	6.1

8 The 2013-14 source data for energy was revised in the table to correct inconsistent reporting.



CORPORATE GOVERNANCE

EMERGENCY SERVICES TELECOMMUNICATIONS AUTHORITY AND COMMITTEES

The Authority is responsible for ESTA's corporate governance. Its Members are responsible for:

- Setting the strategic direction, objectives and targets of the business for the benefit of all stakeholders;
- Monitoring and assessing performance of the business and of management against the agreed strategies, targets and objectives;
- Identifying significant areas of business risk;
- Ensuring that procedures and internal controls are established to manage such risks;
- Ensuring that policies and appropriate ethical standards are established;
- Ensuring compliance in legal and ethical matters;
- Reporting to the Minister for 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.

CORPORATE GOVERNANCE

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 is a Director of the Holmesglen Institute. Mr Leeming also formerly chaired the Authority's Human Resources and Remuneration Committee.

MS CHRISTINE COLLIN

(Member)

Appointed as a Member of ESTA in May 2015, Ms Collin has held senior roles in management consulting with KPMG where she worked with a variety of business and government clients, assisting them with strategy and operations, customer experience and business transformation. Prior to KPMG Ms Collin was with United Energy and then AGL for 12 years in various leadership positions including General Manager for AGL's Retail Operations. Ms Collin has served as a member of key energy industry organisations including Energy and Water Ombudsman Victoria Board member and Energy and Water Ombudsman New South Wales Board member. Ms Collin has also worked with the Victorian Chamber of Commerce and Industry where she managed government funded programs linking industry with education.

MS CHRISTINA GILLIES

(Member)

Appointed a 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 was formerly a Director of Oakton Ltd and is currently a Director of the MS Society NSW, VIC and ACT, MS Research, and the United Health Group. She has established and chairs a number of Board IT committees, including ESTA's Information and Communications Technology Committee, and is an independent advisor to a number of others. Ms Gillies is also a member of the Authority's Human Resources and Remuneration Committee. Ms Gillies previously held executive positions with St George Bank, Bank of Melbourne, Coles Myer, and DMR Group Australia.

MR PAUL HENDERSON

(Member)

Appointed as a Member of ESTA in May 2015, Mr Henderson is a lawyer of 30 years' experience. He was a partner and director of Slater & Gordon Lawyers, retiring in February 2015. He was an accredited specialist in personal injury law with a particular interest in medical litigation. Mr Henderson has served on the Specialist Board of Examiners, various Law Institute and Court Committees. He is on the Board of the SpiritWest Foundation and the Advisory Board of the AFLPA Players Trust. He is a director of several private companies and is a graduate of the Australian Institute of Company Directors

MISS MARION LAU OAM

(Member)

Appointed as a Member of ESTA in February 2013, Miss Lau has a distinguished career which includes the Medal of 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 and is the Deputy Chair of the Ethnic Communities' Council of Victoria. She also provides counselling and mentoring for small businesses and is a member of the Victorian Multicultural Business Ministerial Council. 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. Miss Lau chairs the Authority's Human Resources and Remuneration Committee.

MR STEWART LESLIE

(Member)

Appointed as a Member of ESTA 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 chairs 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.

MR NEIL LUCAS PSM

(Member)

Appointed as a Member of ESTA in July 2013, Mr Lucas has a broad range of experience in management and organisational governance. Following a career in local government which culminated in appointment as Chief Executive of the City of Berwick, Mr Lucas served as a Member of Parliament in the Victorian Legislative Council. During his parliamentary service Mr Lucas chaired the Joint Parliamentary Economic Development Committee and was Parliamentary Secretary to the Leader of the Opposition. He served as a City of Casey Councillor, including as Mayor in 2003-04, and during 2006-08 served as Administrator of the Cocos (Keeling) Islands and Christmas Island. He is currently a Member of the Victorian Government Purchasing Board, a Member of the Board of the Victorian WorkCover Authority, a Director of Holmesglen Institute, and Chairman of the Berwick and Harkaway Cemetery Trust. Mr Lucas is a member of the Authority's Human Resources and Remuneration Committee.

Mr Lucas' appointment as a Member of the Emergency Services Telecommunications Authority concluded on 30 June 2015.

MR GREG TWEEDLY

(Member)

Appointed as a Member of ESTA 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 currently a Director of DorsaVi Limited and Independent Chairman of the Inquiry into the use of chemical substances by employees of the former Victorian Department of Crown Lands and Survey. Mr Tweedly is Chair of the ESTA Advisory Committee and is also a member of ESTA's Audit, Risk Management and Compliance Committee.

MR JOHN YATES

(Member)

Appointed as a Member of ESTA in August 2013, Mr Yates is a Chartered Accountant with Fellow status of the Institute of Chartered Accountants in Australia and is also a Registered Company Auditor and Tax Agent. He has 30 years' experience and is currently a Partner in a long standing Melbourne based Chartered Accounting practice. Mr Yates has held many community based board positions, is currently a tribunal panel member of a sporting competition and has been heavily involved in community based youth work over a long period of time. Mr Yates is also a member of ESTA's Information and Communications Technology and Audit, Risk Management and Compliance Committees.

Retired Members during 2014-15**MR DANIEL QUAGLIANI**

Member November 2013 - December 2014

CORPORATE GOVERNANCE

Committees

The Authority operated four committees in 2014-15:

- 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 in accordance with 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 2014-15 Advisory Committee members were:

- Greg Tweedly Chairman of the Advisory Committee and Member of ESTA
- Andrew Humberstone Superintendent, Victoria Police
- Mark Rogers Chief Operations Officer, Ambulance Victoria.
- David Youssef Deputy Chief Fire Officer MFB (until March 2015)
- Paul Stacchino Deputy Chief Officer MFB (from March 2015)
- Steve Warrington Deputy Chief Officer CFA (until January 2015)
- Bruce Byatt Deputy Chief Officer, Readiness and Response, CFA (from January 2015)
- Trevor White Chief Officer Operations VICSES
- Lee Miezi Executive Director – Fire, DELWP (from December 2014)

Standing invitees to the Advisory Committee were:

- Craig Lapsley Emergency Management Commissioner
- Deborah Jepsen Director, Strategy and Investment EMV
- Anna Georgalis Deputy Inspector-General (Assurance) for Emergency Management, IGEM

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 2014-15 were:

- Stewart Leslie (Chair)
- Neil Lucas (until November 2014)
- Greg Tweedly
- John Yates (from November 2014)

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 2014-15 were:

- Marion Lau (Chair)
- Christina Gillies
- Neil Lucas

Information and Communications Technology Committee

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

Members of the Information and Communications Technology Committee in 2014-15 were:

- Christina Gillies (Chair)
- John Yates
- Daniel Quagliani (until December 2014)
- Karen Corry (Independent Member until December 2014)
- Richard Tait (Independent Member from May 2015)

Attendance at Authority and Committee meetings

Authority Members	Authority meetings		Audit, Risk Management & Compliance Committee		Human Resources Committee		Information & Communications Technology Committee		ESTA Advisory Committee	
	A	B	A	B	A	B	A	B	A	B
Roger Leeming	11	11				*1				
Christine Collin	2	2								
Christina Gillies	11	10			4	3	4	4		
Paul Henderson	2	1								
Marion Lau	11	11			4	4			4	
Stewart Leslie	11	10	5	5						
Neil Lucas	11	11	3	3	4	4				
Daniel Quagliani	5	5					1	1		
Greg Tweedy	11	10	5	5					4	4
John Yates	11	8	2	1			4	4		
Karen Corry**							2	2		
Richard Tait**							1	1		

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

B - Number of meetings attended.

* These members each attended some Committee meetings by invitation.

** Independent Member of ICT Committee

STATUTORY INFORMATION

ESTA reports on a number of specific activities undertaken during the year in line with reporting requirements.

PUBLICATIONS

ESTA maintained a public website and also published information via Facebook and Twitter throughout the year. An Annual Report for 2013-14 was published and presented to Parliament. ESTA also produced and distributed internal publications for its employees.

CORPORATE GOVERNANCE

CONSULTANTS

In 2014-15 there were 13 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2014-15 in relation to these consultancies was \$1.42 million (ex GST). Details of these consultancies are outlined below:

Vendor Names	Purpose of Consultancy	Expenditure 2014-15 (ex GST)
Adepto Results P/L	Professional services in relation to ambulance operations capacity analysis.	\$19,975.00
Consultel IT & T Pty Ltd	Engagement to develop specifications for the replacement of the Triple Zero telephone service.	\$23,110.00
GGI Consulting Pty Ltd	Provision for professional advice on requirements traceability and matrix review.	\$54,710.00
Insync Surveys Pty Limited	Professional services for staff alignment and engagement survey and focus groups.	\$44,750.00
Kathryn Arndt Consulting	Professional services for standardisation of employment conditions and pay rules.	\$13,386.36
KPMG Australia	A number of engagements including, CAD upgrade project review; telephony continuous monitoring review and post implementation review of CAD replacement.	\$113,843.00
Langford Manor T/A Loss Prevention Group Of Australia	Provision for professional advice on workplace related matters.	\$10,969.35
Mercer Consulting (Australia) Pty Ltd	Provision of professional advice on employment related matters.	\$30,450.00
Mingara Australasia Pty Ltd	Provision of technical advice including review of negotiation strategy and objectives, service continuity, MDN TPN Risk Assessment and customer requirements.	\$220,390.58
Minter Ellison	Legal advisory services on State Managed Contracts.	\$282,938.10
Pitcher Partners	A number of engagements including benchmarking and development of State term sheet benchmark model; State Buy Back Comparator; and MDN Service Continuity. Development of payment formula for contract termination and growth terminals.	\$462,132.89
SenateSHJ	Provision of professional services in relations to strategic issues support and community insights research.	\$115,916.52
UXC Consulting	Professional service for sales and customer engagement function definition.	\$24,400.00
Grand Total		\$1,416,971.80

There were three consultancies where the total fees payable to consultants were less than \$10,000. The total expenditure incurred during 2014-15 in relation to these consultancies was \$7000 (ex GST). Details of these consultancies are outlined below:

Vendor Names	Expenditure 2014-15 (ex GST)
Cebridge Pty Ltd	\$4,000.00
Saltare Pty Ltd	\$1,581.25
UXC Keystone Pty Ltd	\$1,850.00
Grand Total	\$7,431.25

Note: Consulting Services Listing from 01/07/14 to 30/06/15 based on Accrual Accounting.

NATIONAL COMPETITION POLICY

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

PURCHASING

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

FREEDOM OF INFORMATION

ESTA is subject to the Freedom of Information Act 1982 (Vic) and made documents and information available to the community in accordance with the Act.

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

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

Corporate Secretary
Emergency Services Telecommunications Authority
Level 1, 33 Lakeside Drive
East Burwood VIC 3151

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

ESTA responded to 57 FOI requests during 2014-15 compared to 31 in 2013-14.

MINISTERIAL AUTHORISATION

ESTA also relies on Ministerial Authorisations 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. The Authorisations allows ESTA, in certain circumstances, to release Triple Zero call audio, and 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.

The Ministerial Authorisations were updated and re-issued during the year.

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 services agencies, law enforcement bodies, the Courts and judicial officers or may be used for purposes authorised by the Telecommunications Act, the ESTA Act and Ministerial Authorisations.

ESTA welcomes any queries about its approach to privacy. People wanting to make a privacy inquiry should write to:

Corporate Secretary
Emergency Services Telecommunications Authority
Level 1, 33 Lakeside Drive
East Burwood VIC 3151

PROTECTED DISCLOSURE

ESTA is committed to its obligations under the Protected Disclosure Act 2012. This commitment includes protecting individuals who come forward with a public interest disclosure about any perceived improper conduct by ESTA or its employees. ESTA supports the promotion of public sector accountability and transparency.

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

CORPORATE GOVERNANCE

DISCRIMINATION, BULLYING AND HARASSMENT

ESTA and its employees will not discriminate, directly or indirectly, in relation to:

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

ESTA will not tolerate any bullying or harassing behaviour towards another person or a group of people, or any 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's policies and procedures detail arrangements for the reporting of any discrimination, bullying or harassment to line managers, more senior managers, or People and Culture representatives, and for the investigation and resolution of these matters.

ESTA started a process in 2015 to review its policies and procedures to further ensure bullying and harassment are not tolerated. The organisation also commenced planning for an organisation-wide bullying and harassment training program.

PEOPLE WITH A DISABILITY

ESTA values diversity within its workforce and the community it serves, including responding to the needs of people with a disability.

ESTA's commitment to people with a disability and our responsibilities under the Disability Discrimination Act include:

- Actively promoting our Reasonable Adjustment Policy to improve access to employment opportunities within ESTA and the ongoing employment of employees with a disability;
- Our ongoing review of employment and other organisation policies and procedures, to ensure they are compliant with the Disability Discrimination Act;
- Ensuring access to all ESTA workplaces;
- Providing a website that satisfies 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 (ESTA) has a risk management process in place consistent with the Australian/New Zealand Risk Management Standard, and an internal control system in place that enables the Executive to understand, manage and satisfactorily control risk exposures. The ESTA Audit, Risk and Compliance Committee verifies this assurance and that the risk profile of ESTA has been critically reviewed within the last 12 months.



Roger Leeming,
Chairman

INSURANCE

I, Ken Shymanski certify that the Emergency Services Telecommunications Authority has complied with Ministerial Direction 4.5.5.1 - Insurance.



Ken Shymanski,
Chief Executive Officer

FINANCIAL STATEMENTS



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 2015 and financial position of ESTA as at 30 June 2015.

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 25 August 2015.

On behalf of the Authority:

Roger Leeming

Chairman

Melbourne

25 August 2015

**Julia Oxley**

Chief Executive Officer

Melbourne

25 August 2015

**Leo Felicissimo**

Chief Financial Officer

Melbourne

25 August 2015



COMPREHENSIVE OPERATING STATEMENT

for the financial year ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
Income from transactions			
Revenue	4(a)	180,612	183,988
Total Income from transactions		180,612	183,988
Expenses from transactions			
Employee expenses	4(b)	83,449	75,415
Depreciation and amortisation	4(c)	25,619	26,023
Other operating expenses	4(d)	79,648	76,476
Interest expense	4(e)	361	969
Transfer of EAS assets	4(f)	8,623	14,139
Total Expenses from transactions		197,700	193,022
Net result from transactions (net operating balance)		(17,088)	(9,034)
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	4(g)	(14)	(4)
Other gains/(losses) from other economic flows	4(h)	(525)	209
Total other economic flows included in net result		(539)	205
Net result		(17,627)	(8,829)
Comprehensive result		(17,627)	(8,829)

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

FINANCIAL STATEMENTS

BALANCE SHEET			
as at 30 June 2015	Notes	2015 \$'000	2014 \$'000
Assets			
Financial assets			
Cash & deposits	17(a)	18,563	8,419
Short term investments	17(a)	7,089	15,510
Receivables	5	8,132	8,539
Total financial assets		33,784	32,468
Non-financial assets			
Prepayments		1,851	1,421
Non financial assets classified as held for sale	8(a)	44	-
Plant and equipment	6	38,931	48,993
Intangible assets	7	1,564	2,141
Total non-financial assets		42,390	52,555
Total assets		76,174	85,023
Liabilities			
Payables	9	26,543	24,044
Borrowings	10	9,520	13,504
Provisions	11	15,409	13,256
Lease liabilities associated with current assets held for sale	8(b)	44	-
Total liabilities		51,516	50,804
Net assets		24,658	34,219
Equity			
Accumulated surplus/(deficit)		(35,335)	(24,585)
Contributed capital		55,864	47,798
Contract contingency reserve	17(a) & 18	4,129	11,006
Net worth		24,658	34,219
Commitments for expenditure	15		

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

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2015	Notes	Accumulated surplus/ (deficit)	Contributed Capital	Contributed Capital Contract Contingency Reserve	Total
		\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2013		(16,490)	46,203	11,740	41,453
Net result for the year		(8,829)	-	-	(8,829)
Capital appropriations		-	1,595	-	1,595
Transactions with owner in their capacity as owner		734	-	(734)	-
Balance at 30 June 2014		(24,585)	47,798	11,006	34,219
Net result for the year		(17,627)	-	-	(17,627)
Capital appropriations		-	8,066	-	8,066
Transactions with owner in their capacity as owner		6,877	-	(6,877)	-
Balance at 30 June 2015		(35,335)	55,864	4,129	24,658

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

FINANCIAL STATEMENTS

CASH FLOW STATEMENT			
For the financial year ended 30 June 2015	Notes	2015 \$'000	2014 \$'000
Cash flows from operating activities			
Receipts			
Receipts from customers		194,993	209,750
Interest Received		715	1,039
Total receipts		195,708	210,789
Payments			
Payments to employees and suppliers		(179,175)	(187,706)
Goods and Services Tax paid to the ATO		(4,276)	(4,726)
Total payments		(183,451)	(192,432)
Net cash flows from/(used in) operating activities	17(b)	12,257	18,357
Cash flows from investing activities			
Purchases of non-financial assets		(9,572)	(16,436)
Sales of non-financial assets		139	136
Net cash flows from/(used in) investing activities	17(c)	(9,433)	(16,300)
Cash flows from financing activities			
Owner contributions by State Government		8,066	1,595
Repayment of borrowings and finance leases		(9,167)	(13,330)
Net cash flows from/(used in) financing activities	17(c)	(1,101)	(11,735)
Net increase/(decrease) in cash and cash equivalents		1,723	(9,678)
Cash & cash equivalents at the beginning of the financial year		23,929	33,607
Cash & cash equivalents at end of the financial year	17(a)	25,652	23,929

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
33 Lakeside Drive
Burwood East VIC 3151

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 25 August 2015.

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*.

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. Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied. Due to the nature of different revenue sources and purposes, the treatment of revenue can be guided by either AASB 118 *Revenue* or AASB 1004 *Contributions*. Compliance with Standards for recognition of grant income may result in revenue and matching expenditure being recognised in different periods.

2.2 Basis of accounting preparation and measurement

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

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

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

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

- Non-financial physical assets which, subsequent to acquisition, are measured at a revalued amount being their fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair value;
- The fair value of an asset other than land is generally based on its depreciated replacement value; and
- 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.

Consistent with AASB 13 *Fair Value Measurement*, ESTA determines the policies and procedures for both recurring fair value measurements such as property, plant and equipment and financial instruments and for nonrecurring fair value measurements such as nonfinancial physical assets held for sale, in accordance with the requirements of AASB 13 and the relevant Financial Reporting Directions.

NOTES TO THE FINANCIAL STATEMENTS

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, ESTA has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, ESTA determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Historical cost is based on the fair values of the consideration given in exchange for assets.

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the settlement of liabilities in the normal course of business. Operating and cash flow budgets for the forthcoming year indicate that if ESTA is to continue to operate as a going concern, it will require funding in addition to the operating revenue it is to receive from its Emergency Service Organisation customers. The Authority has received an undertaking from the Secretary of the Department of Justice and Regulation that the Department will, if necessary, provide this additional funding to ensure ESTA can continue to operate as a going concern with application for the period of twelve months from the date of the Auditor General's opinion attached to these financial statements.

The accounting policies set out below have been applied in preparing the statements for the year ended 30 June 2015 and the comparative information presented for the year ended 30 June 2014.

2.3 Management of State Service Contracts

Certain technology services are managed by ESTA on behalf of the State. While ESTA is accountable for the transactions involving such items, it does not have the discretion to deploy the resources for its own benefit or the achievement of its objectives. Accordingly, transactions and balances relating to State Contract items are recognised using segment accounting principles and reported in a 'line of business' form under the term 'Operational Communications'.

State Contract income includes fees raised on Emergency Service Organisations under arrangements made by the State to 'pass-through' appropriations designated for State Contract commitments. Assets managed on behalf of the State include leased assets financed through Public Private Partnerships whose ownership will be transferred to the State at the end of contracts.

Except as otherwise disclosed, administered resources are accounted for on an accrual basis using the same accounting policies adopted for recognition of the organisational items in the financial statements. Both controlled and administered items of ESTA are included in the financial statements.

Disclosures related to such items can be found in Note 3.

2.4 Objectives and funding

ESTA is predominantly funded by service charges levied upon the Emergency Services Organisations. These charges are approved by the Minister for Emergency Services.

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.

2.5 Scope and presentation of financial statements

Comprehensive operating statement

The comprehensive operating statement comprises three components, being '**net result from transactions**' (or termed as 'net operating balance'), '**other economic flows included in net result**', as well as '**other economic flows – other comprehensive income**'. The sum of the former two, together with the net result from discontinued operations, represents the net result.

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

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

- gains and losses from disposals of non-financial assets;
- 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.

This classification is consistent with the whole of government reporting format and is allowed under AASB 101 *Presentation of Financial Statements*.

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)

'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.

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 are disclosed in the notes, where relevant. In general, non-current assets or liabilities are expected to be recovered or settled more than 12 months after the reporting period, except for the provisions of employee benefits, which are classified as current liabilities if ESTA does not have the unconditional right to defer the settlement of the liabilities within 12 months after the end of the reporting period.

Cash flow statement

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

Statement of changes in equity

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

Rounding of amounts

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

2.6 Income from transactions

Income is recognised to the extent that it is probable that the economic benefits will flow to the entity and the income can be reliably measured. As noted at 2.1, due to the nature of different revenue sources and purposes, the treatment of revenue can be guided by either AASB 118 *Revenue* or AASB 1004 *Contributions*. Compliance with Standards for recognition of grant income may result in revenue and matching expenditure being recognised in different periods.

Revenue from the provision of services

The service charges levied upon the Emergency Services Organisations for both CTD Operational services and the State contracts form a fixed monthly fee and are therefore recognised monthly. Other *ad hoc* 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.

NOTES TO THE FINANCIAL STATEMENTS

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.

2.7 Expenses from transactions

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

Employee expenses

Employee expenses comprise 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 superannuation 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, building fitouts, plant and equipment and other non-financial physical assets (excluding items under operating leases, assets held for-sale) 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 remaining useful life.

Leasehold improvements are depreciated over the shorter of the remaining term of the lease or the estimated useful life of the improvements using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate. Note 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.

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

Asset	Useful life
Computers and communications equipment	3 years
Computers and communications equipment (under MMR/MDN Contracts)	4 years
Leased motor vehicles	1 - 3 years
Leased communications equipment	2 - 4 years
Plant and equipment	5 - 10 years
Leasehold improvements	5 - 10 years
Software (Intergraph)	9 years

The ESTA capitalisation threshold is \$5000, consistent with Minister of Finance Directives. The consequence of this threshold where a significant number of technology items used in the provision of services fall below this level is that expenditure on such items are accounted for in operating expenses.

Financial Reporting Direction (FRD) 103F requires that property, plant and equipment are classified primarily by the 'purpose' for which the assets are used, according to one of six purpose groups based on government purpose classifications. ESTA classifies all of its assets within one purpose group – 'Public Safety and Environment'.

Interest Expense

Interest expenses are recognised 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; and
- reclassified amounts relating to available for sale financial instruments from the reserves to net result due to a disposal or derecognition of the financial instrument. This does not include reclassification between equity accounts due to machinery of government changes or 'other transfers' of assets.

2.8 Financial Instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of ESTA'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 any 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 2.9), 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 based on their fair values,

NOTES TO THE FINANCIAL STATEMENTS

and have their performance evaluated in accordance with documented risk management and investment strategies.

Attributable transaction costs are expensed as incurred. Subsequently, any changes in fair value are recognised in the net result as Other Economic Flows. Any dividend or interest on a financial asset is recognised in the net result from transactions.

Financial liabilities at amortised cost

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

2.9 Financial Assets***Cash and deposits***

Cash and deposits recognised on the balance sheet 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 readily convertible to known amounts of cash with an 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 the 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 Services contracts managed by ESTA. The latter terms are set out in Agency Agreements made between the Minister, the Emergency Service Organisations and 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.

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

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

The condition is regarded as met only when:

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

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

Property, plant and equipment

All non-financial physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a machinery of government change are transferred at their carrying amount. 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 initial cost for non-financial physical assets under a finance lease is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Leased assets relate primarily to assets transferred under PPP contracts and are amortised over the term of these contracts.

Intangible assets

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

Other non-financial assets

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

Revaluations of non-financial physical assets

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

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

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

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

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

2.11 Liabilities

Payables

Payables consist of:

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

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

NOTES TO THE FINANCIAL STATEMENTS

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.

In accordance with the lease agreement at 33 Lakeside Drive Burwood East and Level 3, 637 Flinders Street, ESTA must restore the premises and all services in the premises back to base building condition at the end of lease term. A provision has been recognised for this purpose.

A provision is made for Lease Incentive Liability in respect of the rent free period under the lease agreement at 33 Lakeside Drive Burwood East.

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, including non-monetary benefits annual leave and accumulating sick leave, are all recognised in the provision for employee benefits as 'current liabilities', because ESTA does not have an unconditional right to defer settlements of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for wages and salaries, annual leave and sick leave are measured at:

- nominal value - if ESTA expects to wholly settle within 12 months; or
- present value - if ESTA does not expect to wholly settle within 12 months.

(ii) Long service leave

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

Unconditional LSL representing five 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:

- nominal value - if ESTA expects to wholly settle within 12 months; and
- present value - if ESTA does not expect to wholly 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 2.7.

(iii) Termination benefits

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

Employee benefits on-costs

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

2.12 Contingent assets and contingent liabilities

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

2.13 Equity

Contributed Capital

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 contributed capital.

2.14 Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note at their nominal value and inclusive of the GST payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects

are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

2.15 Service concession arrangements

ESTA sometimes enters into certain arrangements with private sector participants to design and construct or upgrade assets used to provide public services on behalf of the State. These arrangements are typically complex and usually include the provision of operational and maintenance services for a specified period of time. These arrangements are often referred to as either Public Private Partnerships or State Managed Contracts (see Note 2.3).

ESTA pays the operator over the period of the arrangement, subject to specified performance criteria being met. At the date of commitment to the principal provisions of the arrangement, these estimated periodic payments are allocated between a component related to the design and construction or upgrading of the asset and components related to the ongoing operation and maintenance of the asset. The former component is accounted for as a lease payment in accordance with the lease policy (see Note 2.11). The remaining components are accounted for as commitments (see Note 2.14) for operating costs which are expensed in the comprehensive operating statement as they are incurred.

2.16 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.

NOTES TO THE FINANCIAL STATEMENTS

2.17 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.

2.18 New accounting standards and interpretations

Certain new Australian Accounting Standards (AAS) and interpretations have been published that are not mandatory for the 30 June 2015 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 2015, the following standards and interpretations had been issued but were not mandatory for the financial year ending 30 June 2015. 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>	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 Jan 2018	The assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss. While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.
AASB 15 <i>Revenue from Contracts with Customers</i>	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1 Jan 2017 (Exposure Draft 263 – potential deferral to 1 Jan 2018)	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications. A potential impact will be the upfront recognition of revenue from licenses that cover multiple reporting periods. Revenue that was deferred and amortised over a period may now need to be recognised immediately as a transitional adjustment against the opening returned earnings if there are no former performance obligations outstanding.

3. COMPREHENSIVE OPERATING STATEMENT - LINES OF BUSINESS

	CTD Operations (i)		Operational Communications (ii)		Projects (iii)		Support Function (iv)		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income from transactions										
Service revenue	98,405	88,002	68,011	76,341	-	-	2,054	2,285	168,470	166,628
Project revenue	-	-	-	-	12,142	17,360	-	-	12,142	17,360
Total Income from transactions	98,405	88,002	68,011	76,341	12,142	17,360	2,054	2,285	180,612	183,988
Expenses from transactions										
Employee expenses	77,227	67,768	-	-	1,958	1,557	4,264	6,090	83,449	75,415
Depreciation and amortisation	7,866	6,832	17,468	18,959	-	-	285	232	25,619	26,023
Other operating expenses	16,708	16,045	54,385	51,928	5,039	4,841	3,516	3,663	79,648	76,476
Interest expense	6	11	355	951	-	-	-	7	361	969
Transfer of EAS assets	-	-	-	-	8,623	14,139	-	-	8,623	14,139
Total Expenses from transactions	101,807	90,656	72,208	71,838	15,620	20,537	8,066	9,992	197,700	193,022
Net result from transactions (net operating balance)	(3,402)	(2,654)	(4,197)	4,503	(3,479)	(3,177)	(6,011)	(7,707)	(17,088)	(9,034)
Other economic flows included in net result										
Net gain/(loss) on non-financial assets	-	-	-	-	-	-	(14)	(4)	(14)	(4)
Other gains/(losses) from other economic flows	(486)	188	-	-	(9)	3	(30)	19	(525)	209
Total other economic flows included in net result	(486)	188	-	-	(9)	3	(44)	15	(539)	205
Net result	(3,888)	(2,466)	(4,197)	4,503	(3,487)	(3,174)	(6,055)	(7,692)	(17,627)	(8,829)
Comprehensive result	(3,888)	(2,466)	(4,197)	4,503	(3,487)	(3,174)	(6,055)	(7,692)	(17,627)	(8,829)

CTD (Call-Taking and Dispatch) Operations - Based on the objectives of the People & Culture (P&C) and Information and Technology Services (ITS) departments, these departments are allocated to CTD Operations. The recruitment, training, and technical support functions provided by these departments are directed to support CTD Operations. Accordingly, the service revenue and expenses related to calltaking & dispatch operations, P&C, ITS and contract administration of the systems required are allocated to CTD Operations.

Operational Communications - Operational Communications represents revenue and expenses for the State service contracts managed by ESTA on behalf of the Department of Justice and Regulation. Across the contracts there are different contract terms, and different financing and depreciation cycles. Accordingly, the service revenue and service expenditures (including lease interest & depreciation/amortisation) are allocated to Operational Communications.

Projects - ESTA manages various projects funded by State, Emergency Services Organisations and State Contract Contingency reserves. Accordingly, revenue and expenditures related to projects and the Project Management Office responsible for project delivery are allocated to the Projects line of business. EAS assets were transferred back to the State from a PPP arrangement during 2014-15. An upgrade program managed by ESTA transferred the commissioned values to the Department of Justice and Regulation during the year (refer to note 4 f).

Support Function - Based on the objectives of Finance and Commercial Services, Strategy and Transformation, Customer Services, Corporate Affairs, and other Corporate Support, these departments are allocated the revenue and expenses related to the Support Function. Accordingly these departments are allocated to the Support Function line of business.

NOTES TO THE FINANCIAL STATEMENTS

4.NET RESULT FROM TRANSACTIONS (NET OPERATING BALANCE)		
	2015	2014
	\$'000	\$'000
Income from transactions		
(a) Revenue		
CTD services revenue	90,579	80,600
Project revenue (excluding the transfer of EAS asset revenue)	3,520	3,221
Transfer of EAS assets (i)	8,623	14,139
State service contracts revenue	75,988	83,888
Other operating revenue	1,208	1,151
Interest on deposits	694	989
	180,612	183,988
Revenue from operations	180,612	183,988
Expenses from transactions		
(b) Employee expenses		
Salaries, wages and overtime	62,660	56,894
Sick leave, annual leave and long service leave	9,863	8,406
Superannuation	6,300	5,558
Related on-costs	4,626	4,557
Total employee expenses	83,449	75,415
(c) Depreciation and amortisation		
Depreciation of property, plant and equipment	14,559	11,313
Amortisation expense	11,060	14,710
Total depreciation and amortisation	25,619	26,023
(d) Other operating expenses		
Staff costs other	1,100	893
Contractors/Professional Services	6,579	5,313
Communications	3,788	4,051
Information technology and infrastructure	7,001	6,292
Payments under state service contracts	54,494	52,457
Property	4,924	4,927
Office equipment	396	404
Travel and accommodation	190	345
Stationery	110	165
Finance & insurance costs	374	347
Audit services	445	402
Bad debts from transactions	5	51
General	242	829
Total other operating expenses	79,648	76,476
(e) Interest expense		
Finance lease interest	361	969
Total interest expense	361	969

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

	2015	2014
	\$'000	\$'000
(f) Non discretionary expenditure		
Transfer of EAS assets (i)	8,623	14,139
Total transfer of EAS assets	8,623	14,139
Expenses from operations	197,700	193,022
Other economic flows included in net result		
(g) Net gain/(loss) on non-financial assets		
Net gain/(loss) on disposal of property, plant and equipment	(14)	(4)
Total net gain/(loss) on non-financial assets	(14)	(4)
(h) Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of long service leave liability	(525)	209
Total other gains/(losses) from other economic flows	(525)	209

- (i) Under the EAS operate and maintain 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; the revenue and expenditure offsetting each other) and transferred \$8.6 mill of assets to the Department of Justice and Regulation as assets given free of charge in 2014-15. This aligns to the Department of Justice and Regulation'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 2015-16.

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.

	2015	2014
	\$'000	\$'000
Current		
Contractual		
Services	861	1,191
Accrued investment income	14	35
Provision for doubtful contractual receivables	-	(51)
Other receivables	5,404	5,667
	6,279	6,842
Statutory		
GST input tax credit recoverable	1,853	1,697
	1,853	1,697
Total current receivables	8,132	8,539

NOTES TO THE FINANCIAL STATEMENTS

6 PLANT AND EQUIPMENT

(a) Classified as 'Public safety and environment' Purpose group (refer note 2) - Carrying amounts

2015	Net Carrying amounts as at 30 June 2015	Fair value measurement at the end of reporting period using:			At cost:
		Level 1	Level 2	Level 3	
	\$'000				
Computers and communications equipment					
Computers and communications equipment at fair value	63,205	-	63,205	-	-
Less: accumulated depreciation	(43,869)	-	(43,869)	-	-
	19,336	-	19,336	-	-
Leased motor vehicles					
Motor Vehicles Leased	203	-	-	203	-
Less: accumulated amortisation	(45)	-	-	(45)	-
	158	-	-	158	-
Leased communications equipment					
Communications equipment leased	172,969	-	-	172,969	-
Less: accumulated amortisation	(163,840)	-	-	(163,840)	-
	9,129	-	-	9,129	-
Plant and equipment					
Plant and equipment at fair value	1,814	-	-	1,814	-
Less: accumulated depreciation	(1,768)	-	-	(1,768)	-
	46	-	-	46	-
Leasehold improvements					
Leasehold improvements at fair value	15,732	-	-	15,732	-
Less: accumulated amortisation	(8,088)	-	-	(8,088)	-
	7,644	-	-	7,644	-
Capital works in progress					
Capital works in progress at cost	2,618	-	-	-	2,618
	2,618	-	-	-	2,618
Net carrying amount of plant and equipment	38,931	-	19,336	16,977	2,618

6 PLANT AND EQUIPMENT (Cont)**(a) Classified as 'Public safety and environment' Purpose group (refer note 2) - Carrying amounts**

2014	Net Carrying amounts as at 30 June 2014	Fair value measurement at the end of reporting period using:			At cost:
		Level 1	Level 2	Level 3	
	\$'000				
Computers and communications equipment					
Computers and communications equipment at fair value	50,970	-	50,970	-	-
Less: accumulated depreciation	(30,008)	-	(30,008)	-	-
	20,962	-	20,962	-	-
Leased motor vehicles					
Motor Vehicles Leased	471	-	-	471	-
Less: accumulated amortisation	(138)	-	-	(138)	-
	333	-	-	333	-
Leased communications equipment					
Communications equipment leased	167,742	-	-	167,742	-
Less: accumulated amortisation	(154,915)	-	-	(154,915)	-
	12,827	-	-	12,827	-
Plant and equipment					
Plant and equipment at fair value	1,831	-	-	1,831	-
Less: accumulated depreciation	(1,762)	-	-	(1,762)	-
	69	-	-	69	-
Leasehold improvements					
Leasehold improvements at fair value	14,770	-	-	14,770	-
Less: accumulated amortisation	(6,019)	-	-	(6,019)	-
	8,751	-	-	8,751	-
Capital works in progress					
Capital works in progress at cost	6,052	-	-	-	6,052
	6,052	-	-	-	6,052
Net carrying amount of plant and equipment	48,994	-	20,962	21,980	6,052

(i) Classified in accordance with the fair value hierarchy, see note 2.2.

(ii) There have been no transfers between levels during the period.

(iii) **Computers and communications equipment** - Computers and communications equipment are valued using the market approach. Under this valuation method, the assets are compared to sales of comparable assets which are considered to have nominal or no added improvement value.

Leased Motor Vehicles - Leased motor vehicles are valued using the depreciated replacement cost method. ESTA acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition and disposal is managed by experienced fleet managers at the Department of Treasury and Finance who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Plant and equipment and Leasehold improvement - Plant and equipment and Leasehold improvement assets are valued using the depreciated replacement cost method. This cost represents the replacement cost of the building fitouts or component after applying depreciation rates on a useful life basis.

Leased communications equipment - Leased communications equipment are assets contracted under Public Private Partnership or Operate and Maintain contractual arrangements with specific use and restrictions associated with the assets. This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the assets that is physically, legally permissible, and financially feasible.

(iv) **Capital works in progress** - Capital works in progress is measured at cost.

NOTES TO THE FINANCIAL STATEMENTS

6 PLANT AND EQUIPMENT (Cont)								
(b) Classified as 'Public safety and environment' Purpose Group - Movement in carrying amounts								
	Note	Computers and communications equipment at fair value	Leased motor vehicles at fair value	Leased communications equipment at fair value	Plant and equipment at fair value	Leasehold improvements at fair value	Work in progress at cost	Total
2015		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance		20,962	333	12,827	69	8,751	6,052	48,994
Additions		4,881	81	5,227	-	864	3,886	14,939
Disposals		-	(150)	-	(3)	-	-	(153)
Transfer to assets classified as held for sale		-	(44)	-	-	-	-	(44)
Assets acquired on behalf of DJR		8,623	-	-	-	-	-	8,623
Assets transferred to DJR free of charge		(8,623)	-	-	-	-	-	(8,623)
Depreciation/amortisation expense		(13,965)	(62)	(8,925)	(20)	(2,069)	-	(25,041)
Capitalisation of works in progress		7,458	-	-	-	98	(7,320)	236
Closing balance		19,336	158	9,129	46	7,644	2,618	38,931

	Note	Computers and communications equipment at fair value	Leased motor vehicles at fair value	Leased communications equipment at fair value	Plant and equipment at fair value	Leasehold improvements at fair value	Work in progress at cost	Total
2014		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance		18,567	346	24,625	144	8,744	4,061	56,487
Additions		11,249	209	1,863	21	51	5,701	19,094
Disposals		-	(140)	(921)	-	(130)	-	(1,191)
Transfer to assets classified as held for sale		-	-	-	-	-	-	-
Assets acquired on behalf of DJR		14,139	-	-	-	-	-	14,139
		(14,139)	-	-	-	-	-	(14,139)
Depreciation/amortisation expense		(10,639)	(82)	(12,740)	(96)	(1,887)	-	(25,444)
Capitalisation of works in progress		1,785	-	-	-	1,973	(3,710)	48
Closing balance		20,962	333	12,827	69	8,751	6,052	48,994

ESTA classifies all of its assets within one purpose group - Public Safety and Environment (Refer note 2)

- (i) The following useful lives of assets as stated in Accounting Policy Note 2 are used in the calculation of depreciation.
- (ii) Fair value assessments have been performed for all classes of assets in this purpose group and the decision was made that changes were not material for a full revaluation.
- (iii) On the transfer of the MMR and EAS contracts to ESTA, the Authority received \$122.3 mill of communications equipment under PPP arrangements and assumed the associated finance lease liabilities.
- (iv) In 2014-15, ESTA acquired assets (funded by the EAS Network Upgrade Project) on behalf of the State . These assets were transferred to the State (Department of Justice and Regulation) free of charge.

6 PLANT AND EQUIPMENT (Cont)**(c) Description of significant unobservable inputs to Level 3 valuations**

	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of fair value measurement to changes in significant unobservable inputs
Leased motor vehicles	Depreciated replacement cost	Cost per unit Useful life of Leased motor vehicles	\$24,517.61 - \$48,197.36 per unit (\$34,169.2 per unit) 1 - 3 years	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Leased communications equipment	Depreciated replacement cost	Cost per unit Useful life of Leased communications equipment	\$806,809.00 - \$28,549,433.00 per unit (\$8,913,397.88 per unit) 4 years	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Plant and equipment	Depreciated replacement cost	Cost per unit Useful life of plant and equipment	\$5,341.56 - \$1,350,612.91 per unit (\$43,185.88 per unit) 5 - 10 years	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Leasehold improvements	Depreciated replacement cost	Cost per unit Useful life of Leasehold improvements	\$2,143 per sqm 5 - 10 years	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.

Notes:

- (i) Depreciated replacement cost technique was used for fair value measurement ranging per unit cost. ESTA assets are specialised in use, such that they are rarely sold other than a part of going concern or technology replacement.

NOTES TO THE FINANCIAL STATEMENTS

7. INTANGIBLE ASSETS

	Note	Intergraph Software Licences	
		2015	2014
		\$'000	\$'000
Gross carrying amount			
Opening balance		5,200	5,200
Additions (CAD Software licenses)		-	-
Disposals		-	-
Transfer to assets classified as held for sale		-	-
Closing balance		5,200	5,200
Accumulated amortisation and impairment			
Opening balance		(3,059)	(2,482)
Amortisation expense (a)		(577)	(577)
Disposals		-	-
Transfer to assets classified as held for sale		-	-
Closing balance		(3,636)	(3,059)
Net book value at the end of the financial year		1,564	2,141

(a) Amortisation expense is included in the line item 'Depreciation and Amortisation expense' in the Comprehensive Operating Statement.

8. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE AND LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS HELD FOR SALE

(a) Non-current assets held for sale	2015	2014
	\$'000	\$'000
Non-current assets	44	-
Leased motor vehicles		
Total	44	-
(b) Liabilities directly associated with assets held for sale	2015	2014
	\$'000	\$'000
Lease liability	44	-
Total	44	-

9. PAYABLES

	2015	2014
	\$'000	\$'000
Current payables		
<i>Contractual</i>		
Supplies & services	11,368	9,240
Unearned income	4,016	3,684
Accruals	8,884	9,064
	24,268	21,988
<i>Statutory</i>		
Payroll tax payable	326	346
GST payable	1,949	1,710
	2,275	2,056
Total payables	26,543	24,044

10. BORROWINGS (i)

	2015 \$'000	2014 \$'000
Current finance lease liability		
- PPP related finance lease liability:		
Communications equipment	7,471	8,199
- Non-PPP related Finance lease liability:		
Motor vehicles	46	169
Total current borrowings	7,517	8,368
Non current finance lease liability		
- PPP related finance lease liability:		
Communications equipment	1,890	4,969
- Non-PPP related Finance lease liability:		
Motor vehicles	113	167
Total non-current borrowings	2,003	5,136
Total borrowings	9,520	13,504

- (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.

11. PROVISIONS

	2015 \$'000	2014 \$'000
Current		
(i) Employee benefits - annual leave and time in lieu:		
(ii) Unconditional and expected to be settled within 12 months	4,021	3,081
(iii) Unconditional and expected to be settled after 12 months	1,005	1,320
Employee benefits - long service leave:		
(ii) Unconditional and expected to be settled within 12 months	962	850
(iii) Unconditional and expected to be settled after 12 months	3,084	2,503
	9,072	7,754
Provisions related to employee benefit on-costs		
(ii) Unconditional and expected to be settled within 12 months	907	798
(iii) Unconditional and expected to be settled after 12 months	492	443
	1,399	1,241
(iv) Lease Incentive Liability	95	95
Total current provisions	10,566	9,090
Non-current		
(i) Employee benefits	2,201	1,892
Employee benefit on-costs	351	337
(iv)	711	733
(v) Make - good provision	1,580	1,204
Total non-current provisions	4,843	4,166
Total provisions	15,409	13,256

- (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 discounted to present values.
- (iii) The amounts disclosed are discounted to present values.
- (iv) The provision for Lease Incentive Liability represents value of the rent free period under the lease agreement at 33 Lakeside Drive Burwood East.
- (v) In accordance with the lease agreement at 33 Lakeside Drive Burwood East and Level 3, 637 Flinders Street, ESTA must restore the premises and all services in the premises back to base building condition at the end of lease term. A provision has been recognised for this purpose.

NOTES TO THE FINANCIAL STATEMENTS

12. EMPLOYEE BENEFITS AND RELATED ON-COSTS (i)		
	2015	2014
	\$'000	\$'000
Current employee benefits		
(ii) Annual leave and time in lieu entitlements	5,026	4,401
(ii) Long service leave entitlements	4,046	3,353
Non-current employee benefits		
(ii) Long service leave entitlements	2,201	1,892
Total employee benefits	11,273	9,646
(ii) Current on-costs	1,399	1,242
(ii) Non-current on-costs	351	337
Total on-costs	1,750	1,579
Total employee benefits and related on-costs	13,023	11,225

- (i) Provisions for employee benefits consist of amounts for annual leave, long service leave and time in lieu.
(ii) The amounts disclosed are discounted to present values.

13. SUPERANNUATION

All ESTA employees are entitled to benefits under accumulation funds. Employees are covered under Vic Super, Australian Super or in the case of some employees, their own self-managed 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 9.5 per cent for the period 1 July 2014 and 30 June 2015.

	2015	2014
	\$'000	\$'000
Employer contributions		
Australian Super	497	576
Vic Super	4,339	4,248
Other superannuation funds	711	624
Total employer contributions to the funds	5,547	5,448
Outstanding contributions	25	(100)
Total Contributions	5,572	5,348

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

14. LEASES**Finance lease liabilities**

Leasing arrangements

Finance leases relate to communications equipment with a lease term of five years and motor vehicles with a lease term of one to three years. ESTA does have options to purchase the former equipment at the expiry of the lease period.

	Minimum future lease payments (i)		Present value of minimum future lease payments	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
PPP related finance lease liabilities payable				
Not longer than 1 year	7,713	8,473	7,470	8,198
Longer than 1 year and not longer than 5 years	1,925	5,041	1,891	4,970
Longer than 5 years	-	-	-	-
Other related finance lease liabilities payable				
Not longer than 1 year	52	183	46	169
Longer than 1 year and not longer than 5 years	118	174	113	167
Longer than 5 years	-	-	-	-
Minimum future lease payments	9,808	13,871	9,520	13,504
Less future finance charges	(288)	(367)	-	-
Present value of minimum lease payments	9,520	13,504	9,520	13,504
Included in the financial statements as:				
Current borrowings lease liabilities (note 10)			7,517	8,368
Non-current borrowing lease liabilities (note 10)			2,003	5,136
			9,520	13,504

(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.

	2015 \$'000	2014 \$'000
Non-cancellable operating leases		
Not longer than 1 year	3,138	3,085
Longer than 1 year and not longer than 5 years	13,176	11,655
Longer than 5 years	9,141	9,813
	25,455	24,553

NOTES TO THE FINANCIAL STATEMENTS

15. COMMITMENTS FOR EXPENDITURE

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

(i) Service Concession (PPP) related commitments

	2015		2014	
	\$'000	\$'000	\$'000	\$'000
	Net		Net	
	Present Value	Nominal Value	Present Value	Nominal Value
Service concession arrangements				
MDN	37,580	39,178	10,006	10,363
MMR	28,343	29,217	53,725	56,658
Total service concession commitments	65,923	68,395	63,731	67,021
Less PPP related finance lease liabilities (Note 10)	9,033	9,361	12,546	13,168
Total PPP operation and service commitment	Note 15(ii)(e)	56,890	59,034	51,185

(ii) Commitments are payable as follows

	2015	2014
	\$'000	\$'000
(a) Capital expenditure commitments		
Total capital expenditure contracted for purchase and implementation of infrastructure at balance date but not provided for in the accounts:		
Not longer than 1 year	3,542	881
Longer than 1 year & not longer than 5 years	-	-
Longer than 5 years	-	-
	3,542	881
(b) Property lease agreements		
Commitments in relation to property leases contracted for at the reporting date but not recognised as liabilities, payable:		
Not longer than 1 year	2,989	2,942
Longer than 1 year & not longer than 5 years	12,945	11,386
Longer than 5 years	9,141	9,813
	25,075	24,141
(c) Photocopier/IT Equipment operating lease agreements		
All photocopier lease agreements have finite lease terms, no renewal clauses or purchase options. The lease terms do not contain any further restrictions.		
Not longer than 1 year	149	143
Longer than 1 year & not longer than 5 years	231	269
Longer than 5 years	-	-
	380	412
(d) Software Licence & Services Agreement (i)		
A commitment exists in relation to a software licensing and support agreement for Call-Taking and Dispatch held with Intergraph Corporation Pty Ltd.		
Not longer than 1 year	2,806	2,673
Longer than 1 year & not longer than 5 years	-	-
Longer than 5 years	-	-
	2,806	2,673

15. COMMITMENTS FOR EXPENDITURE (Cont)		
	2015	2014
	\$'000	\$'000
(e) PPP operation and service commitments (ii)		
Not longer than 1 year	44,715	29,916
Longer than 1 year & not longer than 5 years	14,319	23,937
Longer than 5 years	-	-
	59,034	53,853
(f) PPP payments from contingency (iii)		
Not longer than 1 year	-	594
Longer than 1 year & not longer than 5 years	-	-
Longer than 5 years	-	-
	-	594
(g) Operate and Maintain Contract EAS (iv)		
Not longer than 1 year	13,054	20,806
Longer than 1 year & not longer than 5 years	17,524	30,578
Longer than 5 years	-	-
	30,578	51,384
(h) 000 Communication Enhancement Contract (v)		
Not longer than 1 year	574	-
Longer than 1 year & not longer than 5 years	3,981	-
Longer than 5 years	1,761	-
	6,316	-
Total commitments for expenditure (exclusive of GST)	127,731	133,938
Plus GST recoverable from the Australian Taxation Office	12,773	13,394
Total commitments for expenditure (inclusive of GST)	140,504	147,332

- (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 30 June 2015 is \$4.1 million.
- (iv) This expenditure is offset by equivalent amounts in revenue under the EAS Operate and Maintain contract.
- (v) This expenditure is offset by equivalent amounts in project revenue.

NOTES TO THE FINANCIAL STATEMENTS

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.

The main purpose in holding financial instruments is to prudentially manage ESTA's financial risks within the government policy parameters, and as a requirement linked to managing State Contracts.

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

Table 16.1: Categorisation of financial instruments

2015	Contractual financial assets - loans and receivables \$'000	Contractual financial liabilities at amortised cost \$'000	Total \$'000
Contractual financial assets			
Cash and deposits	18,564	-	18,564
(i) Receivables:			
Services	861	-	861
Other	5,404	-	5,404
Accrued investment income	14	-	14
Other receivables			
Investments and other contractual financial assets:			
Term deposits	7,089	-	7,089
Total contractual financial assets	31,932	-	31,932
Contractual financial liabilities			
(i) Payables:			
Supplies and services	-	11,368	11,368
Accruals	-	8,884	8,884
Borrowings:			
Lease liabilities	-	9,520	9,520
Total contractual financial liabilities	-	29,772	29,772

16. FINANCIAL INSTRUMENTS (Cont)

2014	Contractual financial assets - loans and receivables	Contractual financial liabilities at amortised cost	Total \$'000
Contractual financial assets			
Cash and deposits	8,420	-	8,420
(i) Receivables:			
Services	1,140	-	1,140
Other	5,667	-	5,667
Accrued investment income	35	-	35
Other receivables			
Investments and other contractual financial assets:			
Term deposits	15,510	-	15,510
Total contractual financial assets	30,772	-	30,772
Contractual financial liabilities			
(i) Payables:			
Supplies and services	-	9,240	9,240
Accruals	-	9,064	9,064
Borrowings:			
Lease liabilities	-	13,504	13,504
Total contractual financial liabilities	-	31,808	31,808

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

2015	Net holding gain/ (loss) \$'000	Total interest income/ (expense) \$'000	Fee income/ (expense) \$'000	Total \$'000
Contractual financial assets				
Financial assets - loans and receivables	-	694	-	694
Total contractual financial assets	-	694	-	694
Contractual financial liabilities				
Financial liabilities at amortised cost	-	361	-	361
Total contractual financial liabilities	-	361	-	361
2014				
Contractual financial assets				
Financial assets - loans and receivables	-	989	-	989
Total contractual financial assets	-	989	-	989
Contractual financial liabilities				
Financial liabilities at amortised cost	-	969	-	969
Total contractual financial liabilities	-	969	-	969

NOTES TO THE FINANCIAL STATEMENTS

(b) Credit risk

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

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

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

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

	Financial institutions (AA credit rating)	Government agencies (AAA credit rating)	Total
2015	\$'000	\$'000	\$'000
Cash and deposits	18,560	7,089	25,649
Total contractual financial assets	18,560	7,089	25,649
2014			
Cash and deposits	8,417	15,510	23,927
Total contractual financial assets	8,417	15,510	23,927

Ageing analysis of contractual financial assets

	Carrying amount	Not past due and not impaired	Past due but not impaired			
			Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years
2015	\$'000	\$'000				
(i) Receivables:						
Services	861	497	319	22	23	-
Accrued investment income	14	14				
Other receivables	5,404	5,404				
Investments and other contractual financial assets:						
Term deposits	7,089	7,089				
Total	13,368	13,004	319	22	23	-
2014						
(i) Receivables:						
Services	1,140	757	4	6	373	-
Accrued investment income	35	35				
Other receivables	5,667	5,667				
Investments and other contractual financial assets:						
Term deposits	15,510	15,510				
Total	22,352	21,969	4	6	373	-

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. ESTA would rely on a Letter of Comfort from the Department of Justice and Regulation to meet its financial obligations, should ESTA's cash reserves fall to a level where financial obligations could not be met.

Maturity analysis of contractual financial liabilities (ii)

	Carrying amount	Nominal Amount	Maturity dates				
			Less than 1 month	1 - 3 months	3 - 12 months	1-5 years	5+ years
2015	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(i) Payables:							
Supplies and services	11,368	11,368	11,368	-	-	-	-
Accruals	8,884	8,884	8,884	-	-	-	-
Borrowings:							
Lease liabilities	9,520	9,520	626	1,236	5,657	2,001	-
Total	29,772	29,772	20,878	1,236	5,657	2,001	-
2014							
(i) Payables:							
Supplies and services	9,240	9,240	9,240	-	-	-	-
Accruals	9,064	9,064	9,064	-	-	-	-
Borrowings:							
Lease liabilities	13,504	13,504	1,104	2,200	5,070	5,130	-
Total	31,808	31,808	19,408	2,200	5,070	5,130	-

Notes:

- (i) The carrying amounts disclosed exclude statutory amounts (e.g. GST payables).
- (ii) Maturity analysis is presented using the contractual undiscounted cash flows.

NOTES TO THE FINANCIAL STATEMENTS

(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 \$'000	Fixed interest rate \$'000	Variable interest rate \$'000	Non- interest bearing \$'000
2015			\$'000	\$'000	\$'000	\$'000
Financial assets						
	Cash and Deposits:	2.20%	18,564	-	18,561	3
(i)	Receivables:					
	Services		861	-	-	861
	Accrued investment income		14	-	-	14
	Other receivables		5,404	-	-	5,404
	Investments and other contractual financial assets:					
	Term deposits	2.50%	7,089	7,089	-	-
Total contractual financial assets			31,932	7,089	18,561	6,282
Financial liabilities						
(i)	Payables:					
	Supplies and services		11,368	-	-	11,368
	Other payables		8,884	-	-	8,884
	Borrowings:					
	Lease liabilities	5.56%	9,520	9,520	-	-
Total contractual financial liabilities			29,772	9,520	-	20,252
2014			\$'000	\$'000	\$'000	\$'000
Financial assets						
	Cash and Deposits:	2.46%	8,420	-	8,417	3
(i)	Receivables:					
	Services		1,140	-	-	1,140
	Accrued investment income		35	-	-	35
	Other receivables		5,667	-	-	5,667
	Investments and other contractual financial assets:					
	Term deposits	2.64%	15,510	15,510	-	-
Total contractual financial assets			30,772	15,510	8,417	6,845
Financial liabilities						
(i)	Payables:					
	Supplies and services		9,240	-	-	9,240
	Other payables		9,064	-	-	9,064
	Borrowings:					
	Lease liabilities	6.97%	13,504	13,504	-	-
Total contractual financial liabilities			31,808	13,504	-	18,304

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.

	2015		2014	
	Carrying amount	Net fair value	Carrying amount	Net fair value
	\$'000	\$'000	\$'000	\$'000
Contractual financial assets				
Cash and Deposits:	18,564	18,564	8,420	8,420
(i) Receivables:				
Services	861	861	1,140	1,140
Accrued investment income	14	14	35	35
Other receivables	5,404	5,404	5,667	5,667
Investments and other contractual financial assets:				
Term deposits	7,089	7,089	15,510	15,510
Total contractual financial assets	31,932	31,932	30,772	30,772
Contractual financial liabilities				
Payables:				
Supplies and services	11,368	11,368	9,240	9,240
Other payables	8,884	8,884	9,064	9,064
Borrowings:				
Lease liabilities	9,520	9,520	13,504	13,504
Total contractual financial liabilities	29,772	29,772	31,808	31,808

Note:

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

NOTES TO THE FINANCIAL STATEMENTS

17. NOTES TO CASH FLOW STATEMENT**(a) Reconciliation of cash**

	2015	2014
	\$'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	18,563	8,419
Short term investments	7,089	15,510
Balance as per cash flow statement (i)	25,652	23,929

Notes:

(i) Balance as per cash flow statement

Balance as per cash flow statement include:

Provisions held for employee entitlements and funds held for specific funded projects.

Short term investments include non discretionary funds held for third parties. These are funds held in contingency reserves for the State managed contracts MDN, MMR and EAS. The funds in reserves are quarantined specifically for the purpose under which these reserves has been established for State managed PPP and Operate and Maintain contracts.

The balance of these reserves at 30th June 2015 is \$4.13 mill. (\$11 mill. in 2014).

(b) Reconciliation of net result for the period

	2015	2014
	\$'000	\$'000
Net result for the period	(17,627)	(8,829)
Non-cash movements:		
Depreciation and amortisation	25,619	26,023
Loss/(gain) on sale of assets	14	4
Movements in assets and liabilities:		
Decrease (increase) in receivables	614	8,146
Decrease (increase) in prepayments	(431)	336
Increase (decrease) in payables	2,010	(10,645)
Increase (decrease) in unearned income	332	1,335
Increase (decrease) in provisions	1,726	1,985
Net cash flows from/(used in) operating activities	12,257	18,355

(c) Non-cash financing and investing activities

During the reporting period ESTA acquired motor vehicles, and technology assets for the State contracts - MMR (Metropolitan Mobile Radio) and MDN (Mobile Data Network) through a finance lease arrangement to the value of \$80k (\$208k in 2014) and \$5.2 mill. (\$1.9 mill. in 2014) 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 and Regulation 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.

19. RESPONSIBLE PERSONS

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

Minister for Emergency Services - The Hon. Jane Garrett, MP	4 December 2014 to 30 June 2015
Minister for Police and Emergency Services - The Hon. Kim Wells, MP	1 July 2014 to 3 December 2014
Chairman - Mr Roger Leeming	1 July 2014 to 30 June 2015
Chief Executive Officer - Mr Ken Shymanski	1 July 2014 to 30 June 2015
Authority Member - Ms Christina Gillies	1 July 2014 to 30 June 2015
Authority Member - Mr Stewart Leslie	1 July 2014 to 30 June 2015
Authority Member - Mr Greg Tweedly	1 July 2014 to 30 June 2015
Authority Member - Ms Marion Lau	1 July 2014 to 30 June 2015
Authority Member - Mr John Yates	1 July 2014 to 30 June 2015
Authority Member - Mr Neil Lucas	1 July 2014 to 30 June 2015
Authority Member - Mr Paul Henderson	5 May 2015 to 30 June 2015
Authority Member - Ms Christine Collin	5 May 2015 to 30 June 2015
Authority Member - Mr Daniel Quagliani	1 July 2014 to 8 December 2014

Remuneration

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 (\$290,000 - \$299,999 in 2013-14)

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

Income band	Base remuneration	Total remuneration	Base remuneration	Total remuneration
	2015	2015	2014	2014
	No.	No.	No.	No.
\$0 - \$9,999	2	2	1	1
\$10,000 - \$19,999	1	1	1	1
\$20,000 - \$29,999	-	-	2	2
\$30,000 - \$39,999	6	6	4	4
\$70,000 - \$79,999	-	-	1	1
\$80,000 - \$89,999	1	1	-	-
\$290,000 - \$299,999	-	-	1	1
\$320,000 - \$329,999	1	1	-	-
Total Numbers	11	11	10	10
	\$'000	\$'000	\$'000	\$'000
Total Amount	649	649	583	583

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

NOTES TO THE FINANCIAL STATEMENTS

20. REMUNERATION OF EXECUTIVES**(a) Remuneration of executive**

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
	2015	2015	2014	2014
	No.	No.	No.	No.
\$0 - \$99,999	3	2	2	1
\$100,000 - \$109,999	-	-	-	1
\$130,000 - \$139,999	1	-	-	-
\$150,000 - \$159,999	-	-	1	1
\$160,000 - \$169,999	-	-	3	1
\$170,000 - \$179,999	3	3	1	2
\$180,000 - \$189,999	2	2	-	1
\$190,000 - \$199,999	1	-	1	1
\$200,000 - \$209,999	1	2	1	1
\$210,000 - \$219,999	1	1	1	1
\$220,000 - \$229,999	-	-	2	1
\$230,000 - \$239,999	1	2	-	-
\$240,000 - \$249,999	-	-	-	1
\$250,000 - \$259,999	-	-	-	-
\$260,000 - \$269,999	1	1	-	-
\$280,000 - \$289,999	-	-	-	-
\$330,000 - \$339,999	-	1	-	-
Total number of executives (i)	14	14	12	12
Total annualised employee equivalent (AEE) (ii)	12.3	12.3	8.8	8.8
	\$'000	\$'000	\$'000	\$'000
Total Amount	2,299	2,722	1,900	2,055

Note:

(i) A number of executive officers resigned in the past year. This has had a significant impact on the total remuneration figures due to the inclusion of annual leave and long-service leave payments.

(ii) Annualised employee equivalent is based on working 38 ordinary hours per week over the 52 weeks for a reporting period.

(b) Payment to other personnel with significant management responsibility

The following disclosures are made in relation to other personnel of ESTA. Payments have been made to a contractor with significant management responsibilities. This contractor is responsible for planning and managing the Government funded CAD 9 project.

Expense band	Total Expenses (exclusive of GST)	
	2015	2014
	\$'000	\$'000
\$130,000 - \$139,999	1	-
\$300,000 - \$309,999	-	1
	1	1

21. REMUNERATION OF AUDITORS

	2015 \$'000	2014 \$'000
Victorian Auditor General's Office		
Audit of the financial report	32	31
	32	31

INDEPENDENT AUDITOR'S REPORT

VAGO

Victorian Auditor-General's Office

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

INDEPENDENT AUDITOR'S REPORT**To the Authority Members, Emergency Services Telecommunications Authority***The Financial Report*

The accompanying financial report for the year ended 30 June 2015 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.

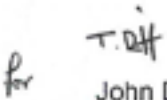
Independent Auditor's Report (continued)*Independence*

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 2015 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*.

MELBOURNE
1 September 2015


for John Doyle
Auditor-General

GLOSSARY OF TERMS

Comprehensive result

Total comprehensive result is the change in equity for the period other than changes arising from transactions with owners. It is the aggregate of net result and other non-owner changes in equity.

Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

Employee expenses

Employee expenses include all costs related to employment including wages and salaries, leave entitlements, redundancy payments and superannuation contributions.

Financial asset

A financial asset is any asset that is:

- (a) cash;
- (b) an equity instrument of another entity;
- (c) a contractual right:
 - to receive cash or another financial asset from another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to ESTA; or
- (d) a contract that will or may be settled in ESTA's own equity instruments and is:
 - a non-derivative for which ESTA is or may be obliged to receive a variable number of the entity's own equity instruments; or
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of ESTA's own equity instruments.

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 non-current 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 re-measurements.

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

ACMA	Australian Communications & Media Authority
ATO	Australian Taxation Office
CAD	Computer Aided Dispatch
CFA	Country Fire Authority
CTD	Call-taking and Dispatch
DELWP	Department of Environment, Land, Water & Planning
EAS	Emergency Alerting System
ECSAC	Emergency Call Service Advisory Committee
EMV	Emergency Management Victoria
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
IGEM	Inspector-General for Emergency Management
LEAP	Law Enforcement Assistance Program
LSL	Long Service Leave
MDN	Mobile Data Network
MFB	Metropolitan Fire Brigade
MMR	Metropolitan Mobile Radio
MOLI	Mobile Origin Location Information
PMO	Program Management Office
PPP	Public Private Partnership
PSO	Protective Services Officer
SECCs	State Emergency Communications Centres
VAGO	Victorian Auditor-Generals Office
VICSES	Victoria State Emergency Service

APPENDIX

Call Answer Performance (Emergency Calls)⁹

Agency	Benchmark	2013-2014	2014-2015	Change	Answer Time (secs)		
					50th Percentile	90th Percentile	Average
Victoria Police ¹⁰	80 per cent answered within 5 seconds	88.2%	87.6%	-0.6%	<1	13	4.3%
Ambulance ¹¹	90 per cent answered within 5 seconds	91.3%	92.6%	1.3%	<1	<1	3.5
CFA	90 per cent answered within 5 seconds	94.1%	96.4%	2.3%	<1	<1	1.5
MFB	90 per cent answered within 5 seconds	94.0%	95.1%	1.1%	<1	<1	2.1
VICSES	90 per cent answered within 20 seconds	62.7%	70.6%	7.9%	2	132	53

Time to Dispatch Performance (Emergency Events)

Agency	Benchmark	2013-2014	2014-2015	Change	Answer Time (secs)		
					50th Percentile	90th Percentile	Average
Victoria Police	80 per cent dispatched within 180 seconds ¹²	89.9%	90.4%	0.5%	49	157	78.2
Ambulance code one events	90 per cent dispatched within 150 seconds ¹³	77.0%	78.4%	1.4%	108	183	122.2
CFA priority one events ¹⁴	90 per cent dispatched within benchmark	88.7%	91.3%	2.6%			
P1 Urban					66	133	80
P1 Rural					86	185	105.1
Alarms					9	13	11.2
EMR					8	14	12.5
Other Agency					24	59	36.1
MFB priority one events ¹⁵	90 per cent dispatched within benchmark	92.6%	93.7%	1.1%			
Telephone Events					69	136	82.8
Alarms					8	12	9.7
EMR					8	12	10.1
Other Agency					21	46	29.4
VICSES priority one events	90 per cent dispatched within 60 seconds	83.4%	84.7%	1.3%	24	84.3	112.2

Time to Dispatch Performance¹⁶ (Lower Priority Events)

Agency	Benchmark	2013-2014	2014-2015	Change	Answer Time (secs)		
					50th Percentile	90th Percentile	Average
Victoria Police (state-wide) priority two events	80 per cent dispatched within 300 seconds ¹⁷	86.8%	88.6%	1.8%	90	320	148
Victoria Police priority three events	80 per cent dispatched within 900 seconds ¹⁸	98.1%	97.7%	-0.4%	175	756	290.8
Ambulance code two events	90 per cent dispatched within 300 seconds ¹⁹	91.8%	92.0%	0.2%	131	266	186
CFA priority three events ²⁰	90 per cent dispatched within benchmark	86.8%	89.0%	2.2%			
Urban					81	164	98.4
Rural					103	222.7	124.6
VICSES priority two and three events ²¹	90 per cent dispatched within benchmark	91.5%	92.8%	1.3%			
Urban					169	349	223.7
Rural					181	381	233.3
Other Agency					34	162	126.1

⁹ Technical limitations within ESTAs Emergency Telephone System prevent accurate determination of call answer time where calls are subject to re-presentation. This limitation applies only to Triple Zero calls to ESTA via the Emergency Call Service. ESTA uses a mathematical formula to estimate the overall call answer time for these calls, based on a number of assumptions. Figures stated for average, 50th, and 90th percentile call answer times include these estimated times and should be considered indicative only. ESTA is planning an upgrade to its Emergency Telephone System and it is anticipated that the new system will not be subject to the same technical limitations.

¹⁰ Currently applies to Metropolitan Service Delivery only.

¹¹ Currently applies to Metropolitan Service Delivery only.

¹² Currently applies to Metropolitan Service Delivery only.

¹³ Currently applies to Metropolitan Service Delivery only.

¹⁴ Emergency Medical Response / Alarm Events – 28 seconds, Urban Events – 120 seconds, Rural Events – 190 seconds, Other Agency Events – 60 seconds

¹⁵ Emergency Medical Response / Alarm Events – 28 seconds, Urban Events – 120 seconds, Other Agency Events – 60 seconds

¹⁶ Where reference is made to dispatch performance, it should be noted that prior to the upgrade of the ESTA CAD system to Version 9v11, Event Create Time was generally derived from the time the ESTA Operator pressed the 'Create Event' button. This timestamp is currently not available in the CAD Version 9v11 and ESTA now determines the Event Create Time based on the time the ESTA operator begins to enter information into the new Event form. The difference in these two times is typically less than two seconds.

¹⁷ Currently applies to Metropolitan Service Delivery only.

¹⁸ Currently applies to Metropolitan Service Delivery only.

¹⁹ Currently applies to Metropolitan Service Delivery only.

²⁰ Urban Events – 160 seconds, Rural Events – 230 seconds.

²¹ Urban Priority 2 & 3 Events – 460 seconds, Rural Priority 2 & 3 Events – 460 seconds, Other Agency Events – 230 seconds



ESTA 000

Saving Time Saving Lives

Emergency Services Telecommunications Authority
33 Lakeside Drive Burwood East VIC 3151
Tel: 03 8656 1200
www.esta.vic.gov.au