



# Committed to Victorians

Annual Report 2010–2011  
Victoria State Emergency Service





# Communication Objectives

**This report provides an account of the Victoria State Emergency Service (VICSES) Authority during the 2010-2011 financial year, as required under the Financial Management Act of 1994.**

It provides a record of events and activities, acknowledges the cooperation of the VICSES members and its supporters, and informs Government and the public about VICSES services and organisational development during the 2010-2011 financial year.

**Further copies of this Annual Report may be obtained from:**

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This report is available for viewing online at [www.ses.vic.gov.au](http://www.ses.vic.gov.au)

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# About VICSES



## VISION

VICSES will be seen as a robust, innovative, emergency service organisation keeping Victorian communities safe.

## PURPOSE

Partnering with the community to provide timely and effective emergency services.

## VALUES

- Our people
- Commitment
- Trust
- Community focused
- Integrity



# Our Goals and Objectives

## A SUSTAINABLE VOLUNTEER AND EMPLOYEE WORKFORCE

- Continued implementation of the Operational Information Management System (OIMS)
- Completion of 10,049 national training competencies by VICSES volunteers
- Delivery of Media Training Program to 52 VICSES volunteers, funded by Valuing Volunteers
- Commencement of research for an e-learning strategy
- Development of purpose-built roof safety training facilities at Carrum Downs, Huntly, Fiskville and Wangaratta Country Fire Authority (CFA) training sites
- Discharge of the VICSES Worksafe undertaking by the Magistrates Court
- Implementation of the outcomes of training and safety audits
- Significant improvement of safety standards in 20% of units reaudited by external auditors
- Development of several new curriculum packages including Emergency Vehicle Status (EVS) and Coxswain
- Launch of new Training and Assessment Manual
- Merging of OH&S 1&2 training programs to increase volunteer capability
- Increased provision of Certificate IV Training and Assessment courses
- Increased funding from the Victorian Government to support the implementation of the Learning and Development Strategy and the OH&S Strategy
- Implementation of the new unit Management Manual and delivery of OH&S leadership training
- Completion of audits by Regional Trainers – 77% of units have been audited once and 42% of units have been audited twice
- Implementation of the Effective Feedback program for Unit Controllers that builds on the One VICSES program, both funded by Valuing Volunteers
- Provision of Fireline and Emergency Management Australia Leadership programs and pilot of Team Results programs for unit leaders

- Increased health and fitness awareness for staff and volunteers through Worksafe Health Checks
- Participation of 249 volunteers in unit health checks over the past six months, delivered in partnership with CFA and funded by Valuing Volunteers
- Launch of stage one of SafeGate workplace safety program with stage two currently in production
- Delivery of community education training to 97 VICSES volunteers
- Completion of the Internal Communications Strategy
- Development of Operations Doctrine
- Ongoing adoption of revised unit structures
- Completion and roll-out of OIMS enhancement program

## A SUSTAINABLE AND INDEPENDENT SOURCE OF FUNDING

- Renegotiation of AAMI sponsorship funding for a further three years
- Development of a Sponsorship Strategy
- Receipt of strong support from Bendigo Bank to fund community education programs
- Completion of the \$8 million program for new and refurbished units and upgrade to training facilities
- Completion of the unit PC and Printer Program, providing 75 PCs and 69 printers
- Introduction of volunteer unit credit and debit cards in December 2010
- Completion of review into fleet composition and policies, resulting in the introduction of more fuel-efficient vehicles

### DID YOU KNOW?

**15,000** requests for assistance were responded to by VICSES between January 10 and February 10, 2011.

## AN APPROPRIATELY RESOURCED EMERGENCY MANAGEMENT AND RESPONSE CAPABILITY

- Audit of 50 Municipal Emergency Management Plans
- Completion of 22 Introduction to Emergency Management courses involving 570 participants
- Accreditation of the Introduction to Emergency Management Course against the Public Safety Training Package
- Receipt of strong feedback from municipalities, with 94% of municipalities either very satisfied or satisfied with VICSES planning and advice services
- Contribution to the review of the Emergency Management Manual Victoria Guidelines on Municipal Emergency Management Planning
- Initiation of review of Community Emergency Risk Management Process
- Completion of tsunami inundation modelling of Warrnambool, Port Fairy, Portland and Lakes Entrance, in partnership with Geoscience Australia
- Delivery of Road Rescue Capability Assessments
- Hosting of the Australasian Road Rescue Challenge (iRescue 2010)
- Initiation of roll-out of new radios and statewide call-taking and dispatch service in Mid West Region
- Review of Emergency Response Activity Standards and development of Emergency Activity Practice Guidelines
- Delivery of a number of Command and Control workshops to support transition to revised State Emergency Management Arrangements
- Continued review of existing Standard Operating Procedures (SOPs) and development of new SOPs
- Development and delivery of eight operational taskforces to engage and consult with volunteers and staff on various policies and associated arrangements
- Implementation of Emergency Alert as another means of providing timely warnings to the community
- Delivery of Urban Search and Rescue (USAR) CAT2 refresher training for volunteer and staff operators
- Delivery of Critical Assets Program on time and on budget, including:
  - Delivery of 11 heavy rescue trucks, two 2WD medium rescue trucks, seven 4WD medium rescue trucks, one logistics truck, 20 storm trailers, two boats and two snowmobiles
  - Design and development of a Command and Control vehicle for delivery in September and 10 Road Crash Rescue kits for delivery early in the new financial year

## A STRATEGIC AND PROACTIVE APPROACH TO SERVICE DELIVERY IN OUR COMMUNITY

- Delivery of FloodSafe and StormSafe programs in East, North East and Central Regions
- Development of FloodSafe program in South West Region
- Development and delivery of 461 community education and public relations events
- Development of new, innovative community education resources including a Business FloodSafe Toolkit, Home Emergency Planner and FloodSafe DVD
- Delivery of FloodSafe and StormSafe community education weeks
- Development of FloodSafe and StormSafe resources for culturally and linguistically diverse (CALD) communities
- Completion of the State Storm Emergency Plan
- Continued review of the State Flood Emergency Plan, to be completed in 2011/12
- Partnership with DSE to complete work to develop a flood intelligence capability for Victoria
- Implementation of One Source One Message system to better deliver warnings to the community in an emergency
- Completion of over 80 internal After Action Reviews in response to the September 2010, January and February 2011 floods
- Provision of response crews at key state events including the Formula 1 Grand Prix, Moto Grand Prix and Avalon International Airshow
- Management of a number of moderate storm and flood operations in addition to major operations mentioned elsewhere in this report, including:
  - In mid August, over 700 volunteers responded to more than 1050 requests for assistance resulting from damaging winds and heavy rainfall predominately in the Central, South West, Mid West and North West Regions.
  - In late October, over 635 volunteers responded to more than 1085 requests for assistance as heavy rainfall (Melbourne's wettest day since 2005 and rainfall exceeding the average monthly totals) resulted in flash and riverine flooding across Central and North East Victoria.
  - In late November, over 500 volunteers responded to over 1595 requests for assistance as a result of severe weather and heavy rainfall that resulted in riverine flooding mainly in North East and North West Victoria.

- In mid December, over 1750 volunteers responded to over 2195 requests for assistance as a result of severe weather and heavy rainfall, exacerbated by two days of thunderstorms with embedded heavy rain which fed widespread riverine flooding.

### A SOUND GOVERNANCE FRAMEWORK

- Completion of Business Continuity Plans for VHQ and Regions
- Progression of the Process Mapping project with procedures being refined and implemented and manuals being written
- Development and approval of VICSES IT Strategy, providing a VICSES controlled and managed solution that fully meets its identified business requirements
- Development of Infrastructure Strategy for accommodating the new staff funded in the 2011-2012 BERC bids
- Selection and specification of an automated time and attendance system to be implemented during the first quarter of the new financial year
- Establishment and development of the Emergency Response Activity Standards Enhancement (ERAS-E) Project, and delivery of the design and development phase. Testing and pilot to be conducted during the first quarter of the new financial year

### Volunteer Profile

## HEATHER TURNER



**AGE:** 65

**UNIT:** Ballarat

**OCCUPATION:** Director of Home Affairs

Before joining VICSES in 1999, Heather didn't know how to use a hammer, let alone a chainsaw. But things have changed for this dedicated volunteer, whose decision to join VICSES was based on a desire to help her community.

During the past 10 years of volunteering – at both Numurkah and Ballarat units – Heather has developed many valuable skills, and has had some unforgettable experiences along the way.

Besides being able to attend the annual Mid West Region training weekend held in the Grampians, Heather was one of the dedicated volunteers sent to assist in Kinglake and Marysville during the Black Saturday bushfires.

Heather has also discovered that through being a VICSES volunteer, 'we are bound through bonds of skills, mateship and friendship in our caring for the community'. She's also pretty handy with a chainsaw now!



“ Keep up the fantastic work guys and girls. Australia loves you! Amie Etheridge



# Chair's Report

Thank you to the volunteers and staff who have so willingly embraced the continued transformation of the State Emergency Service.

Claire Higgins

**Chair**

Victoria State Emergency  
Service Authority Board

The Board's activities continue to be guided by the organisation's strategic plan and, in particular, our vision, which states that: "VICSES will be seen as a robust, innovative, emergency service organisation keeping Victorian communities safe". Since becoming a statutory authority in 2005, VICSES has embarked on a substantial program of innovation and change.

We have experienced a tumultuous year that has tested the strength and tenacity of our organisation, and I believe that overall, VICSES has supported the community very well. This is particularly so in the context of an ever-increasing demand for our services.

The Board welcomes the Victorian Floods Review being conducted by Mr Neil Comrie AO APM on behalf of the Victorian Government. In accordance with Board Policy and usual practice, VICSES is also conducting its own review and debrief into the Service's operation, command and control arrangements, together with an organisational health review. These reviews will provide significant opportunity to reflect on our performance and identify opportunities to continue to enhance our services.

Together with the learnings and recommendations of the Queensland Floods Commission of Inquiry, the CFA volunteers Inquiry and the Bushfires Implementation Plan, an extensive platform will exist for the strengthening of our organisation and the further development of our important relationships with other emergency services and organisations.

The efforts we have made in making VICSES a safer place for volunteers and staff to work has VICSES well placed for the future. The national harmonisation of the occupational health and safety laws will require a number of changes, in particular, changes for organisations with volunteers. VICSES continues to strengthen its systems and processes in preparation for this, and we will continue our very strong focus on safety.

Together, volunteers and staff have embraced and implemented a number of significant process and systems improvements in the areas of unit management, operational information and safety systems.

## **Our Volunteers and Staff**

I offer our sincere thanks to our staff for their extraordinary effort over the 2010-2011 year. Our staff are committed to ensuring that the volunteers and community are well supported. They are the quiet achievers in the background. I know that they have had to make substantial personal sacrifices to be able to provide this support over the last twelve months. They should know that their efforts do not go unnoticed.

I would like to thank our volunteers for their continued commitment to the community and their sacrifices this year. In particular, our appreciation goes to those who have taken on the role of Unit Controller – their front line management on behalf of VICSES is much appreciated.

I would also like to thank the families of all our volunteers. This year has required a substantial commitment from our volunteers, especially as many of them have travelled to other parts of the state, and country, to support communities in need. Furthermore, I wish to express our deep gratitude to the employers who continue to support our volunteers, and to those who are self employed. The significance of the commitment and sacrifice these businesses and people make in supporting their communities is of enormous value.

### **With Grateful Thanks**

The Victorian Government have been visible in their support of our volunteers during the recent flood events. I know that the volunteers and staff have received their best wishes and recognition with pride. I would like to thank the Minister for Police and Emergency Services: The Hon. Peter Ryan, MP, for his support and guidance. I also acknowledge the support of the former Minister for Police and Emergency Services, Mr Bob Cameron, for our organisation.

VICSES welcomes the additional support announced in the 2011/12 Budget.

I would like to extend thanks to all other agencies with whom we have worked closely during the year, both here in Victoria and interstate. We appreciate the support they provided us during the major flood events of 2010/11.

Our thanks go to our partners in the community, particularly the Municipal Councils, and the Municipal Association of Victoria. The continued financial and in-kind support, together with the provision of unit facilities and support to our volunteers, is appreciated.

### **Results**

The Board has reviewed the Authority's financial statements for the period 1 July 2010 to 20 June 2011. The net result for the Victoria State Emergency Service Authority for this period was a consolidated operating surplus of \$8.959 million.

On a personal note, I would like to thank the volunteers and staff who have so willingly embraced the continued transformation of VICSES. I would like to express my thanks to the VICSES Board Members, the Chief Executive Officer and the Executive Committee for their support throughout the year.

On behalf of the Board, I commend this Annual Report to you.



# CEO's Report

It has been an incredible year for VICSES, and we may come to define 2010-2011 by the record-breaking floods that VICSES responded to during the year.

Mary Barry  
**Chief Executive Officer**  
Victoria State Emergency  
Service Authority

Looking back more closely, however, it is clear that we achieved a great deal across all areas of the organisation above and beyond our involvement with the year's operations.

There is little doubt that floods dominated the landscape of both the organisation and the state. Starting in September, Victoria was struck by heavy rainfall, which resulted in flooding throughout the central, north-east and north-west areas of the state.

What followed was a cycle of heavy rainfall leading to more flood response operations in November and December, and a remarkably resilient effort from VICSES volunteers and staff, with significant support throughout the period from our partners, stakeholders and interstate agencies.

Whilst these were not small operations, they were to be surpassed by the largest flooding event to affect Victoria in nearly four decades.

Heavy rainfall and flash flooding persisted between 9 and 15 January, with the Bureau of Meteorology advising that rainfall totals for January 2011 were the highest ever recorded.

The inclement weather began again in earnest on Friday 4 February, resulting in rainfall totals of 100–300mm across two thirds of the state.

VICSES volunteers and staff led response efforts to the major flood event, receiving over 15,000 requests for assistance between 10 January and 10 February 2011.

When the floods had receded, it was evident that 140 townships across 35 municipalities had been affected.

Working around the clock for more than a month, the operation demonstrated the commitment and dedication shown by our volunteers and staff, particularly by those who suffered personal damage to their own properties and homes, yet selflessly continued to respond to the needs of their local communities across Victoria.

As well as the VICSES volunteers and staff working tirelessly across the state, other agencies including Country Fire Authority (CFA), Department of Sustainability and Environment (DSE), Bureau of Meteorology (BoM), Office of the Emergency Services Commissioner (OESC), Metropolitan Fire Brigade (MFB), Department of Human Services (DHS), Emergency Services Telecommunications Authority (ESTA), Victoria Police (VICPOL), Ambulance Victoria (AV), Parks Victoria (PV), Australian Defence Force (ADF), the State Aircraft Unit (SAU) and interstate colleagues from South Australia, NSW and Tasmania SES also provided their support and assistance.

My congratulations, admiration and thanks once again to all our volunteers who give their time to serve the state 24 hours a day, 7 days a week. I would also like to acknowledge and express my thanks for the invaluable understanding and support that is provided by the volunteers' families and employers in order for them to continue to assist their communities time and again.

I also extend my sincere thanks to all VICSES staff for their commitment, dedication and the many long hours they put in to ensure VICSES responded appropriately to this major flood event.

The VICSES Internal Communications strategy which was developed in consultation with volunteers and staff to continuously improve communication across the organisation has been completed and will begin implementation through 2011-2012.

I would like to thank the volunteers and staff who participated on the Communications Strategy Task Force and for the valuable advice and information they provided to the consultants appointed to assist in the development of the strategy

SafeGate has been implemented and will continue to roll-out across the organisation to support all volunteers and staff in managing a safe work environment.

The State Road Rescue Challenge and Australasian Road Rescue Challenge were undertaken in July, hosted by VICSES on behalf of the Australasian Road Rescue Organisation (ARRO).

VICSES played a key role in developing SES "Li'l Larrikins", a series of short cartoons with community safety messages for children as the main storyline.

National SES Week was held in November with many individuals, schools and even local ABC radio stations taking up the opportunity to 'wear orange' for a day to support their local VICSES volunteers.

Over fifty VICSES volunteers were honoured at the Annual VICSES Awards Ceremony held in February 2011 at the Ivanhoe Centre, with The Minister for Police and Emergency Services, the Hon. Peter Ryan in attendance to congratulate the award recipients.

The two controllers' seminars held in May and June each year continue to be an excellent forum for members to discuss challenges, share knowledge and network across the organisation.

Following the January/February floods, the state Government appointed Mr Neil Comrie to undertake a review of the floods that occurred across Victoria between September 2010 and March 2011. I look forward to receiving a copy of the final report, which will be handed down in December 2011. This review will assist VICSES in its preparation, planning and response to future floods and other major emergencies.

VICSES has finalised the implementation of the One Source One Message warning system as a joint collaboration with the CFA. This system is a web-based tool that disseminates warnings and advice to the public, the media and other stakeholders.

The Easter Driver Reviver Program was launched at Federation Square, featuring a partnership between VICSES and TAC that resulted in an extremely effective TV and radio campaign being produced.

I am very pleased to confirm that VICSES received an injection of \$38 million over four years in the May 2011 State Budget. This funding will enable us to continue to build our capability to deal with major emergencies, provide better support, assistance and systems for our volunteers and staff and strengthen our relationships with other emergency service organisations. I would like to acknowledge the support provided by our Minister, the Hon. Peter Ryan, in VICSES being allocated this extra funding. I look forward to working with our staff and volunteers in implementing the outcomes from this funding.

I would like to conclude by thanking all our volunteers and staff for their continued commitment, dedication and support to VICSES over the past 12 months. It has been a particularly trying time and everyone involved with the organisation should be proud of their efforts. I would also like to thank my Senior Executive Team for their continued support and enthusiasm over the past months, including through the operational periods, and to the Board for the excellent job they do in setting our strategic direction and ensuring the organisation has a sound governance framework in place to ensure we meet our statutory and legislative responsibilities.

I look forward to working with you all again over the next 12 months as we continue to serve our community.

# Board Details

## CLAIRE HIGGINS

**Board Chair**

**Victoria State Emergency Service Authority**

BComm, FCPA, FAICD

Claire Higgins is the Chair of the Victoria State Emergency Service Authority and was first appointed on 1 September 2007.

Claire has had extensive finance, governance and management experience with major Australian companies, OneSteel Limited and BHP Billiton.

Claire is Deputy Chair of the Country Fire Authority and is a member of the Ambulance Victoria, Manidirs Roberts and Watermove Boards. She is also Chair of the Comcare Audit Committee and is an independent member of the Surf Coast Shire and Office of Public Prosecutions Audit Committee.

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## ROGER JONES 20 June 2006 to 19 June 2011

**BEd, FAIES**

Roger Jones was appointed to the Board in June 2006. Roger was first appointed Deputy Chair of the Board on 1 November 2006.

Roger brings to the Board an understanding of Australian emergency services, the regional and national context of emergency management policy and practice, and of the full-time and volunteer members who work in the field.

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## LAWRENCE RUSSELL

**ESM**

Laurie Russell was initially appointed to the Board in November 2005. Laurie has extensive experience in municipal parks and gardens management in the Cities of Melbourne, Knox, Wyndham and the Shire of Sherbrooke.

Laurie was a foundation member of the Werribee/Wyndham VICSES unit, a past President of the Victoria Emergency Service Association and is the current unit Controller of the Werribee/Wyndham VICSES unit.

Laurie brings to the Board a thorough understanding of volunteer issues in emergency service organisations with over 40 years experience volunteering in VICSES and CFA.

## HELEN DYSON

**BCom LLB (Hons), FFin, MAICD**

Helen Dyson was appointed to the Board in June 2006, and is a member of the Board's Governance, Finance & Audit Committee and the Remuneration Committee.

Helen has over 25 years legal, finance, superannuation and governance experience with several of Australia's largest listed companies, including Rio Tinto Limited and the Coles Group (now part of Wesfarmers Limited).

Helen was a member-elected trustee of the Coles Myer Superannuation Fund for nine years and a board member of the Australian Institute of Superannuation Trustees for 12 years. She was formerly a board member of the Turning Point Alcohol and Drug Centre.

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## BARBARA YEOH 20 June 2006 to 19 June 2011

**BSc (Hons), FAICD**

Barbara Yeoh was appointed to the Board in June 2006, and is Chair of the Board's Governance, Finance & Audit Subcommittee and a member of the Remuneration Subcommittee.

Barbara has had an extensive career in the finance sector and has held a wide range of directorships over the past 20 years. She is Chair of Southern Health and a Member of the Gambling & Lotteries Licence Review Panel, Deputy Chair of the Civil Aviation Safety Authority Board Audit Committee, and is also a Member of the Commonwealth Statutory Fishing Rights Allocation Review Panel.

Currently, Barbara is a Principal Associate of PhillipsKPA, specialist advisers to the education sector.

# Executive Management Team

## MARY BARRY

### Chief Executive Officer

Mary Barry was appointed to the position of Chief Executive Officer in January 2006, following the re-establishment of the Victoria State Emergency Service as a Statutory Authority. Mary is responsible to the Board for the overall performance of VICSES and for leading its transition to a robust, innovative emergency service organisation keeping Victorian communities safe. Mary uses an energetic approach to lead the Senior Executive, staff and volunteers of VICSES.

Mary is the Chair of the Australian Council of State Emergency Services (ACSES) and is a member of the Australian Fire and Emergency Services Authority Council (AFAC) Board.

Previously, Mary held the position of CEO of the Victorian Association of Health and Extended Care (VAHEC). Prior to that, she held executive roles at the Shire of Melton and MECWA Community Care.

Prior to that role, Katrina applied her skills in consultancy roles particularly in the development and implementation of OH&S Management Systems. Katrina has worked in local government and lectured in Management Systems in NMIT.

Katrina provides leadership and direction in the area of Human Resource Systems including OH&S, Peer Support and statewide volunteer Training.

## JEANNENE STEWART

### Director of Corporate Services

BBusiness (Accounting), Grad Dip Business Computing, CPA

Jeannene Stewart was appointed to the position of Director of Corporate Services in June 2008.

Previously, Jeannene was Senior Adviser to the Commonwealth Minister for Ageing. Prior to that, Jeannene was the Funding and Retirement Living Manager for ACCV (Aged and Community Care Victoria) formerly VAHEC (Victorian Association of Health and Extended Care).

Jeannene is a Certified Practising Accountant (CPA) with over 20 years experience in senior management roles in the welfare, information technology, health and aged care sectors. She has also provided consulting services to the aged care industry.

Jeannene's VICSES areas of responsibility are governance, finance and administration, information communication technology, project management and assets and infrastructure.

## TREVOR WHITE

### Director of Operations

AFSM, GradDip Business, GAICD

Trevor White was appointed as Director of Operations in May 2006.

Prior to VICSES, Trevor spent his career working for the CFA undertaking operational and general management roles in rural, regional Victoria and outer metropolitan Melbourne.

Trevor is responsible for the development of operational doctrine and overseeing incident management capability development within VICSES.

He provides leadership for VICSES operations in an environment where VICSES continues to play a major role with other partner agencies in dealing with a range of emergencies that continue to challenge emergency services in Victoria.

Trevor White is accountable for VICSES operations management, policy, OH&S and capability planning at the state, Regional and unit levels within VICSES.

## ANDREW GISSING

### Director Emergency Management Planning and Communication

B. Economics, M. Science (Hons)

Andrew Gissing was appointed to the position of Director Emergency Management Planning & Communication in February 2009.

Previously, Andrew worked at NSW SES, where he held the position of Manager Planning. He has a depth of knowledge in emergency management notably in emergency planning, warning systems, risk management, community education and disaster research.

Andrew has authored some 30 published conference and journal papers on emergency management topics, and has recently taken a lead role in revising the Australian Emergency Management Manual Flood Series. He is also an Honorary Associate of Macquarie University.

Andrew provides leadership and direction in the areas of VICSES's emergency management planning and advice functions; flood emergency management; and communication strategies.

## KATRINA BAHEN

### Director Human Resources

BArts/Commerce majoring Labour Relations  
GradDip Business (HRM)

Katrina Bahen was appointed to the position of Director Human Resources in March 2007.

Previously, Katrina was Manager Human Resources at RSPCA Victoria where she gained experience working with committed and dedicated volunteers and staff.

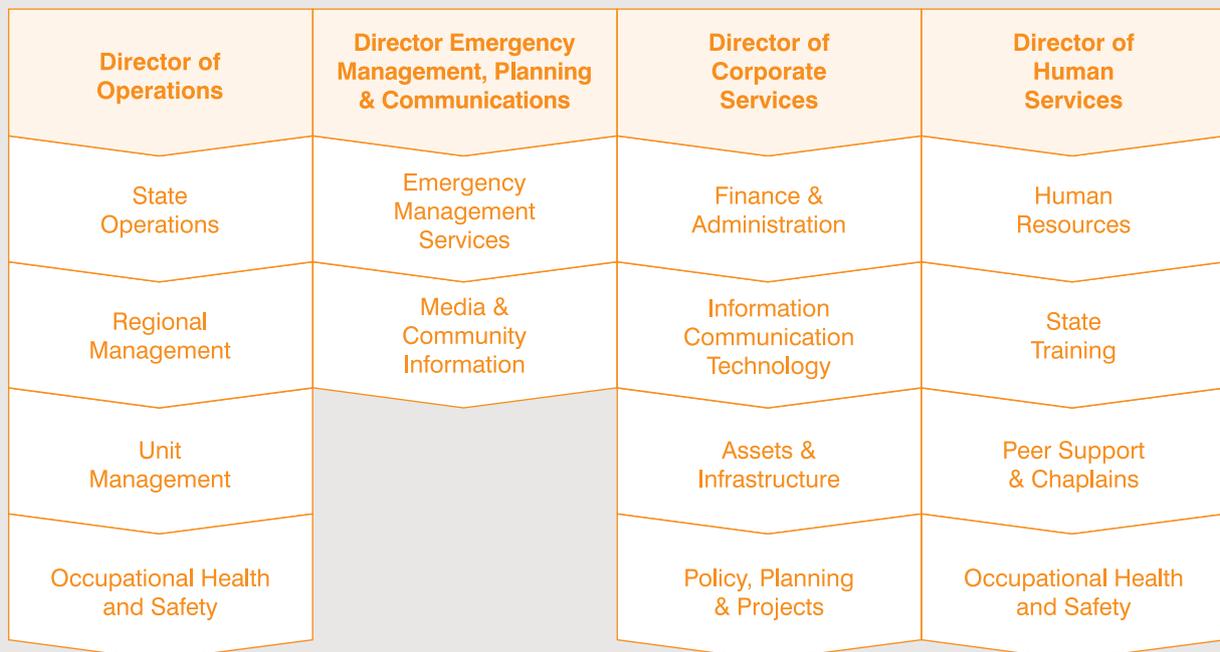
# Meetings of the VICSES Authority

## ATTENDANCE BY BOARD DIRECTORS

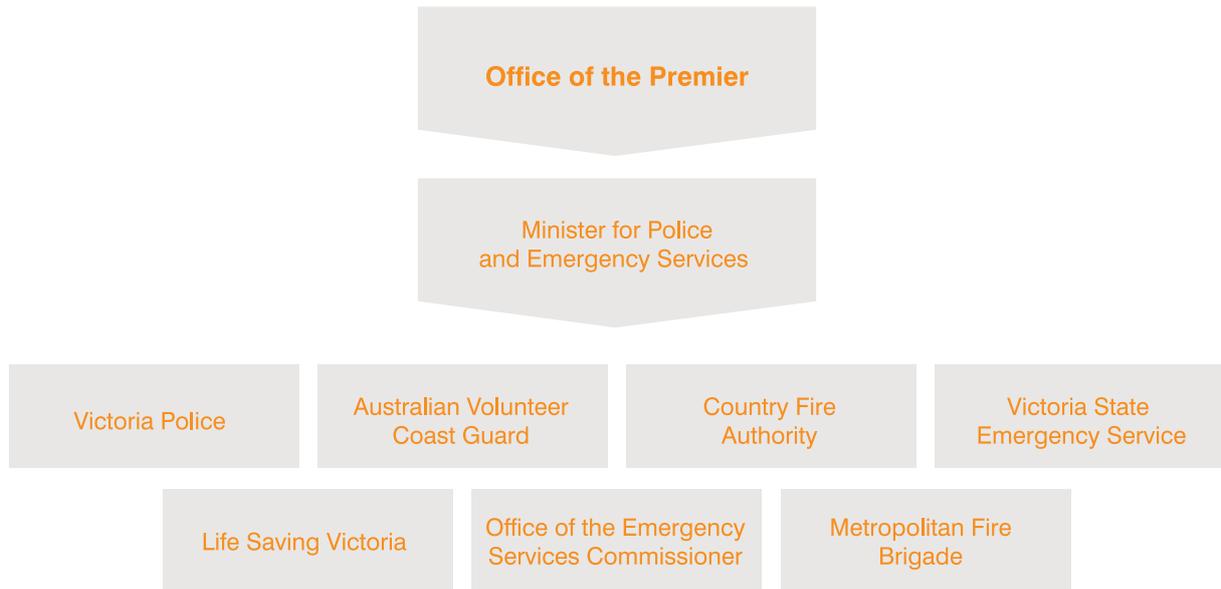
	Board Meetings	Special Meetings	Governance, Finance & Audit Committee	Remuneration Committee
<b>Number of Meetings from 1 July to 30 June 2011</b>	11	0	6	2
Claire Higgins	10	–	5	2
Roger Jones	9	–	–	–
Helen Dyson	11	–	5	2
Lawrence Russell	10	–	–	–
Barbara Yeoh	9	–	6	2

# VICSES Organisational Chart

Chief Executive Officer



# Organisational Chart



“ You people do an amazing job, selflessly giving up your time and putting yourselves on the line for the sake of others. Kelli Gordijn





# Operations

## VICSES experienced unprecedented levels of operational activity during the 2010-2011 financial year.

Declared Operations were instigated across the state in response to significant flood and/or storm activity that took place during each month between July 2010 and March 2011. This equates to a total of 103 days of Declared Operations. Thankfully, a reprieve was seen as weather patterns moderated into the final quarter.

Over the course of the 2010-2011 financial year, more than 39,000 requests for assistance (RFAs) were received and more than 224,000 volunteer service hours were delivered to the people and communities of Victoria.

### FLOODS OF SEPTEMBER 2010

VICSES conducted storm and flood operations across the state from Saturday 4 September through to 16 September 2010. During this period, over 1,300 volunteers from 125 units were active in affected areas with VICSES receiving over 5,100 requests for assistance.

VICSES utilised Emergency Alert on 18 campaigns and sent in excess of 152,368 messages. The VICSES Flood and Storm Information Line ran 24/7 up to Sunday 19 September 2010, providing information on the flooding for the public and taking over 4400 calls.

### FLOODS OF JANUARY – FEBRUARY 2011

Between 12 January 2011 and 10 February 2011, VICSES managed the most significant flood event on record in Victoria.

Several follow up heavy rainfall events including Tropical Cyclone Yasi caused repeated flash flooding in early February and in many of the communities already affected by January's floods.

Across January to February, 140 townships within 35 municipalities, almost 50 percent of Victoria's Local Government Areas (LGAs) within the state, were affected by the floods.

Riverine flooding was mainly confined to rural landscapes with a significant impact on rural communities, the notable exception being significant land slippage in and around the tourist town of Halls Gap.

The extent and duration of 2010-2011 emergency operations required a response from the agency as a whole and stretched VICSES in every respect. Resources, policies and processes were all tested, and as with all campaigns, opportunities for development were identified across all areas of business. Action Reviews were conducted as part of normal business following each event and recommendations have been developed and prioritised. It is expected that over the course of time, they will positively influence operational improvement and effectiveness. Given the significance of the January - February floods, the Victorian State Government commissioned a review chaired by Mr Neil Comrie. Findings and recommendations from this process are set to be released at the end of 2011.

### WORKING WITH OTHER AGENCIES

Throughout the year, VICSES has continued to build on the existing strong partnerships with other agencies both here in Victoria and interstate.

VICSES was supported in the major flood operations by ADF, DSE, MFB, CFA, Fire Services Commission Australian volunteer Coast Guard, Red Cross, SASES, TASES, NSWSES and QLDSES.

The flood emergency provided an opportunity to test the state's revised command and control arrangements and this highlighted both benefits and opportunities for further development. The strength of inter-agency collaboration was again demonstrated as all areas of government worked together to deal with the flood emergency.

## QUEENSLAND FLOODS AND CYCLONE RESPONSES

VICSES deployed taskforce support into Queensland on two occasions during January 2011, in response to some of the most significant flooding Queensland has ever experienced, and again in March 2011 after Tropical Cyclone Yasi left a trail of destruction in late February 2011.

Severe flooding caused by heavy rainfall affected a wide area of Queensland in early January with significant damage and loss of life occurring. VICSES deployed four contingents to support this operation involving Urban Search and Rescue CAT2 operators, Incident Management Team personnel to assist with operations at the State Disaster Coordination Centre and one larger taskforce into the town of Theodore.

VICSES crews, along with Biloela Group SES, Queensland Fire and Rescue Service, Banana Shire and other government departments were responsible for the initial restoration of community assets at Theodore – a town which was entirely evacuated during the floods. Around 98% of the township was impacted by flood waters, with most properties having a high level of inundation.

Severe Tropical Cyclone Yasi made landfall at Mission Beach around midnight on Wednesday 3 February, causing extensive damage to buildings, roads and infrastructure in towns in the Cassowary Coast region.

On Friday 25 February, VICSES received a request for a storm taskforce to be deployed to this region. On Wednesday 2 March, VICSES deployed 25 volunteers and one staff member to the Tully area. Despite extremely hot and humid conditions, the taskforce had strong clearance rates with a total of 145 requests for assistance being completed during the four-day deployment.

VICSES crews were tasked with checking previously completed emergency repairs, re-tensioning tarpaulins, adding tie down ropes, re-tarping where required and placing new tarpaulins onto properties that had not yet been attended to. Crews also worked hard at clearing fallen trees from yards to aid with access to properties and general clean-up. Tasks also included removing debris from within homes to assist residents in re-establishing their homes.

## NEW ZEALAND EARTHQUAKE

Victoria was called on to provide support following the destructive earthquake in Christchurch, New Zealand in February 2011. A magnitude 6.3 earthquake caused significant damage to the Christchurch CBD and surrounding residential suburbs leading to the declaration of a state of national emergency. VICSES deployed a USAR CAT 2 operator as part of the Victorian Multi-Agency Taskforce comprising of CFA, MFB, VICSES and Victoria Police.

## COMMAND AND CONTROL ARRANGEMENTS

Following the Bushfire Royal Commission recommendations, the State Emergency Response Plan (SERP) was revised with the Command and Control arrangements reissued in October 2010. The SERP stipulates response management arrangements that are designed “to bring together, in an integrated organisational framework, the resources of the many agencies and individuals who can take appropriate and timely action.”

VICSES revised its operational doctrine in line with the changes and was the first Control Agency to actively apply the updated arrangements. VICSES implemented all three tiers of Command and Control including utilising the interim evacuation guidelines that were issued late 2010 by Victoria Police.

## OPERATIONAL WORKSHOPS

State Operations have continued to conduct Command and Control professional development through the Operations Workshops in November 2010 and May 2011.

The Operations Workshops have provided a forum for staff to focus on the revised Command and Control Arrangements along with lessons learnt from major events including the March Hail Storm 2010, the September 2010 Floods and the January-February 2011 flood events.

## BUILDING CAPABILITY

### Safety Culture

VICSES has continued the journey to embed a safety culture throughout the organisation. The introduction of the SafeGate system for improved reporting of hazard incident, accident and near-miss reporting will, over time, improve the reporting and tracking of issues to ensure that actions are taken and closed.

## **AIIMS Crew Leader**

As part of the five-year strategy to implement Australasian Inter-service Incident Management System (AIIMS) across VICSES, the last year has resulted in the roll-out and investment in developing front-line leaders through the Crew Leader course along with providing associated brassards in every VICSES vehicle to clearly identify the role in the field.

The AIIMS Crew Leader course is designed to give VICSES members consistent knowledge and skills to supervise a crew whilst applying AIIMS principles to manage each incident they attend by ensuring safe, effective and efficient incident management.

Crew Leader training provides the pathway to the next level of incident leadership, being Sector and Division Commander training, which is due to be rolled out in 2011-2012.

## **ORGANISATIONAL CAPABILITY INFORMATION FRAMEWORK (OCIF)**

The Organisational Capability and Information Framework (OCIF) is the new name given to the solution that has been developed within the Emergency Response Activity Standards Enhancement (ERAS-E) Project, a part of the volunteer Support Program. In the first instance, OCIF will provide the ability for key operational management staff to conduct a capability assessment for each unit, using a system-based approach.

After testing is completed, VICSES will be in a position to fully implement and utilise these tools in the 2011-2012 financial year.

## **OPERATIONAL RADIO AND DISPATCH (ORAD)**

Safety, interoperability with other agencies and increased situational awareness at all levels is being significantly enhanced by the roll-out of VICSES Operational Radio and Dispatch (ORAD) system.

ORAD sees a combination of new technology radio hardware and new dispatch processes providing a consistent approach and accessibility across the state for interaction with the SES Dispatch service provided by the ESTA. The ORAD solution also sees the first radio terminal in Victoria that provides interoperability with Police and Fire agencies through a tri-mode radio terminal with access to the StateNet Mobile Radio (SMR) trunking, VHF and UHF networks.

Roll-out commenced in June 2011, with all units scheduled to have new radio terminals installed and training provided at every VICSES unit headquarters across the state by Christmas 2011.

## **Urban Search and Rescue (USAR) Refreshers**

The Urban Search and Rescue (USAR) capability within VICSES is part of the wider multi-agency provision within the state. Currently, there are 647 USAR CAT1 and 26 CAT2 operators within VICSES.

During 2011, VICSES undertook an audit of the six regionally based USAR trailers and equipment caches highlighting potential areas for improvement. In partnership with MFB, weekend USAR CAT2 refresher training programs were implemented in May and June 2011. At the four-day training program, 18 of our CAT2 operators participated and feedback received has been very positive. Running concurrently with these training events, an audit of the Personal Protective Clothing & Equipment (PPC&E) issued to CAT2 operators was undertaken to establish future needs.

As part of the multi-agency State USAR Taskforce, a deployment exercise organised by the MFB was conducted in Adelaide during April 2011. VICSES was offered two places on this exercise and filled these from our CAT2 volunteers who benefited greatly from the experience.

## **iRescue2010**

Under the banner of iRescue2010, VICSES hosted the combined Victoria State Road Rescue and Australasian Rescue Challenges on behalf of the Australasian Road Rescue Organisation (ARRO).

Held at the Royal Melbourne Showgrounds between 23 and 27 July 2010, emergency services road rescue personnel from Australia, New Zealand and Hong Kong pitted their skills against one another in a series of scenarios.

VICSES was ably represented in the State Road Rescue Challenge by Bacchus Marsh SES and the SES South West composite team.

## **Road Rescue Capability Assessments**

As the largest provider of Road Rescue services in Victoria, VICSES has continued to undertake Road Rescue Capability Assessments as required under the Road Rescue Arrangements Victoria (RRAV) to ensure that practices are contemporary and achieve the aims outlined in RRAV. To date, 70 VICSES Road Rescue Capability Assessments have been conducted at accredited VICSES units, leaving 31 units plus the two Independent Search & Rescue Teams to be completed by February 2012.



# Regions



## CENTRAL

REGIONAL HEADQUARTERS LOCATION  
**Mulgrave, Melbourne**

No. Operational Units	33
No. Road Crash Rescue Accredited	11
No. Regional Support Units	3



## EAST

REGIONAL HEADQUARTERS LOCATIONS  
**Moe & Bairnsdale**

No. Operational Units	24
No. Road Crash Rescue Accredited	16
No. Regional Support Units	2



## MID WEST

REGIONAL HEADQUARTERS LOCATION  
**Ballarat**

No. Operational Units	14
No. Road Crash Rescue Accredited	11
No. Regional Support Units	1



## NORTH EAST

REGIONAL HEADQUARTERS LOCATION  
**Benalla**

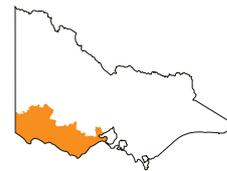
No. Operational Units	26
No. Road Crash Rescue Accredited	22
No. Regional Support Units	1



## NORTH WEST

REGIONAL HEADQUARTERS LOCATIONS  
**Bendigo & Swan Hill**

No. Operational Units	22
No. Road Crash Rescue Accredited	18
No. Regional Support Units	1

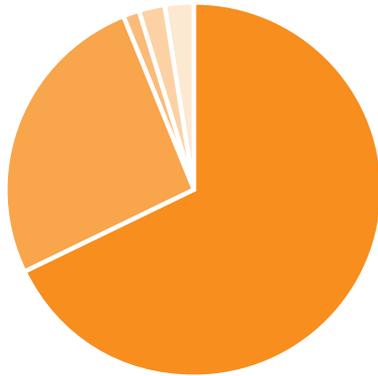


## SOUTH WEST

REGIONAL HEADQUARTERS LOCATIONS  
**Hamilton & Geelong**

No. Operational Units	24
No. Road Crash Rescue Accredited	23
No. Regional Support Units	2

# Central Region



## REQUESTS FOR ASSISTANCE

<span style="color: #e67e22;">■</span> Storm	13,295
<span style="color: #e67e22;">■</span> Flood	5,118
<span style="color: #e67e22;">■</span> Road Rescue	265
<span style="color: #e67e22;">■</span> Rescue Other	409
<span style="color: #e67e22;">■</span> Assist Other Agency	476

\*data does not include Control Centre or Non-Operational RFA's

The Central Region consists of 33 volunteer units and approximately 1750 volunteers. Eleven of the units are road crash accredited, and the Region covers an area of approximately 13,000 square kilometres. Geographically, it comprises metropolitan Melbourne and its immediate surrounds, including much of the Dandenong Ranges and the Mornington Peninsula (French Island inclusive).

The Region, which incorporates approximately 83 per cent of Victoria's population, also contains the vast majority of the critical infrastructure that is of importance to the state.

The 2010-2011 financial year marked numerous achievements in the region due to weather patterns that were felt across Australia.

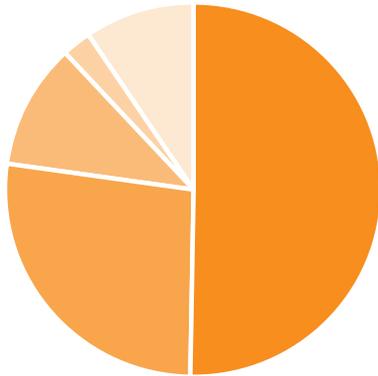
As a result of these events, Central Region became the driver of an innovative approach to emergency management based on managing emergencies collaboratively without government boundaries. This approach is now being implemented in other parts of the state, and has resulted in a rise in interest from external agencies for training in Introduction to Emergency Management (350 participants), Emergency Management Liaison Officer (375), VICPOL Constable course (700), and VICSES volunteer courses (139). Over 1860 volunteers now have General Rescue or above skill sets, and 92 have Community Education training.

The volunteers' substantial workload, together with increased interest expressed by community members to become involved as a volunteer within the VICSES Central Region, will continue to see the Region grow and provide more planning and response activities.

Central Region's partnership with Melbourne Water was reinforced this year with flood mapping and community education programs within local municipalities set to continue across the region. The benefits of this work are already being seen within the region through an increased number of 'Best Practice' outcomes by local government through the Municipal Emergency Management Plan Audits.

The 2010-2011 year saw Central volunteers gain well deserved recognition through many local awards as well as winning the Melbourne Award for contribution to the community. While this recognition was awarded to the volunteers, it is also recognition to the dedication of their families and loved ones as well as their employers who have graciously allowed the community-minded VICSES volunteers time away from family and work to help serve the community.

# East Region



## REQUESTS FOR ASSISTANCE

<span style="color: #e67e22;">■</span> Storm	753
<span style="color: #e67e22;">■</span> Flood	406
<span style="color: #e67e22;">■</span> Road Rescue	158
<span style="color: #e67e22;">■</span> Rescue Other	37
<span style="color: #e67e22;">■</span> Assist Other Agency	140

\*data does not include Control Centre or Non-Operational RFA's

The East Region consists of 26 volunteer units and approximately 800 volunteers. Sixteen of the 26 units are road crash accredited. The Region has 11 permanent and contract-based staff based at the Regional headquarters in Moe, or at the Region's second office in Bairnsdale.

During 2010-2011, the Region responded to a large range of operational events, including motor vehicle accidents, flooding, storm events, land searches as well as the provision of general rescue assistance to other agencies. Staff and volunteers from several units across Gippsland were deployed to assist other regions during the floods that impacted Victoria between September 2010 and February 2011. In summary, the region responded to 1,487 requests for assistance (RFAs), equating to over 8,465 volunteer hours for the 2010-2011 financial year.

Gippsland itself endured severe conditions caused by heavy rainfall and flooding at various times throughout the year including 4-7 February 2011, and 22-24 March 2011. During the latter event, a considerable number of incidents kept crews busy through the Latrobe Valley and East Gippsland. However, the most notable incident during this event was the downpour of more than 300mm of rain over a 24-hour period in the vicinity of Tidal River in the Wilsons Promontory National Park (South Gippsland). This caused flash flooding, the inundation of park van sites and the collapse of the Darby River Bridge, which provides primary access into the Park. As a result, VICSES members supported police and other agencies in implementing the largest air evacuation/rescue effort in Australia's history of 489 people. This was truly an extraordinary effort, which epitomised the region's capacity to support large-scale events through effective multi-agency collaboration and relationships established over many years.

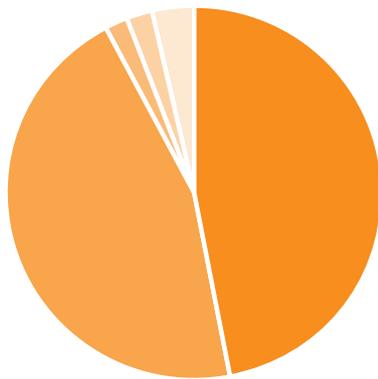
On 7 November 2010, approximately 60 people attended the Region's Annual Awards function at the Moe Turfside Function Centre. The Awards ranged from five to 35 years of service, with Ted Alchin from the Moe unit receiving the award for 35 Years Service. Well done Ted! In addition, a flood recognition function was held on Saturday 4 June 2011 at the Moe SES unit.

During the past 12 months, the East Region has continued with the roll-out of the FloodSafe and StormSafe programs throughout Gippsland with the extended appointment of a Community Education Coordinator (CEC), which was made possible through Commonwealth Grant funding. Future permanent funding, which has been made possible through the Victoria Government, will enable the ongoing implementation of such critical programs throughout the Region in the years ahead.

The Gippsland Region saw the continuation of unit accommodation projects in Sale, Erica and Stratford in 2010-2011. These projects will hopefully be brought to completion during the next financial year.

Looking forward, the Region plans to further enhance its operational and business continuity plans, coupled with ongoing leadership into flood management planning at the municipal level. Over the next 12 months, the Region will also focus on the recruitment of additional staff as a result of the May 2011 Victoria State Budget, which will greatly enhance the areas of operational management, community information and the provision of much needed unit level support.

# Mid West Region



## REQUESTS FOR ASSISTANCE

<span style="color: #e67e22;">■</span> Storm	1,640
<span style="color: #e67e22;">■</span> Flood	1,606
<span style="color: #e67e22;">■</span> Road Rescue	74
<span style="color: #e67e22;">■</span> Rescue Other	75
<span style="color: #e67e22;">■</span> Assist Other Agency	117

\*data does not include Control Centre or Non-Operational RFA's

The Mid West Region consists of 15 volunteer units and 500 volunteers and is supported by the Regional office located at Ballarat. Eleven of the 15 units are road crash accredited and provide road rescue support across the Region.

In August 2010, Bacchus Marsh, Horsham and Dimboola received new Heavy Rescue trucks, and Kaniva, Edenhope and Warracknabeal received new Storm Trailers. These will be of tremendous value to the units going forward.

During the past year, volunteers and staff from the Mid West Region were involved in the rescue of two German tourists who were trapped in their car after it had rolled 120 meters down an embankment in the Grampians. This road is now closed due to extensive land slips following heavy rain falls in January 2011.

During the past year, the Mid West Region was severely impacted by severe weather conditions and flooding which took place between September 2010 and March 2011. These events caused considerable flood damage in the communities of Creswick, Ballarat, Clunes, Bacchus Marsh, Beaufort, Great Western, Halls Gap, Glenorchy, Horsham, Rupanyup, Warracknabeal, Dimboola and Jeparit and required significant commitment and involvement from a large number of volunteers and staff. The Region also provided support to other VICSES regions during this period due to the impact across the whole state at various times.

In addition to supporting local operations, the Region also provided support to Queensland by assisting communities after the state's devastating cyclone and severe weather events. During this time, Regional volunteers were deployed to operations in the Theodore area in the central coastal region of Queensland. These volunteers provided assistance in cleaning out homes impacted by storms and flood waters. We applaud these volunteers as the work was extremely difficult due to extreme heat and humidity.

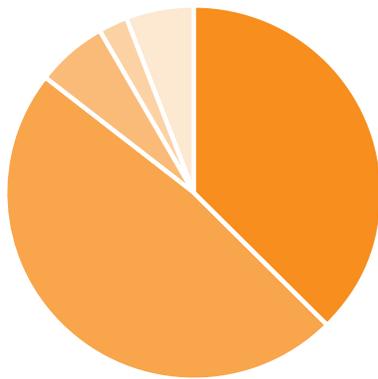
In 2010–2011, the Region responded to 3,471 requests for assistance equating to over 18,712 volunteer hours for the 2010–2011 financial year.

The Region continues to be very active in public relations initiatives with a number of units undertaking visits to schools, displays at large events as well as participating in volunteer Week and FloodSafe Week, which was launched at Lake Wendouree in Ballarat on 30 May 2011.

During the past year, the Mid West Region was involved in a large regional emergency training exercise. Exercise Ballarattle, which was conducted in Ballarat, utilised a software program to manage the conduct of the exercise. This provided visual and audio prompts to the exercise, which tested the skills and knowledge of all agencies from across the Region as well as several observers from other Regions.

Over the next twelve months, we look forward to the completion of the new Nhill unit Headquarters, which is in the process of being rebuilt. This new facility will replace the unit's current building, significantly improving their operational readiness.

# North East Region



## REQUESTS FOR ASSISTANCE

<span style="color: #e67e22;">■</span> Storm	1,300
<span style="color: #e67e22;">■</span> Flood	1,640
<span style="color: #e67e22;">■</span> Road Rescue	214
<span style="color: #e67e22;">■</span> Rescue Other	79
<span style="color: #e67e22;">■</span> Assist Other Agency	199

\*data does not include Control Centre or Non-Operational RFA's

The North East Region consists of 25 units and 650 volunteers and is supported by the North East Regional Support unit. Twenty-two of the 25 volunteer units are road rescue accredited and provide road rescue support across the Region. The Region responded to 3,419 requests for assistance, equating to over 18,847 volunteer hours. Flooding in North East Victoria during 2010-2011 was the most significant since 1998, with a number of records set.

On 4 July 2010, Prime Minister Julia Gillard and Premier John Brumby joined VICSES CEO Mary Barry at the official re-opening of the Marysville unit. The local SES Headquarters, vehicles and equipment were badly damaged by the Black Saturday fire on 7 February 2009, which devastated the whole community. Despite this tragedy, the Marysville unit continued to operate out of a temporary residence after the fires, and meet for training at the nearby Alexandra SES unit. At the re-opening, the unit was given keys to a new rescue truck, which was purchased through unit fundraising efforts and generous donations from the Victorian Historic Racing Register, the Mountain District Rodders and Hotels and Communities of Victor Harbour South Australia.

We were honoured by the gratitude expressed by the community for our volunteers' efforts during the devastating floods in September 2010. Earlier this year, VICSES units proudly accepted a \$40,000 cheque from Bunnings Warehouse in support of flood response in the most affected areas. Bunnings Warehouse requested that the proceeds be equally shared among the ten units with the highest number of flood-related requests for assistance during September. Six North East units received this generous donation including Tatura, Wangaratta, Benalla, Euroa, Myrtleford and Bright.

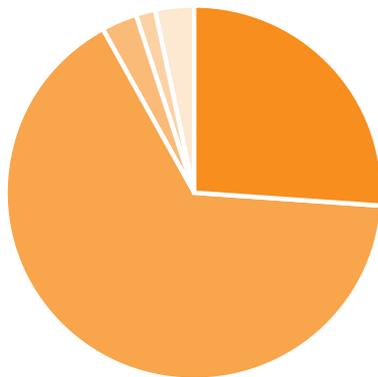
A pilot community education facilitator's course was conducted by the North East Community Education Coordinator followed by two other courses. The North East Region now has 20 volunteers who have completed the course. This will significantly increase the resources able to conduct community meetings during large events.

This year's awards ceremony also saw a number of volunteers and staff recognised with Commendation for Bravery and Commendation for Service Awards for the roles they played during and after the Black Saturday bushfires in 2009. Seven Marysville SES volunteers received Commendation for Service awards. Four Marysville SES and nine Kinglake volunteers received Group Commendation for Bravery awards. Four CEO Awards, one being to the Alexandra unit, were issued to volunteers who demonstrated particular service and commitment over and above normal expectations. These awards are a testament to the commitment and dedication of all our volunteers.

North East units conducted 81 community engagement activities with 30 different types of activities that were designed to increase safety and promote the FloodSafe program. Over 10,000 people were directly engaged.

Over the next 12 months, the North East Region will be exploring various options for a new Regional Headquarters. The new LHQ Kinglake is underway and we expect it to be completed during the second half of 2011.

# North West Region



## REQUESTS FOR ASSISTANCE

<span style="color: #e67e22;">■</span> Storm	1,805
<span style="color: #e67e22;">■</span> Flood	4,342
<span style="color: #e67e22;">■</span> Road Rescue	198
<span style="color: #e67e22;">■</span> Rescue Other	121
<span style="color: #e67e22;">■</span> Assist Other Agency	217

\*data does not include Control Centre or Non-Operational RFA's

The North West Region consists of 23 volunteer units and 586 volunteers and is supported by two regional offices located at Bendigo and Swan Hill. The Regional Headquarters at Bendigo has five full time staff including the Regional Manager. Swan Hill Office has three full time staff. Eighteen of the 23 units provide road rescue services to their communities.

Between late August 2010 and March 2011, the Region was hit by several extraordinary rainfall events that resulted in unprecedented riverine flooding as well as significant flash flooding that collectively devastated a number of communities across the Region. VICSES resources in the Region were stretched beyond capacity but with the assistance of other agencies, the Region's staff and volunteers responded magnificently to the needs of those communities over a protracted period.

The Region received more than 6600 requests for assistance during that period, which is the equivalent of what would normally be received over three years. Regional staff have since participated in some exhaustive review processes and undertaken a number of community engagement activities aimed at ensuring that communities are heard in relation to any concerns they might have regarding the response to this emergency event.

Despite the devastating impact on communities across the Region, some positive outcomes for VICSES have resulted from those floods. The experience gained by both staff and volunteers will stand the Region in good stead for any future events of that size and impact. More than 120 additional volunteers have come forward to join local units; some of those have joined units that have been struggling for some time to get more members. Partnerships and relationships with other agencies have also been enhanced by the experiences we have undergone during the floods, and some infrastructure deficiencies have been identified.

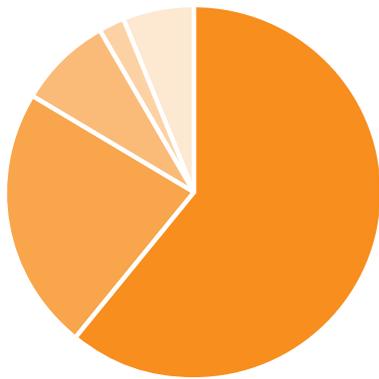
The flood event also enabled the Region to implement and experience the revised Command and Control arrangements previously adopted statewide.

Although the floods dominated the Region's activities for much of the year, it was pleasing that considerable support was provided to some of the smaller units that were struggling with viability. The planning and negotiation for urgently needed building programs at Echuca and Wycheproof was undertaken, and the Region is hopeful for some positive outcomes from these two initiatives. The Region is grateful to both the Shire of Campaspe and the Buloke Shire for their support in this regard.

Although the volunteer Training Program was sidelined during the floods, some solid outcomes were achieved, with the primary focus being on General Rescue competency attainment for volunteers across the Region. Substantial progress has also been made with unit alignment with VICSES's revised unit structures and this will ensure greater consistency occurs in the respective functional roles performed within the Region's volunteer units.

Over the next 12 months, the Region will focus significantly on addressing issues arising from the floods, including enhancing the Region's operational readiness, undertaking a review of the regional flood plan and helping to drive local flood planning in 'at risk' communities. There will also be a need to address some training competency gaps that have emerged and provide additional support to units to make up for time and effort lost during the floods.

# South West Region



## REQUESTS FOR ASSISTANCE

<span style="color: #e67e22;">■</span> Storm	1,559
<span style="color: #e67e22;">■</span> Flood	575
<span style="color: #e67e22;">■</span> Road Rescue	201
<span style="color: #e67e22;">■</span> Rescue Other	54
<span style="color: #e67e22;">■</span> Assist Other Agency	147

\*data does not include Control Centre or Non-Operational RFA's

The South West Region consists of 25 units and approximately 495 volunteers, supported by eight permanent staff distributed across two Regional offices that are located in Geelong and Hamilton. Twenty three of the 25 volunteer units provide road rescue services across the Region.

The 2010-2011 year has been a busy year for the South West Region. The Region responded to 2,512 requests for assistance, equating to over 13,851 volunteer hours. As well as responding to the usual range of storm and motor vehicle accidents, volunteers from the South West Region have played a crucial role in assisting with major operations in both Victoria and interstate.

Volunteers and staff maintained a sustained and prolonged operational tempo as a result of the extreme rainfall events that had an impact across the Region throughout 2010-2011. Commencing in late August 2010 and continuing through September, November/December and again in January/February 2011, volunteers were called upon to provide assistance to communities impacted by major flooding that occurred across the South West Region as well as providing support to other Regions as they responded to some of the most severe flooding seen in recent history. January also saw volunteers from the Region deployed to Queensland as part of VICSES taskforces deployed to support the flood response efforts in that state.

A positive outcome from the response to these emergencies was the manner in which VICSES was able to partner with the supporting emergency management agencies, Catchment Management Authorities, VICPOL, local government, and communities to ensure a coordinated, integrated and effective response was provided throughout.

In addition to these large-scale events, our volunteers have continued to provide a highly proficient and professional 24-hour response service to the community, with a range of responses to motor vehicle accidents, storm events and searches being undertaken across the South West Region.

During the past year, the Region was able to build on its partnership with the Glenelg Hopkins Catchment Management Authority and the Corangamite Catchment Management Authority. It also saw the commencement of the development of a comprehensive Regional Emergency Response Plan including all elements of flood, storm, earthquake, tsunami and support roles.

Despite the devastating events of the past year, it has been an exciting year for the South West Region, which saw a new unit LHQ constructed and opened in Geelong. Additionally, a further three projects have been successfully funded through CSESP in the South West Region, including an additional Light Rescue Vehicle for Bannockburn and a buy-out of a leased four-wheel drive vehicle at the Otway unit. Through the Assets Replacement Program, the Region has also received three storm trailers for Portland, Bannockburn and Warrnambool, and a medium rescue vehicle for Port Campbell.

Looking forward, the Region will be focusing on further enhancement of operational response and business continuity plans for VICSES at Regional and unit level, coupled with input to expanded comprehensive flood management planning at the municipal level.

The Region will continue to enhance its interoperability with other agencies through building on existing partnerships and taking an integrated approach to enhance our delivery of emergency management services to the community.



## State of Rain September 2010 to February 2011

### FLOODS OF SEPTEMBER 2010

Commencing Saturday 4 September 2010, Victoria was struck by heavy rainfall which resulted in flooding throughout the central, north east and north-west areas of the state including Ballarat, Maryborough, Clunes, Creswick, Benalla, Myrtleford, Euroa, Seymour, Shepparton, Wangaratta, Jamieson, Bright, Nagambie, Kilmore, Charlton, Echuca and Kerang.

In the early hours of Sunday 5 September (Father's Day), strong winds were recorded in other parts of the state with winds overnight reaching 100km/h in Port Fairy and between 90-100km/h across the Melbourne Metropolitan area. Damaging winds of between 130-140km/h were recorded in the north east of the state. Over 2,300 requests for assistance (RFAs) were received within the Central Region after the strong winds lashed Melbourne. All SES units were impacted to a degree with the worst affected area being Mornington Peninsula with mainly tree and building damage events.

The Bureau of Meteorology issued over 345 flood warnings throughout this event, with VICSES providing community information for each warning through Flood Bulletins.

VICSES utilised Emergency Alert on 18 campaigns and sent in excess of 152,368 messages. The VICSES Flood and Storm Information Line ran 24/7 up to Sunday 19 September 2010, providing information on the flooding for the public and taking over 4400 calls.

### FLOODS OF JANUARY – FEBRUARY 2011

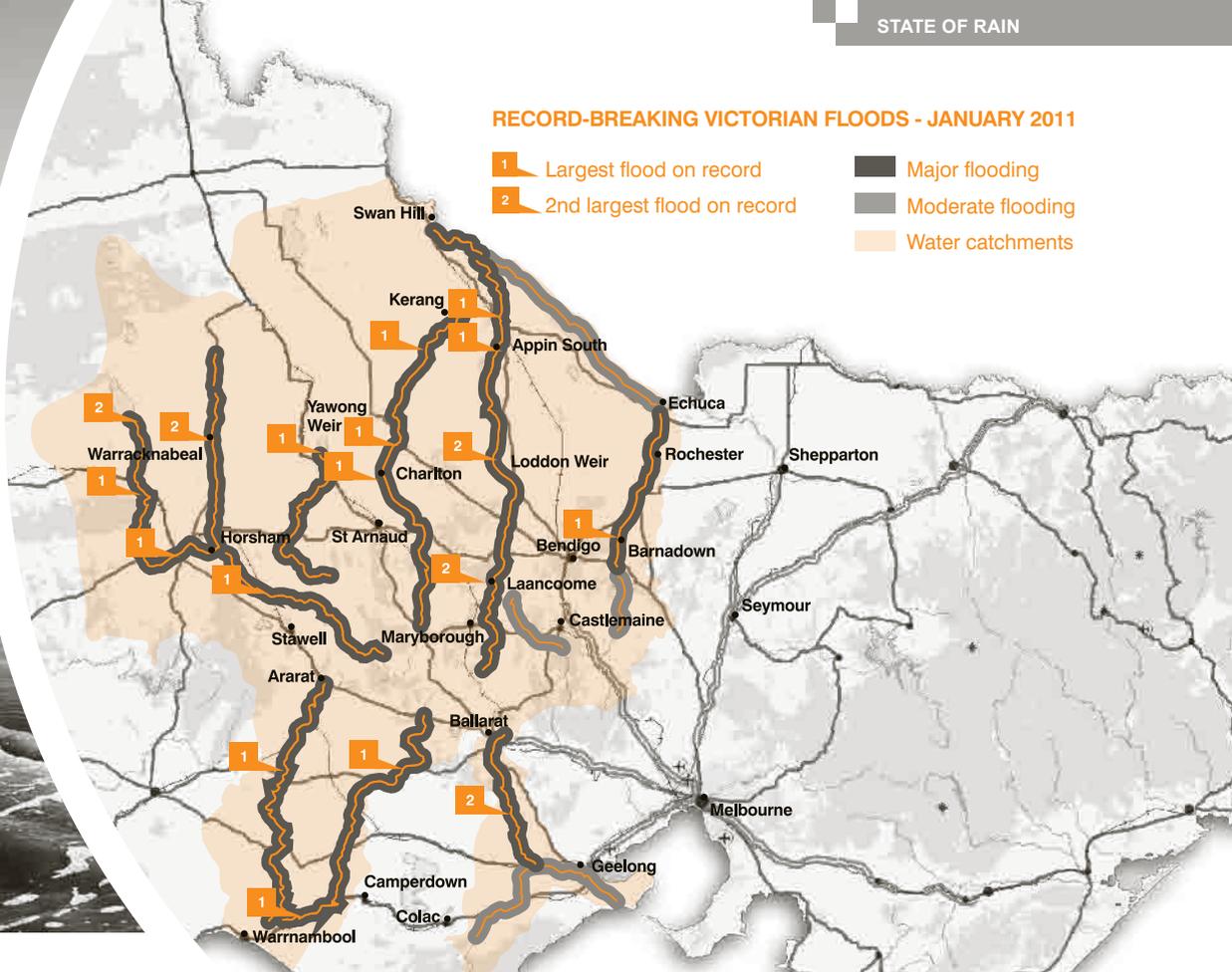
Persistent low pressure systems associated with extraordinary tropical moisture led to Victoria recording its wettest January on record by the halfway point of the month. Heavy rainfall and flash flooding persisted between 9 and 15 January, resulting in rainfall totals of 100–300mm across two-thirds of the state and consequently major and moderate flooding spanning north, west and central Victoria. Riverine flooding began on Wednesday 12 January on some rivers and continued into February on several northern rivers, with residual effects of the waters impacting on some communities still being felt into March as pumping continued.

Several follow up heavy rainfall events caused repeated flash flooding in early February across many of the communities already affected by January's floods.

Tropical moisture resulting from Tropical Cyclone Yasi interacted with a cold front, triggering extreme rainfall across the Melbourne Metropolitan area, the North Mallee district and much of eastern Victoria between 4 and 6 February 2011. Daily rainfall totals between 100–200mm were widespread in the eastern and south-eastern suburbs of Melbourne and were the equivalent of what most stations would usually observe in an entire summer season. The exceptionally high daily rainfall totals resulted in severe flash flooding in numerous locations, with the south-eastern suburbs of Melbourne and the regional town of Mildura amongst the most severely affected.

## RECORD-BREAKING VICTORIAN FLOODS - JANUARY 2011

- 1 Largest flood on record
- 2 2nd largest flood on record
- Major flooding
- Moderate flooding
- Water catchments



## Summary of the Impact of the January and February 2011 Victorian Floods

Municipalities	27 in January	Additional 8 in February	Total of 35
Townships	97 in January	Additional 43 in February	Total of 140
Flooded Buildings	3000 in January	Additional 936 in February	Total of 4000
People Affected			More than 7500
Relief Centres	51 in January and February		9800 Registrations

A number of the hardest-hit towns were previously affected by floods in September 2010. In many cases, the recorded flows in January and February were the highest or second highest on record. Some towns flooded that had not been previously known to flood.

During this period, VICSES responded to more than 17,500 requests for assistance, and more than 600,000 sandbags were deployed to support mitigation works.

Community messaging forums including Emergency Alert, Facebook and the VICSES website were used to communicate with the public. These tools and the way in which they have been embraced by the community represent the changing face of operational preparedness and response.

Warnings and preparatory activities were instrumental in achieving safe and timely evacuations. When required, 78 Emergency Alerts were disseminated, resulting in over 140,000 messages, and the Flood Storm Information Line received 16800 calls.

As a number of communities continue the difficult work through recovery, it is important to acknowledge the enormity of the challenges faced during the record-breaking 2010-2011 floods, and to thank all those who assisted their community in some way during the crisis.

“ Thanks guys, my heart goes out to those in the terrible flood, though I am in it myself, but at least I am safe.

Sharon Yeo

## DID YOU KNOW?

4,000+

properties across 140 towns and suburbs were hit by flooding in January and February, including many that had not been flooded for decades.



# Emergency Management and Communication

## EMERGENCY MANAGEMENT

Under the Emergency Management Act 1986 (Vic), VICSES is responsible for auditing Municipal Emergency Management Plans. A total of 50 Emergency Management Plans were audited during 2010-2011.

Within the Victorian Government Emergency Management Framework, VICSES conducts introductory emergency management training for local government and other emergency services. The training includes information on emergency management arrangements in Victoria as well as introductory information on incident management and emergency risk management principles. The course was accredited against the Public Safety Training Package during the year and was updated to incorporate changes to the emergency management arrangements.

VICSES conducted 22 Introduction to Emergency Management courses involving 570 participants during the last 12 months.

VICSES also continued to provide planning and emergency management advice to municipalities. A survey of municipalities undertaken in November 2010 indicated that 94 percent of municipalities were either very satisfied or satisfied with VICSES planning and advice services.

VICSES contributed to the review of the Emergency Management Manual Victoria Guidelines on Municipal Emergency Management Planning to better assist councils in developing Municipal Emergency Management Plans. VICSES has also assisted municipalities through its emergency management planning and advice functions in the implementation of Bushfire Royal Commission Recommendations.

The State Emergency Response Planning Committee endorsed the State Storm Emergency Plan in 2011. This plan documents the statewide framework for the emergency management of storms in Victoria and outlines the roles and responsibilities of agencies that may support VICSES in responding to the impacts of storms. VICSES has continued the review of the State Flood Emergency Plan, which will be completed in 2011.

Through a partnership with Melbourne Water, VICSES has continued to facilitate the development of Flood Emergency Plans for high risk local governments. Within the VICSES Central Region, 10 plans were completed during the year. VICSES has also redeveloped its Municipal Flood Emergency Plan template during the year with the intention of developing flood emergency plans in partnership with local government in high-risk areas across the state.

VICSES has supported the Department of Sustainability and Environment (DSE) in achieving funding for a Flood Intelligence System and undertook a project to develop a strategic flood intelligence report for the state, which will be used to inform priorities for flood emergency planning and education programs in the future. VICSES will continue to work with DSE in the coming year to identify system requirements for a flood intelligence system.

VICSES initiated a review of the Community Emergency Risk Management Process. This process is fundamental to the development of Municipal Emergency Management Plans and will be reviewed in the context of the new international standard on risk management and the national emergency risk management guidelines. This review is to be completed in 2011.

VICSES has continued to work in partnership with NSWSES to develop a guideline on the emergency management of flash flooding. During the year, this guideline was presented to the National Flood Risk Advisory Group for consultation and was presented at the NSW Floodplain Management Authorities Conference.

In 2010, VICSES was successful in gaining funding to undertake detailed tsunami modelling through the National Emergency Management Program. During the year, this project was completed in partnership with Geoscience Australia for the communities of Lakes Entrance, Portland, Warrnambool and Port Fairy.

## COMMUNITY EDUCATION

Communities need to have an understanding of their risks and what actions they can take to be prepared. Research conducted after the September 2010 floods showed that 71% of households did not have a flood emergency plan or kit, which indicates a low level of community preparedness for emergencies. However, research did indicate that community preparedness was greater in the areas where FloodSafe community education programs had been delivered.

Throughout the year, VICSES continued to enhance its community education programs, FloodSafe, StormSafe, QuakeSafe and TsunamiSafe. New and innovative resources were developed including a Business FloodSafe Toolkit, Home Emergency Planner and FloodSafe DVD featuring the efforts of VICSES volunteers during the 2010 and 2011 floods.

VICSES developed FloodSafe and StormSafe resources for Culturally and Linguistically Diverse Communities (CALD). These included the production of StormSafe brochures and FloodSafe messages in multiple languages. VICSES was successful in gaining grant funding to develop and pilot a CALD-engagement strategy. This project will be completed in 2011-2012, with the pilot providing a sound basis for the future implementation of the strategy.

VICSES implemented community education programs in its Central, East and North East Regions, which included doorknocks, displays, presentations and school visits to engage with community members. VICSES was successful in achieving Natural Disaster Resilience Grant Scheme funding in supporting and expanding its programs in its East and Central Regions. In total, VICSES undertook 461 community education and public relations events.

Community education training has continued to be provided to VICSES volunteers in an effort to build the capacity of units and to enable them to deliver programs within their local communities. Throughout the year, 97 volunteers participated in this training.

VICSES undertook a StormSafe week in August and a FloodSafe week in June. These weeks included community engagement events, advertising and media campaigns to highlight the risks of these hazards and how communities can be better prepared.

## DID YOU KNOW?

**2010** was the wettest year since 1974 and the 5th wettest year on record.

VICSES, in partnership with electricity distributors and Energysafe Victoria, undertook an advertising campaign to educate community members regarding the dangers of power lines during storms and community resilience during power outages.

VICSES was successful in gaining a \$1 million grant from Bendigo Bank to support its community education programs. This grant enabled VICSES to develop new StormSafe resources, build new community education trailers, deliver community educating training for volunteers, redevelop its website and provide resource kits to assist with the delivery of education programs. These programs have commenced and will be completed in 2011-2012.

VICSES worked with the Australian Fire and Emergency Services Authorities Council and other state and territory emergency services to develop an animated cartoon series titled "Li'l Larrikins" focused on providing key safety messages to primary school children. Ten thirty-second episodes were developed and screened on television. To support the program, a school's kit was developed and distributed to all primary schools in Victoria.

## **MEDIA AND COMMUNITY INFORMATION**

VICSES increased its community profile during the year with an average of 917 media items per month. This was an increase of 118% in 2009-2010. Statewide and numerous incident-based Public Information units were established to support flood operations from July through to March. These units focused on providing communities with relevant information and warnings to ensure community members could safeguard their properties and evacuate when necessary.

In 2011, VICSES undertook the implementation of the One Source One Message System to improve its community warning and information capabilities. This project involved a review of VICSES warning templates and business rules. The system will improve the speed and consistency of VICSES community warnings and information and will be available to Public Information Units statewide.

With funding received through the Valuing Volunteers program, VICSES was once again able to conduct the volunteer Media Liaison Officer training course across the state, delivering five courses and three advanced courses, involving 74 volunteers. Over the past four years, 283 VICSES volunteers have received Media Liaison Officer training.

During the year, VICSES produced and distributed a media reference kit to all media outlets. In addition to promoting key safety messages, it is hoped that these kits will enhance communications between VICSES and the media during future incidents.

Throughout the year, the Media and Community Information unit planned, organised and coordinated a large number of external and internal events. Significant events included National SES Week, National volunteer Week and launches of StormSafe and FloodSafe Weeks. The unit also coordinated the VICSES Annual Awards Ceremony which was held in February 2011. VICSES undertook a significant promotion of the 2011 Easter Driver Reviver campaign, during which VICSES units operated 56 Driver Reviver Sites. The promotion involved a state launch and a TAC advertising campaign promoting VICSES volunteer involvement in the Driver Reviver campaign.

VICSES, with additional funding support from Bendigo Bank, has initiated a project to redevelop its web presence, including the development of a new public website and extranet, and the establishment of an intranet. This project, which is expected to be completed by the end of 2011, is aimed at improving the VICSES public profile and community information capabilities. It will further simplify the process for volunteers when trying to find relevant information about VICSES. VICSES has also seen a growth in its social media presence and launched a YouTube channel during the year.

VICSES developed a Sponsorship Strategy during the year and successfully renewed its major sponsorship with AAMI, adding a further three years to the popular and long-running program.

VICSES consulted with its volunteers and staff during the year to develop an Internal Communications Strategy to improve issues management and communication at all levels within the organisation. This strategy will be implemented in 2011-2012.



## Funding and Sponsorships

VICSES is extremely grateful for the support it receives from government, business and local communities across the state.

VICSES recognises the importance of all contributions, and is committed to further developing and strengthening relationships with its supporters and sponsors.

VICSES would like to thank Victorian municipalities for the contribution they make to their local VICSES units through funding, equipment and other forms of support.

**VICSES would also like to thank other significant funding sources and sponsorship contributors including:**

### Sponsorship and Partnership Contributions

	Funding	For
AAMI	\$542,000	Equipment, in kind
Melbourne Water	\$538,000	Community Education
OESC	\$305,000	Various
Reliance Petroleum	\$70,000	Road Crash Rescue Funding
Holden	In kind support	Road Crash Rescue Training
Bushells	In kind support	Driver Reviver
CitiPower & Powercor	\$20,000	Community Education
Energysafe Victoria	\$10,000	Community Education
SP Ausnet	\$10,000	Community Education
United Energy Distributors	\$10,000	Community Education
Jemena	\$10,000	Community Education



## Our People

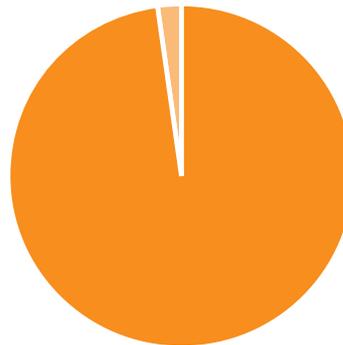
The 2010-2011 year saw VICSES members undertake significant operational activity.

As a result, several initiatives were made available to support the health and wellbeing of staff and volunteers following this long period.

The One Well VICSES program, developed by staff for their colleagues and piloted in 2011, provides health initiatives for VICSES staff. Initiatives currently implemented or underway include facilitated sessions by beyondblue and the support and promotion of the Run Melbourne running and fundraising event.

Support for volunteer health management was also introduced with great success in 2011. The Emergency Services Volunteer Healthwatch program was implemented at VICSES and has already been delivered to over 15 units and 249 volunteers. The program provides volunteers with an opportunity to gain an overview of their general health and wellbeing.

When VICSES Peers and Chaplains joined their counterparts from four states for combined training in October 2010, little did they know that their services would be called upon to help their Queensland colleagues following the cyclone and flood emergency. In conjunction with members of the NSW SES Critical Incident Support Team, VICSES Peer Support provided management and strategic assistance to QLD SES. Subsequently, teams travelled to North Queensland in February to provide much needed assistance.



 <b>No. of volunteers</b>	<b>5,500</b>
 <b>Full-time staff</b>	<b>110</b>

The success of this combined effort across three states highlights the importance and effectiveness of joint training and pre-planning.

Victoria's own flood emergency tested the resourcefulness of our volunteers in a number of ways. Key issues included the sheer scale of the operations and the fact the some unit members in townships directly impacted by the floods not only suffered damage to their own properties but saw friends and neighbours sustain losses in spite of all their efforts. Peer Support successfully trialed the methodology of 'embedding' a Peer with such a unit to provide ongoing support throughout the most difficult period. We are pleased to report that feedback received has been overwhelmingly positive.

# OH&S

VICSES has continued to build on its OH&S systems and processes to ensure, so far as reasonably practicable, the safety of all its members is maintained.

## The significant highlights for the 2010-2011 year include:

- The new OH&S web-based system called SafeGate was implemented, which assists in monitoring all hazards, incidents and accidents. This system supports the provision of timely and efficient reporting to the Board and management and assists VICSES in developing targeted OH&S strategies to address any emerging trends in a timely manner.
- Stage 2 of SafeGate commenced with the development of job safety analysis (JSA) for all training and operational activities. This stage will go live in September 2011.
- Units that were externally audited for OH&S compliance and standards of training delivery in 2009-2010 were reaudited this financial year. These audits were more rigorous than the first audits and reviewed the actions that were implemented since the initial audits. The positive impact of the risk assessment training was noted as members had a much better understanding of the risk management concepts.
- VICSES undertook a review of the content and delivery of Level 1 and 2 of the OH&S Public Safety Training package. The new package developed includes VICSES OH&S systems and process, which ensure a consistent approach to managing safety across the service.
- Development and delivery of Play Your Part training for new unit leaders that is aligned to the Level 3 - Implementing OH&S systems and process into the unit.
- VICSES has participated in a national research program in partnership with state and territory SES's and Deakin University to expand the fitness requirements for specialist rescue activities.

WorkSafe Victoria also discharged the undertaking that was imposed on VICSES after the tragic drowning of Ron Hopkins in 2007, whilst participating in a flood boat exercise. However, this does not end the journey for VICSES in achieving a robust culture of safety that ensures such a tragedy does not happen to another member and their family.

## Health and Safety Indicators

<b>Incidents and Hazards</b>	1.	Number and rate of incidents	69
<b>Claims</b>	2.	Number and rate of time lost claims	2 Employee claims 37 volunteer claims
	3.	Number of claims exceeding 13 weeks	3 Employee claims 17 volunteer claims
<b>Fatality</b>	4.	Number of fatality claims	0 fatalities
<b>Cost of Claims</b>	5.	Average cost per claim	\$5485 Employee \$1949 volunteer
<b>Management Commitment</b>	6.	OH&S policy statement is displayed in all units and offices. Bimonthly OH&S reports on OH&S plans are provided to the Board and Executive and the state OH&S Committee minutes are distributed to all staff and volunteers	
	7.	VICSES purchasing contracts have OH&S as a criteria in selection of contractors	
<b>Consultation</b>	8.	Staff and volunteers are consulted at OH&S committees at the unit, Regional and State level. To further enhance staff and volunteer input VICSES, has implemented an Operations Consultation Framework to ensure better consultation with subject matter experts	
<b>Risk Management</b>	9.	80% of internal audits/inspections conducted as planned. 100% of external audits completed	
	10.	85% of issues identified have been actioned	
<b>Training</b>	11.	721 volunteers received OH&S training this year, which is a 32% increase on the previous year	



# Training

## **BUILDING TRAINING CAPABILITY THROUGH PARTNERSHIPS**

During the past financial year, new partnerships were formed across the state to increase and improve training capabilities; Wodonga TAFE to deliver health and safety training courses; Healthguard to deliver first aid courses; and Chisholm TAFE to deliver Train-the-Trainer qualifications. These partnerships will increase the availability of training courses to all our volunteers across the state.

## **NEW TRAINING INFRASTRUCTURE**

Four purpose-built VICSES training facilities were completed and opened at the CFA training sites at Carrum Downs, Huntly (near Bendigo), Fiskville and Wangaratta. State-of-the-art roof props will allow volunteers to be safely trained and assessed in 'working at heights' in realistic simulations.

## **IMPLEMENTING AIIMS ACROSS VICSES**

This project supports VICSES' transition to using AIIMS for operations management at all incidents.

VICSES delivers a nationally recognised 'Introduction to AIIMS' course that is popular with members seeking a role in incident management.

A total of 240 VICSES members across the state have completed AIIMS courses this year. This is a significant increase on last year.

## **TRAINING IN OPERATIONAL INCIDENT MANAGEMENT SOFTWARE (OIMS)**

During the past year, 812 volunteers completed training courses so they can manage resources for incidents and provide important status reports to Incident Controllers during incidents like the major floods that took place in Victoria in January.

## GOING FORWARD

The Learning and Development Strategy 2010-2013 was developed in consultation with staff and volunteers. It sets out the direction for learning and development in public safety skills in VICSES. The strategy includes an important objective of researching the feasibility and value of adopting technology-based learning to help meet the growing demand for flexible learning. The research conducted this year will be used to scope an eLearning project for 2012-2015.

## CONTINUOUS IMPROVEMENTS

During the past year, several projects took place that resulted in significant improvements to the manner in which training is managed and delivered across the state. The Training and Assessment Procedures Manual was re-issued to incorporate changes to the supervision of training and assessment. New Training Resource Kits were also issued for Coxswain and General Rescue training skills.

## Volunteer Profile

### PHILIP HOLT



**AGE: 50**

**UNIT: Frankston**

**OCCUPATION:**

**Secondary Teacher – McClelland College**

Philip Holt is the Deputy Controller of the Frankston VICSES unit. Philip has demonstrated a remarkable level of commitment to VICSES and has been instrumental in breathing life into a once-fading SES cadet program.

Following a serious car accident in 1981, Philip discovered that the best way he could overcome the associated feeling of helplessness was to become an VICSES volunteer. Thirty years down the track, he has since been involved in rescuing countless other road-crash victims and has become a specialist in the field of entrapment rescue. Philip found his skills in Urban Search and Rescue, which were truly put to the test in Marysville during the Black Saturday bushfire event.

Philip's time with the VICSES has also provided some lighter moments which include climbing up a ladder to rescue a distressed magpie tangled in the branches of a pine tree, winching horses out of septic tanks and extracting cows from swimming pools.

His wife Suzanne (herself an ex-volunteer) and children James, Cassandra and Felicity have all enabled him to continue to grow in his role as both teacher and mentor, as well as maintain his strong commitment to the VICSES; because, as Philip so readily admits, 'the SES has become a part of my life now'.

## DID YOU KNOW?

# 11,000

VICSES received 11,000 separate media mentions during 2010-2011.

## TRAINING STATISTICS

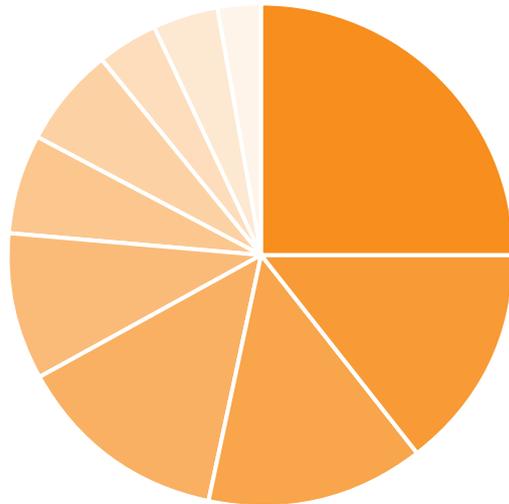
### Competencies achieved

During the year, 10,049 competencies were issued to members during the year. Significant attendance at the following popular courses contributed to this figure.

- 1484 members completed a first aid course
- 859 members completed a first aid refresher course
- 821 members completed an OH&S course
- 812 members completed a course in the Operational Incident Management software
- 554 members completed the rescue fundamentals course
- 377 members completed a course in managing traffic at operations
- 377 members completed the General Rescue course
- 242 members completed a course in roof safety systems for storm damage operations
- 240 members completed an incident management course
- 156 members completed the road rescue course

Members completed a variety of other rescue skills that make up the balance of competencies issued this year.

Source of Data: Train



Keep up the wonderful work,  
all credit to you guys!! Kate Benning Endres



# Corporate Services

The Corporate Services team has embedded a number of projects and initiatives completed in 2009-2010 and embarked on some new and exciting projects.



2010 – 2011 Awards Ceremony

## POLICY AND PROJECTS

### Grants Programs Administration

The Policy and Projects Officer has worked on streamlining the Grants Programs processes, including reporting to government, and in particular enhancing the communication with other business units, the Regions and volunteer units.

This year has also seen the introduction of the new grant program, Volunteer Emergency Services Equipment Program (VESEP), which replaces the CSESP grant program, with the State Government contributing \$2.09 million to VICSES' component of the overall grants allocated. With co-contributions, this provides volunteer units with more than \$3 million for vehicles and building upgrades.

### Business Continuity

The VICSES Business Continuity project, which began in 2009, is now complete for Regions and the Victoria State Headquarters (VHQ).

Based on the success of the Regions and VHQ, VICSES intends to establish a project in the next financial year that will use the same methodology to develop Business Continuity Plans for the volunteer units.

The Project Management Framework was further developed during the year and a 'Projects Precinct' work area was established at VHQ.

Project management and reporting will continue to be developed within VICSES. Enhancements to project reporting for the VICSES Executive, Board and government will be a priority during the early part of next year.

## **INFORMATION COMMUNICATION TECHNOLOGY (ICT) TEAM**

### **ICT Service Delivery**

During the year, responsibility for the administration, maintenance and management of VICSES business telecommunications was successfully integrated into the ICT business, which has generated a more effective and efficient service delivery.

Also, the dedicated 1300 service support number has proven to be invaluable, particularly in times of declared operation or heightened awareness. Over the period 1 July 2010 to 30 June 2011, the VICSES ICT service desk received and managed 6500 calls. Of these, 2300 were received outside of standard business hours and 550 were received during VICSES declared operations.

Support for declared operations was delivered both in the field, setting up and supporting command posts as required, and via dedicated support resources at VHQ.

### **ICT Infrastructure and Operations**

ICT infrastructure upgrades have been made to meet the increased requirements stemming from the introduction and implementation of new business systems. Improvements have been made to VICSES' back-up systems and processes to ensure business continuity.

A system of software, which allows for single sign-on, has been implemented. This system will allow all VICSES members to login to any networked VICSES statewide PC or web-based application using just a single sign-on. This new system eliminates the need for multiple logins. This software has also simplified and largely automated the creation of network accounts and associated permissions.

### **Operational Incident Management System (OIMS)**

The OIMS enhancement project, which aimed to update the OIMS suite of applications, commenced in July 2010. The project identified a range of high priority enhancements and these were developed, tested and deployed into production in May 2011.

VICSES has been working on the feasibility of actively using the OIMS application in the field. To this end, development work was completed to allow key parts of the OIMS application to be deployed to mobile devices, in particular iPads and iPhones. The feasibility study commenced in May 2011.

### **ICT Strategy**

VICSES has developed an ICT strategy that will provide a VICSES controlled and managed solution that fully meets its identified business requirements. This strategy has been approved by the VICSES Board and will be implemented over the next 12 months.

### **Key Projects and Initiatives**

VICES ICT has worked in partnership with all parts of the organisation to define, develop, deliver and support a range of business enhancement projects.

These include:

- Unit PC and printer refresh program (replaced 75 PCs, 69 printers)
- One Source One Message (OSOM)
- VICSES web presence
- volunteer email
- OH&S tool (SafeGate)
- Planned maintenance module within SAP
- Upgraded telephony solution
- State Emergency Service Organisational Capability and Information Framework
- Automated time and attendance recording
- Design and definition of VICSES Incident Control Centres

## **FINANCE AND ADMINISTRATION TEAM**

The year in review was a particularly busy one for the Finance and Administration team, with many staff changes occurring and long periods of flood operations requiring financial support. Nonetheless, a number of positive initiatives have been implemented.

### **Volunteer Unit Credit and Debit Cards**

Following thorough investigation into the options available, unit credit and debit card facilities were introduced in December 2010. A number of units have now implemented this facility and feedback has been very positive.

### **Unit Audits**

Following the successful KPMG audit process introduced in the last financial year, the process of reverting units back to the conduct of unit Audits by unit-appointed auditors, rather than using KPMG, commenced this year. While most opted for a KPMG-conducted audit, more than 20 selected their own.

The process of units selecting and appointing their own auditor will be fully implemented in the next financial year.

It was extremely pleasing to see the marked improvement in unit financial management this year following the release of the unit Finance Manual and the conducting of unit Finance Training. VICSES has also been fortunate in obtaining ongoing funding for a Financial Volunteer Support Officer to continue providing financial support and training.

### **VICSES Payroll**

The payroll has been processed internally for the last two years. While this is now well embedded, leave and time management remains a manual process. A time management system has been introduced and will be tested over the next few months with the plan to go live in September 2011.

### **Records Management**

A review of Records Management across VICSES has commenced to ensure that the Authority and the units can meet the new and revised standards for records management that are currently being released by Public Records Office Victoria. Funding was received in the budget for a position to assist with the records management process.

## **ASSETS AND INFRASTRUCTURE TEAM**

### **Critical Assets**

VICSES received \$6.6 million for critical asset infrastructure from the State Government for the 2010-2011 financial year. The Critical Assets Project team has delivered nine heavy rescue trucks, two medium rescue trucks, 19 storm trailers, one inflatable boat, one logistics truck, one command and control vehicle, two snowmobiles and 800 pagers in this program of works. Due to a specification review of the Road Crash Rescue kits, their purchase has been delayed and they will be delivered early in the new financial year.

In the May 2011 State Budget, it was announced that VICSES was to receive \$6 million for critical assets for the 2011-2012 financial year. This will allow the program to continue for the next financial year and will see the delivery of an additional six command and control vehicles.

### **Fleet**

In 2010, a fleet working group was developed to review current fleet composition and fleet policies. One of the outcomes was the recommendation to introduce Ford Mondeos and Hyundai i30s into the fleet. This has generated positive feedback and will result in cost savings and an improved environmental footprint.

Furthermore, a project to introduce a scheduled vehicle servicing module in SAP is underway in collaboration with MFB.

Another initiative that will be completed this financial year is the F350 modification program, which aims to modify the Ford F350 trucks to improve the weight distribution of the vehicles. This will result in a change in the 'maximum load' allowed for a number of the equipment storage areas (drawers, shadow boards and stowage compartments) and the 'maximum load' identification plates on the equipment storage areas will be updated and replaced as appropriate.

### **Equipment**

The three-year equipment replacement program will be completed by 30 June this year, and all units will have received their replacement equipment by that date.

Another successful round of the AAMI equipment program handovers was also completed during the year. This round allowed units to add up to \$3000 of their own funds towards equipment selected. We were pleased that a number of units took up this offer.

During the year, an equipment catalogue was developed. The catalogue was used for the AAMI program, which has provided feed back towards further catalogue enhancements.

The Equipment Team took over the contract management of Personal Protective Clothing & Equipment (PPC&E). The contract was re-tendered during the year. Next year, the PPC&E ordering and delivering process will be reviewed and refined.

### **Infrastructure**

The program of works to establish three new volunteer units, refurbish four volunteer units and develop co-located training facilities on CFA training grounds has now been completed.

During the year, a VHQ and Regional Infrastructure Strategy was developed. This strategy included the development of a generic Regional Headquarters design.

Plans for the strategy implementation are now underway to ensure VICSES is able to accommodate the new staff for which funds were allocated in the last State Budget.



# Corporate Governance

VICSES provides a sound corporate governance framework to comply with Victorian State Legislation.

## RESPONSIBLE MINISTER

The responsible Minister is the Minister for Police and Emergency Services.

## STATUTORY AUTHORITY

The Victoria State Emergency Service Authority was established by the Victoria State Emergency Services Act 2005 (Vic).

The Victoria State Emergency Service Regulations 2006 were passed in November 2006.

These regulations address the management of issues detailed in the Victoria State Emergency Services Act 2005, including disciplinary arrangements for volunteers; training and exercising of registered members; and various other administrative issues.

## BOARD AND ITS COMPOSITION

The Board is the governing body of the Authority and is constituted under s9 of the Victoria State Emergency Service Act 2005 (Vic) – the Act.

The Board is responsible for the overall corporate governance of the organisation including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

The composition of the Board is determined in accordance with the Act and allows up to seven members to be appointed by the Governor in Council, one of whom is appointed as the Chair of the Board.

## CONFLICTS OF INTEREST

The Board complies with provisions of s22 of the Act that ensures that members of the Board and Executive Management Team do not place themselves in a position where there is conflict, actual or potential, between their private interest and their duty to VICSES.

## BOARD COMMITTEES

The Board has incorporated into its management structure a Governance, Finance, Remuneration Committee and Audit Committee. The Governance, Finance and Audit Committee is chartered to provide the Board with assurance that there are adequate business systems in place with regard to matters of a financial, risk, audit and compliance nature.

## REMUNERATION

Board members are paid an allowance determined by the Governor in Council.

## LEGAL ADVICE

The Board is assisted in aspects of its operations with external legal advice. Maddocks was the provider of legal services during 2010-2011. Maddocks was also appointed to undertake the Corporate Secretary role for the Board.

## CONSULTANCIES

There were no consultancies costing more than \$100,000 during the 2010-2011 year.

## VICTORIAN INDUSTRY PARTICIPATION POLICY (VIPP)

In accordance with the requirement of the Victorian Industry Participation Policy Act 2003, Government agencies are required to include a statement summarising their implementation of the VIPP in their annual reports. FRD 25 specifies that VIPP be reported for contracts valued over \$3 million in metropolitan areas and \$1 million in regional areas. The Supply of Heavy Rescue Trucks and Ancillary Equipment Contract was the only VICSES contract that met the requirements of this Policy. There were no contracts that fell into the category for the 2010-2011 financial year.

## FREEDOM OF INFORMATION (FOI)

VICSES is subject to the Freedom of Information Act 1982 (Vic). Requests for access to documents should be made in writing to the Freedom of Information Officer. Contact details are on the back cover of this report. Further procedural information in relation to such requests can be obtained from the FOI Officer.

## BUILDING ACT

VICSES complies with the Building Act 1993 (Vic), with respect to alterations and maintenance to the buildings owned by VICSES. It is not aware of any material non-compliance with the current building standards.

## RISK MANAGEMENT

I, Mary Barry, Chief Executive Officer, certify that the Victoria State Emergency Service has risk management processes in place consistent with the Australian/New Zealand Risk Management Standard ISO 3100 and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures. The risk profile of the VICSES has been critically reviewed within the last 12 months.

## NATIONAL COMPETITION POLICY

VICSES complies, to the extent applicable, with the National Competition Policy.

## ENVIRONMENT AND SUSTAINABILITY

VICSES has established the EnviroSmart project team that has set key objectives and developed an environmental management strategy to achieve these objectives.

### Since its inception a number of objectives have been achieved:

- A comprehensive review of the vehicle fleet conducted, and where appropriate lighter, more fuel efficient vehicles have been introduced
- Introduction of energy efficient office lighting systems
- Water conservation devices have been installed in the amenities areas
- Waste management strategies to improve recycling rates for waste paper, batteries and printer cartridges
- Introduction of an environmentally responsible purchasing policy.

### Some of the highlights over the last year have been:

- Introduction of a range of smaller and more fuel efficient vehicles into the VICSES fleet

- Replacement of suspended lighting at State Headquarters with fittings that provide more light than the old fittings without using more energy, along with the introduction of energy efficient globes
- Continuing to purchase 100% recycled copy paper and commencing the purchase of recycled envelopes and other recycled stationery products
- Introduction of "Keep Cups" for staff and volunteers as an alternative to disposable hot drink containers

## WHISTLEBLOWERS PROTECTION

As required by section 104 of the Whistleblowers Protection Act 2001 (Vic) (the Act), the following is reported for the period 1 July 2009 to 30 June 2010.

### The number and types of disclosures made to public bodies during the year:

	2010 / 2011	2009 / 2010
Public interest disclosures	0	0
Protected disclosures	0	1
The number of disclosures referred during the year by the public body to the Ombudsman for determination as to whether they are public interest disclosures	0	0
The number and types of disclosed matters referred to the public body by the Ombudsman for investigation	0	0
The number and types of disclosures referred by the public body to the Ombudsman for investigation	0	1
The number and types of investigations taken over from the public body by the Ombudsman	0	0
The number of requests made by a whistleblower to the Ombudsman to take over an investigation by the public body	0	0
The number and types of disclosed matters that the public body has declined to investigate	0	0
The number and types of disclosed matters that were substantiated upon investigation and the action taken on completion of the investigation	0	0
Any recommendations made by the Ombudsman that relate to the public body	0	0
Recommendation regarding file security and management	0	1

# Financial Information

## FIVE YEAR FINANCIAL SUMMARY

	2010-11 \$'000s	2009-10 \$'000s	2008-09 \$'000s	2007-08 \$'000s	2006-07 (i) \$'000s
<b>Comprehensive Operating Statement</b>					
Revenue from Government (ii)	49,554	37,910	36,877	26,655	20,768
Total income from transactions	56,005	42,620	46,212	27,859	21,755
Total expenses from transactions	(46,677)	(33,959)	(29,378)	(27,032)	(19,073)
Net result from transactions for the period	9,328	8,661	16,834	827	2,682
Other economic flows	(369)	191	524	20	0
<b>Net result</b>	<b>8,959</b>	<b>8,852</b>	<b>17,358</b>	<b>847</b>	<b>2,682</b>
Other economic flows not in the net result (iii)	6,760	0	0	0	0
<b>Comprehensive result</b>	<b>15,719</b>	<b>8,852</b>	<b>17,358</b>	<b>847</b>	<b>2,682</b>
<b>Balance Sheet</b>					
Total assets	91,134	70,010	56,449	32,710	28,982
Total liabilities	(12,632)	(11,100)	(15,079)	(8,246)	(8,908)
<b>Net Assets</b>	<b>78,502</b>	<b>58,910</b>	<b>41,370</b>	<b>24,464</b>	<b>20,074</b>
<b>Cash Flow Statement</b>					
<b>Net cash flow from operating activities</b>	<b>16,503</b>	<b>9,793</b>	<b>30,156</b>	<b>3,501</b>	<b>4,861</b>

- (i) In 2007-08 VICSES changed the threshold for asset capitalisation from \$1,000 to \$5,000. The effect of this policy caused a restatement of the 2006-07 Total Assets balance.
- (ii) Includes revenue from State and Commonwealth Governments. Income from the State Government includes both output and special appropriations.
- (iii) Results from the increases in the value of assets following the scheduled full revaluation of the Authority's land, buildings and leasehold improvements by the Valuer-General Victoria.

## CURRENT YEAR FINANCIAL REVIEW

In 2010-11 the Authority achieved a Net result for the period of \$8.959 million, \$0.107 million higher than in 2009-10.

### The 2010-11 Net result is principally due to:

- The rise in Volunteer Unit bank balances by \$1.161 million, as a result of the volunteers fund-raising activities, which will be used to purchase rescue vehicles and equipment;
- State funding received and recognised as income for projects/programs which will not be finalised until 2011-12:
  - the 2010-11 Critical Assets Replacement program; and,
  - the implementation of the new operational radio and despatch system (ORAD) across Victoria.
- \$1.229 million in donations received by VICSES in 2010-11, particularly following the years' flood events, which will be used to enhance volunteer unit and flood intelligence resources.

## CURRENT YEAR FINANCIAL REVIEW (CONT.)

**Net assets increased by \$19.592 million in 2010-11 to \$78.502 million. The major reasons for increase are:**

- An increase of \$13.631 million in carrying value of Property, plant & equipment assets including:
  - A \$6.683 million increase in the value of land owned by the Authority and a net decrease of \$0.755 million in the value of buildings following formal valuations by the Valuer-General Victoria;
  - The purchase of \$5.767 million in rescue vehicles, boats and equipment under the State-funded 2010-11 Critical Asset Replacement program; and,
  - \$1.733 million to complete the construction of the Geelong and Wyndham West Units.
- Increased cash holdings (including Investments and other financial assets) of \$9.856 million resulting from:
  - The receipt of funds for projects that were commenced in 2010-11 but which will not be finalised until 2011-12. These included
    - the 2010-11 Critical Asset Replacement Program; and,
    - the ORAD program.
  - An increase in aggregate Unit Bank accounts for \$1.161 million; and
  - An increase in donations to the Authority of \$1.156 million.

**The increase in operating cash flows in 2010-11 to \$16.503 million from \$9.793 million reflects the following:**

- An additional \$10.506 million in Receipts from Government. The major item being \$13.081 million in funding from the State for costs incurred during the major storm & flood events during 2010-11;
- An additional \$7.303 million in payments to suppliers and employees primarily resulting for costs incurred during the flood and storm events of 2010-11; and
- An increase in donations to the Authority of \$1.156 million.

## SUBSEQUENT EVENTS

No event has occurred subsequent to the reporting period, that is likely to affect significantly the operations of the Authority or the results of those operations.

# Financial Statements

## **Accountable Officer's and Chief Finance and Accounting Officer's Declaration**

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## ACCOUNTABLE OFFICERS' AND CHIEF FINANCE AND ACCOUNTING OFFICER'S DECLARATION

The attached financial statements for the Victoria State Emergency Service Authority have been prepared in accordance with Standing Directions 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 accompanying notes, presents fairly the financial transactions during the year ended 30 June 2011 and financial position of the Authority at 30 June 2011.

At the time of signing, 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 2 September 2011.



Claire Higgins

**Chairperson  
Victoria State Emergency  
Service Authority**

**Melbourne  
2 September 2011**



Mary Barry

**Chief Executive Officer  
Victoria State Emergency  
Service Authority**

**Melbourne  
2 September 2011**



Jeannene Stewart

**Director of Corporate Services  
Victoria State Emergency  
Service Authority**

**Melbourne  
2 September 2011**

# VAGO

Victorian Auditor-General's Office

## INDEPENDENT AUDITOR'S REPORT

### To the Board Members, Victoria State Emergency Service Authority

#### *The Financial Report*

The accompanying financial report for the year ended 30 June 2011 of Victoria State Emergency Service 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 accountable officer's and chief finance and accounting officer's declaration has been audited.

#### *The Board Members' Responsibility for the Financial Report*

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

#### *Auditor's Responsibility*

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

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

#### *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.

# VAGO

Victorian Auditor-General's Office

## Independent Auditor's Report (continued)

### *Opinion*

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Victoria State Emergency Service Authority as at 30 June 2011 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, including the Australian Accounting Interpretations, and the financial reporting requirements of the *Financial Management Act 1994*.

### *Matters Relating to the Electronic Publication of the Audited Financial Report*

This auditor's report relates to the financial report of the Victoria State Emergency Service Authority for the year ended 30 June 2011 included both in the Victoria State Emergency Service Authority's annual report and on the website. The Board Members of the Victoria State Emergency Service Authority are responsible for the integrity of the Victoria State Emergency Service Authority's website. I have not been engaged to report on the integrity of the Victoria State Emergency Service Authority's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE  
6 September 2011



for D D R Pearson  
Auditor-General

**COMPREHENSIVE OPERATING STATEMENT**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011**

	Notes	2011 \$'000	2010 \$'000
<b>Income from transactions</b>			
Grants and other transfers	2(a)	50,671	39,580
Sale of goods and services	2(b)	109	121
Interest income	2(c)	1,169	814
Other income	2(d)	4,056	2,105
<b>Total income from transactions</b>		<b>56,005</b>	<b>42,620</b>
<b>Expenses from transactions</b>			
Employee expenses	3(a)	(14,451)	(11,922)
Depreciation expense	3(b)	(3,294)	(3,315)
Grants	3(c)	(1,627)	(1,586)
Supplies and services	3(d)	(27,003)	(16,809)
Interest expense	3(e)	(302)	(327)
<b>Total expenses from transactions</b>		<b>(46,677)</b>	<b>(33,959)</b>
<b>Net result from transactions (net operating balance)</b>		<b>9,328</b>	<b>8,661</b>
<b>Other economic flows included in net results</b>			
Net gain/(loss) on non-financial assets	4(a)	(377)	185
Other gains from other economic flows	4(b)	8	6
<b>Total other economic flows included in net result</b>		<b>(369)</b>	<b>191</b>
<b>Net result</b>		<b>8,959</b>	<b>8,852</b>
<b>Other economic flows – other non-owner changes in equity</b>			
Changes in physical asset revaluation surplus	18	6,760	0
<b>Total other economic flows – other non-owner changes in equity</b>		<b>6,760</b>	<b>0</b>
<b>Comprehensive result – total change in net worth</b>		<b>15,719</b>	<b>8,852</b>

The above Comprehensive Operating Statement should be read in conjunction with the accompanying notes.

**BALANCE SHEET**

AS AT 30 JUNE 2011

	Notes	2011 \$'000	2010 \$'000
<b>Assets</b>			
<b>Financial Assets</b>			
Cash and deposits	17(a)	37,131	23,275
Receivables	5	1,340	3,828
Investments and other financial assets	6	0	4,000
<b>Total financial assets</b>		<b>38,471</b>	<b>31,103</b>
<b>Non-financial assets</b>			
Property, plant and equipment	8	52,389	38,758
Other non-financial assets	7	274	149
<b>Total non-financial assets</b>		<b>52,663</b>	<b>38,907</b>
<b>Total assets</b>		<b>91,134</b>	<b>70,010</b>
<b>Liabilities</b>			
Payables	9	6,001	4,934
Borrowings	10	3,612	3,581
Provisions	11	3,019	2,585
<b>Total liabilities</b>		<b>12,632</b>	<b>11,100</b>
<b>Net assets</b>		<b>78,502</b>	<b>58,910</b>
<b>Equity</b>			
Accumulated surplus		36,839	27,880
Physical asset revaluation reserve surplus	18	6,760	0
Contributed capital		34,903	31,030
<b>Net worth</b>		<b>78,502</b>	<b>58,910</b>
Commitments for expenditure	14		
Contingent liabilities and contingent assets	15		

The above Balance Sheet should be read in conjunction with the accompanying notes.

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011**

	Notes	Physical asset revaluation surplus	Accumulated surplus	Contributions from owners	Total
Balance at 1 July 2009		0	19,028	22,342	41,370
Net result for the year		0	8,852	0	8,852
Capital appropriations		0	0	8,688	8,688
<b>Balance at 30 June 2010</b>		<b>0</b>	<b>27,880</b>	<b>31,030</b>	<b>58,910</b>
Net result for the year		6,760	8,959	0	15,719
Transfer to accumulated surplus		0	0	0	0
Capital appropriations		0	0	3,873	3,873
<b>Balance at 30 June 2011</b>	18	<b>6,760</b>	<b>36,839</b>	<b>34,903</b>	<b>78,502</b>

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**CASH FLOW STATEMENT**  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

	Notes	2011 \$'000	2010 \$'000
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipts from government		47,135	36,629
Receipts from other entities		5,432	4,179
Net Goods and services tax recovered from the ATO		3,722	1,825
Interest received		1,239	680
Other receipts (unit cash)		1,161	1,205
<b>Total receipts</b>		<b>58,689</b>	<b>44,518</b>
<b>Payments</b>			
Payments of grants		(1,627)	(1,582)
Payments to suppliers and employees		(40,120)	(32,817)
Interest and other costs of finance paid		(324)	(326)
Other payments		(115)	0
<b>Total Payments</b>		<b>(42,186)</b>	<b>(34,725)</b>
<b>Net cash flow from / (used in) operating activities</b>	17(b)	<b>16,503</b>	<b>9,793</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of investment		4,000	0
Purchases of non-financial assets		(9,820)	(14,184)
Sales of non-financial assets		455	549
Payments for investments		0	(4,000)
<b>Net cash flows from/(used in) investing activities</b>		<b>(5,365)</b>	<b>(17,635)</b>
<b>Cash flows from financing activities</b>			
Owner contributions by State Government		3,873	8,688
Repayment of finance leases		(1,155)	(1,115)
<b>Net cash flows from/(used in) financing activities</b>		<b>2,718</b>	<b>7,573</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>13,856</b>	<b>(269)</b>
Cash and cash equivalents at the beginning of the financial year		23,275	23,544
<b>Cash and cash equivalents at the end of the financial year</b>	17(a)	<b>37,131</b>	<b>23,275</b>

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The annual financial statements represent the audited general purpose financial statements for Victoria State Emergency Service Authority.

The purpose of the report is to provide users with information about the Authority's stewardship of resources entrusted to it.

To gain a better understanding of the terminology used in this report, a glossary of terms can be found in Note 24.

#### (a) Statement of compliance

These 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 AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

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

The annual financial statements were authorised for issue by the Board of the Victoria State Emergency Service Authority on 2 September 2011.

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 underlying transactions or other events is reported.

#### (b) 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.

These financial statements are presented in Australian dollars, the functional and presentation currency of the Authority.

In the application of AAS, judgements, estimates and assumptions are required to be made about the 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 circumstance. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. 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 made by management in the application of AASs that have significant effects on the financial statements and estimates, with a risk of material adjustments in the next year, are disclosed throughout the notes to the financial statements.

The report has been prepared in accordance with the historical cost convention. Historical cost is based on the fair values of the consideration given in exchange for assets.

Exceptions to the historical cost convention include:

- non-current physical assets which, subsequent to acquisition, are measured at revalued amounts being their fair value at the date of the 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; and,
- the fair value of an asset other than land is generally based on its depreciated replacement value.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2011 and the comparative information presented for the year ended 30 June 2010.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

#### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### (c) Reporting entity

The financial statements include all the controlled activities of the Authority.

The Authority is a government Authority of the State of Victoria established under Victoria State Emergency Services Act 2005 (Vic). Its principal address is:

Victoria State Emergency Service Authority  
168 Sturt Street  
Southbank VIC 3006

The financial statements include cash balances of individual VICSES Volunteer Units.

##### Objectives and funding

The Authority's objectives are to provide emergency management, planning, auditing of municipal management plans, emergency response to floods, earthquakes, tsunami and storms, rescue services and support to other emergency agencies, and to assist with rescue operations on land and water. The Authority is predominantly funded by accrual based parliamentary grants for the provision of outputs. The grants are received by the Authority from the Department of Justice. The Authority is also reliant on gifts, donations, project grants and sponsorship.

##### (d) Scope and presentation of financial statements

###### Comprehensive Operating Statement

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

'Transactions' and 'other economic flows' are defined by the *Australian system of government finance statistics: concepts, sources and methods* 2005 Cat. No. 5514.0 published by the Australian Bureau of Statistics (see Note 24).

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

'Other economic flows' are changes arising from market remeasurements. They include gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets;

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

###### Balance Sheet

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

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

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Statement of Changes in Equity

The statement of changes in equity presents reconciliations of each non-owner and owner equity 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 comprehensive income related to other non-owner changes in equity.

#### Cash Flow Statement

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

#### Rounding of amounts

Amounts in the financial statements (including the notes) have been rounded to the nearest thousand dollars, unless otherwise stated. Figures in the financial statements may not equate due to rounding.

#### (e) 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.

#### One-line grant

One-line grant income is provided to the Authority by government to provide the outputs required by government. One-line grant income is recognised when those outputs have been delivered and the relevant Minister has certified delivery of those outputs in accordance with specified performance criteria and is shown as a grant received from government.

#### Other grants

Grants from third parties are recognised as income in the reporting period in which the Authority gains control over the underlying assets.

#### Sale of services

##### *Income from provision of services*

Income from the provision of services is recognised by reference to the stage of completion basis. The income is recognised when:

- the amount of the income, stage of completion and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the Authority.

The stage of completion is measured by reference to labour hours supplied or as a percentage of total services to be performed.

#### Interest

Interest income is recognised on a time-proportionate basis that takes into account the effective yield on the financial asset.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

#### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Other income

###### *Sponsorship*

Sponsorship income is recognised when the Authority is entitled to the economic benefits from the sponsorship.

###### *Donations*

Donation income is recognised on receipt.

###### *Other income*

Other income received by the Authority is recognised on receipt.

###### *Unit cash balances*

'Unit cash balances' reflects the aggregated net increase in the physical cash held in bank accounts and investments by VICSES Volunteer Units between 31 March 2010 and 31 March 2011.

##### (f) Expenses from transactions

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

##### Employee expenses

These expenses include all costs related to employment (other than superannuation which is accounted for separately) including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments and Workcover premiums.

###### *Superannuation- State superannuation defined benefit plans*

The amount recognised in the comprehensive operating statement in relation to employer contributions for members of defined benefit superannuation plans is simply the employer contributions that are paid or payable to these plans during the reporting period. The level of these contributions will vary depending upon the relevant rules of each plan, and is based upon actuarial advice.

The Department of Treasury and Finance (DTF), in their Annual Financial Statements, recognise on behalf of the State as the sponsoring employer, the net defined benefit cost related to the members of these plans. Refer to DTF's Annual Financial Statements for more detailed disclosures in relation to these plans.

##### Depreciation

All property, plant and equipment, excluding items under operating leases, that have a limited useful life are depreciated. Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Refer to note 1 (j) (Non-Financial assets) for the depreciation policy for leasehold improvements.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

**The following are typical useful lives for different classes for both 2010 and 2011:**

Asset Class	Useful Life
Buildings and leasehold improvements	2 – 40 years
Plant, equipment and vehicles	3 – 15 years

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The cost of leasehold improvements is capitalised as an asset and depreciated over the remaining term of the lease or the estimated useful life of the improvements, whichever is the shorter.

Land, which is considered to have an indefinite life, is not depreciated. Depreciation is not recognised in respect of land as its service potential has not, in any material sense, been consumed during the reporting period.

#### **Interest expense**

Interest expenses are recognised as expenses in the period in which they are incurred. Refer to *Glossary of terms and style conventions* in Note 24 for an explanation of interest expense items.

#### **Grants**

Grants are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as grants, subsidies and other transfer payments to local municipalities and VICSES Volunteer Units. Refer to *Glossary of terms and style conventions* in Note 24.

#### **Supplies and services**

##### *Supplies and services*

Supplies and services expenses are recognised as an expense in the reporting period in which they are incurred.

##### *Operating lease rental expenses*

Operating lease rental expenses are the minimum lease payments made on operating leases entered into by the Authority and are recognised as an expense in the reporting period in which they are incurred.

#### **(g) 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 as follows:

##### *Revaluation gains/(losses) of non-current physical assets*

Refer to Note 1(j) *Revaluations of non-financial physical assets*.

##### *Disposal of non-financial assets*

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

##### *Impairment of non-financial assets*

All assets are assessed for indications of impairment.

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 another economic flow, except to the extent that the write-down can be debited to an asset revaluation surplus amount applicable to that asset class.

If there is an indication that there has been a change in the estimate of an asset's recoverable amount since the last impairment loss was recognised, the carrying amount shall be increased to its recoverable amount. This reversal of the impairment loss occurs only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

#### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from asset and fair value less costs to sell.

Refer to Note 1(j) in relation to the recognition and measurement of non-financial assets.

#### **Other gains/(losses) from other economic flows**

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

#### **(h) Financial instruments**

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the Authority'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*. For example, statutory receivables arising from taxes, fines and penalties do not meet the definition of financial instruments as they do not arise under contract.

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.

#### **Categories of financial instruments**

##### *Receivables*

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, receivables are measured at amortised cost using the effective interest method, less any impairment.

Receivables category includes cash and deposits (refer to Note 1(i)), term deposits with maturity greater than three months, trade receivables, loans and other receivables, but not statutory receivables.

##### *Financial liabilities at amortised cost*

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 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.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (i) Financial assets

#### Cash and deposits

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

#### Unit cash balances

Volunteer Units' cash and deposits as defined above have been brought to account at 30 June 2011, as part of the ongoing consolidation of Volunteer Units' activities with the Authority's financial activities. The movement has been disclosed as Income in the Comprehensive Operating Statement (Note 2(d) *Other Income*) and as an increase in assets in the Balance Sheet (Note 17(a) *Cash flow statement information*).

#### Receivables

Receivables consist of:

- statutory receivables, which include predominantly amounts owing from the Victorian Government and GST input tax credits recoverable; and
- contractual receivables, which include mainly debtors in relation to goods and services, and accrued investment income.

Receivables that are contractual are classified as financial instruments. Statutory receivables are not classified as financial instruments.

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

A provision for doubtful receivables is made when there is objective evidence that the debts will not be collected and bad debts are written off when identified. Refer Note 1(g) *Impairment of non-financial assets*.

#### Investments

The investments held by the Authority are term deposits held for more than three months but less than twelve months and at fixed interest rates.

The carrying value of these investments is considered to approximate the fair value.

Interest earned on investments is recognised in the comprehensive operating statement as a transaction.

#### Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Authority retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Authority has transferred its rights to receive cash flows from the asset and either:
  - (a) has transferred substantially all the risks and rewards of the asset, or
  - (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

#### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Where the Authority has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Authority's continuing involvement in the asset.

##### Impairment of financial assets

At the end of each reporting period, the Authority assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes financial difficulties of the debtor, default payments, debts which are more than 60 days overdue, and changes in debtor credit ratings. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

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

In assessing impairment of statutory (non-contractual) financial assets which are not financial instruments, the Authority applies professional judgement in assessing materiality and using estimates, averages and computational shortcuts in accordance with AASB 136 *Impairment of Assets*.

##### (j) Non-financial assets

###### Property, plant and equipment

All non-current physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment.

The initial cost for non-financial physical assets under a finance lease (refer to Note 1(l)) 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.

Where an asset is received for no or nominal consideration, the cost is the asset's fair value at the date of acquisition.

Non-current physical assets such as land are measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or constructive restrictions imposed on the asset and public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the asset are not taken into account until it is virtually certain that the restrictions will no longer apply.

The fair value of plant, 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.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project, and an appropriate proportion of variable and fixed overheads.

For the accounting policy on impairment of non-financial physical assets, refer to impairment of non-financial assets under Note 1(g) *Impairment of non-financial assets*.

###### *Leasehold improvements*

The cost of leasehold improvements is capitalised as an asset and depreciated over the remaining term of the lease or the estimated useful life of the improvements, whichever is the shorter.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

#### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### *Revaluations of non-current physical assets*

Non-current physical assets measured at fair value are revalued in accordance with Financial Reporting Directions (FRD) 103D issued by the Minister for Finance. A full revaluation normally occurs every five years, based upon 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 FRD.

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 comprehensive income and accumulated in equity under the revaluation surplus, except that the net revaluation increase shall be recognised in the net result to the extent that it reverses a net revaluation decrease in respect of the same class of property, plant and equipment previously recognised as an expense (other economic flows) in the net result.

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

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

##### **Other non-financial assets**

###### *Prepayments*

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

##### **(k) Liabilities**

###### **Borrowings**

Borrowings are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs (refer to Note 1(l) *Leases*).

Subsequent to initial recognition, interest bearing liabilities are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in net result over the period of the borrowing using the effective interest rate method.

###### **Payables**

Payables consist of:

- contractual payables, such as accounts payable, and unearned income. Accounts payable represent liabilities for goods and services provided to the Authority prior to the end of the financial year that are unpaid, and arise when the Authority 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 payables.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

#### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised cost (refer to Note 1(h) *Financial instruments*). 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.

##### Provisions

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

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

When some or all of the economic benefits required to settle a provision are expected to be received from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

##### Employee benefits

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

##### (i) Wages and salaries, annual leave and time-in-lieu

Liabilities for wages and salaries, including non-monetary benefits and annual leave and time-in-lieu expected to be settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

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

##### (ii) Long service leave

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

*Unconditional LSL* is disclosed in the notes to the financial statements as a current liability even where the Authority does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- present value - component that the Authority does not expect to settle within 12 months; and
- nominal value - component that the Authority expects to settle within 12 months.

*Conditional LSL* 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 1(g)-*Other economic flows included in net results*).

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **(iii) Termination benefits**

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Authority 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 balance sheet date are discounted to present value.

#### **(iv) Employee benefits on-costs**

Employee benefits on-costs (payroll tax, workers compensation, superannuation) are recognised separately from provision for employee benefits.

#### **(l) 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.

#### **Finance 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 term of the lease.

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.

#### **Operating leases**

Operating lease payments, including any contingent rentals, are recognised as an expense in the comprehensive operating statement on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset is not recognised in the balance sheet.

#### **(m) Equity**

##### **Contributions by owners**

One-line grant funding received for the purchase of assets is treated as contributed capital and designated as contribution by owners.

#### **(n) Commitments**

Commitments are disclosed at their nominal value and inclusive of the goods and services tax (GST) payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (o) 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.

#### (p) Accounting for goods and services tax (GST)

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.

Commitments and contingent assets or liabilities are presented on a gross basis.

#### (q) Events after the reporting period

Assets, liabilities, income or expenses arise from past transactions or other past events.

Where the transactions result from an agreement between the Authority 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 period and before the date the financial statements are authorised for issue, where those events provide information about conditions which existed in the reporting period. Note disclosure is made about events between the end of the reporting period and the date the financial statements are authorised for issue where the events relate to conditions which arose after the end of the reporting period and which may have a material impact on the results of subsequent reporting periods.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(r) New accounting standards and interpretations**

Certain new AASs have been published that are not mandatory for the 30 June 2011 reporting period. Department of Treasury and Finance (DTF) assesses the impact of these new standards and advises the Authority of their applicability and early adoption where applicable.

As at 30 June 2011, the following standards and interpretations (applicable to Authorities) had been issued but were not mandatory for the financial year ending 30 June 2011. The Authority has not early-adopted these standards.

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on the Authority's financial statements
AASB 9 <i>Financial instruments</i>	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 <i>Financial Instruments: Recognition and Measurement</i> (AASB 139 <i>Financial Instruments: Recognition and Measurement</i> ).	Beginning 1 Jan 2013	Detail of impact is still being assessed.
AASB 124 <i>Related Party Disclosures (Dec 2009)</i>	Government-related entities have been granted partial exemption with certain disclosure requirements.	Beginning 1 Jan 2011	Preliminary assessment suggests the impact is insignificant. However, the Victoria State Emergency Service is still assessing the detailed impact and whether to early-adopt.
AASB 1053 <i>Application of Tiers of Australian Accounting Standards</i>	This standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements.	Beginning 1 July 2013	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) for certain public sector entities and has not decided if RDRs will be implemented to the Victorian Public Sector.
AASB 2009-11 <i>Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12]</i>	This standard gives effect to consequential changes arising from the issuance of AASB 9.	Beginning 1 Jan 2013	Detail of impact is still being assessed.
AASB 2009-12 <i>Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 and 1031 and Interpretations 2, 4, 16, 1039 and 1052]</i>	This standard amends AASB 8 to require an entity to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for purposes of certain operating segment disclosures. This standard also makes numerous editorial amendments to other AASs.	Beginning 1 Jan 2011	The amendments only apply to those entities to whom AASB 8 applies, which are for-profit entities except for-profit government departments. Detail of impact is still being assessed.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on the Authority's financial statements
AASB 2009-14 <i>Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement</i> [AASB Interpretation 14]	Amendments to Interpretation 14 arise from the issuance of prepayments of a minimum funding requirement.	Beginning 1 Jan 2011	Expected to have no significant impact.
AASB 2010-2 <i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements</i>	This standard makes amendments to many Australian Accounting Standards, including Interpretations, to introduce reduced disclosure requirements to the pronouncements for application by certain types of entities.	Beginning 1 July 2013	Does not affect financial measurement or recognition, so is not expected to have any impact on financial result or position. May reduce some note disclosures in financial statements.
AASB 2010-4 <i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i> [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13]	This standard makes numerous improvements designed to enhance the clarity of standards.	Beginning 1 Jan 2011	No significant impact on the financial statements.
AASB 2010-5 <i>Amendments to Australian Accounting Standards</i> [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]	This amendment contains editorial corrections to a range of Australian Accounting Standards and Interpretations, which includes amendments to reflect changes made to the text of IFRSs by the IASB.	Beginning 1 Jan 2011	No significant impact on the financial statements.
AASB 2010-6 <i>Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets</i> [AASB 1 & AASB 7]	This amendment adds and changes disclosure requirements about the transfer of financial assets. This includes the nature and risk of the financial assets.	Beginning 1 July 2011	This may impact on the Victoria State Emergency Service Authority as it creates additional disclosure for transfers of financial assets.  Detail of impact is still being assessed.
AASB 2010-7 <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)</i> [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	These amendments are in relation to the introduction of AASB 9.	Beginning 1 Jan 2013	This amendment may have an impact on the Victoria State Emergency Service Authority as AASB 9 is a new standard and it changes the requirements of numerous standards.  Detail of impact is still being assessed.
AASB 2011-3 <i>Amendments to Australian Accounting Standards – Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments</i> [AASB 1049]	This amends AASB 1049 to clarify the definition of the ABS GFS Manual, and to facilitate the adoption of changes to the ABS GFS Manual and related disclosures.	Beginning 1 July 2012	This amendment provides clarification to users on the version of the GFS Manual to be used and what to disclose if the latest GFS Manual is not used.  No impact on performance measurements will occur.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

**NOTE 2. INCOME FROM TRANSACTIONS**

	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>(a) Grants and other transfers</b>		
<b>Department of Justice</b>		
- One-line grant income	33,270	32,393
- Volunteer and other grants	197	2,480
<b>Other State Government Departments</b>		
- Transport Accident Commission	2,953	2,888
- Other	53	38
<b>Commonwealth Departments</b>	0	111
<b>Other grant income</b>		
- Melbourne Water	538	635
- Grant income Unit contributions	579	1,035
- Major incident funding	13,081	0
<b>Total grants and other transfers</b>	<b>50,671</b>	<b>39,580</b>
<b>(b) Sale services</b>		
Provision of services	109	121
<b>Total sale of goods and services</b>	<b>109</b>	<b>121</b>
<b>(c) Interest Income</b>		
Interest from financial assets not at fair value through P/L:		
- Interest on bank and term deposits	1,169	814
<b>Total interest income</b>	<b>1,169</b>	<b>814</b>
<b>(d) Other Income</b>		
Sponsorship	764	495
Donations	1,229	73
Other income	902	331
Change in Unit cash balances	1,161	1,206
<b>Total other income</b>	<b>4,056</b>	<b>2,105</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

**NOTE 3. EXPENSES FROM TRANSACTIONS**

	Notes	2011 \$'000	2010 \$'000
<b>(a) Employee expenses</b>			
Post employment benefits:			
- Defined contribution superannuation plans	12	(615)	(521)
- Defined benefit superannuation expense	12	(102)	(135)
- Other superannuation expense	12	(248)	(144)
Termination benefits		(26)	(13)
Salaries, wages and long service leave		(13,460)	(11,109)
<b>Total employee expenses</b>		<b>(14,451)</b>	<b>(11,922)</b>
<b>(b) Depreciation expense</b>			
Depreciation of property, plant, equipment and vehicles:			
- Buildings & leasehold improvements		(451)	(437)
- Plant, equipment and vehicles		(2,843)	(2,878)
<b>Total depreciation expense</b>		<b>(3,294)</b>	<b>(3,315)</b>
<b>(c) Grants</b>			
Grants to Local Government		(1,627)	(1,586)
<b>Total grants</b>		<b>(1,627)</b>	<b>(1,586)</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

**NOTE 3. EXPENSES FROM TRANSACTIONS**

	Notes	2011 \$'000	2010 \$'000
<b>(d) Supplies and Services</b>			
Supplies and Services:			
- Contractors and professional services		(3,623)	(1,966)
- Building service and maintenance expenses		(2,002)	(1,396)
- Travel and associated costs		(3,432)	(669)
- Printing, stationery and other office expenses		(863)	(909)
- Postage and communication expenses		(7,323)	(4,063)
- Vehicle expenses		(2,025)	(1,134)
- Technology services costs		(1,845)	(1,581)
- Protective clothing		(1,139)	(902)
- Emergency rescue equipment		(2,658)	(2,382)
- Training (Volunteers and Staff)		(1,433)	(1,437)
- Other		(545)	(340)
<b>Total supplies and services</b>		<b>(26,888)</b>	<b>(16,779)</b>
Operating lease rental expenses			
- Minimum lease payments		(115)	(30)
<b>Total operating lease rental expenses</b>		<b>(115)</b>	<b>(30)</b>
<b>Total supplies and services</b>		<b>(27,003)</b>	<b>(16,809)</b>
<b>(e) Interest expense</b>			
Finance lease costs		(311)	(320)
Other finance costs		9	(7)
<b>Total interest expense</b>		<b>(302)</b>	<b>(327)</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

**NOTE 4. OTHER ECONOMIC FLOWS INCLUDED IN NET RESULTS**

	2011 \$'000	2010 \$'000
<b>(a) Net gain on non-financial assets</b>		
Loss on revaluation of buildings	(832)	0
Net gain on disposal of physical assets	455	185
<b>Total net gain on non-financial assets</b>	<b>(377)</b>	<b>185</b>
<b>(b) Other gains from other economic flows</b>		
Net gain from revaluation of long service leave liability (i)	8	6
<b>Total other gains from other economic flows</b>	<b>8</b>	<b>6</b>

**Note:**

(i) Revaluation gain/(loss) due to changes in bond rates

**NOTE 5. RECEIVABLES**

	2011 \$'000	2010 \$'000
<b>Current receivables</b>		
<i>Contractual</i>		
Other receivables (i)	880	2,866
	880	2,866
<i>Statutory</i>		
GST recoverable (Net)	460	962
	460	962
<b>Total current receivables</b>	<b>1,340</b>	<b>3,828</b>
<b>Total receivables</b>	<b>1,340</b>	<b>3,828</b>

**Note:**

(i) The average credit period on sales of goods is 30 days. No interest is charged on other receivables.

**(a) Ageing analysis of contractual receivables**

Please refer to Table 16.4 in Note 16 for the ageing analysis of contractual receivables.

**(b) Nature and extent of risk arising from contractual receivables**

Please refer to Note 16(b) for the nature and extent of credit risk arising from contractual receivables.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

**NOTE 6. INVESTMENTS AND OTHER FINANCIAL ASSETS**

	2011 \$'000	2010 \$'000
<b>Current investments and other financial assets</b>		
Term deposits:		
- Australian dollar term deposits > 3 months	0	4,000
<b>Total current investments and other financial assets</b>	<b>0</b>	<b>4,000</b>
<b>Total investments and other assets</b>	<b>0</b>	<b>4,000</b>

**(a) Ageing analysis of investments and other financial assets**

Please refer to Table 16.4 in Note 16 for the ageing analysis of investments and other financial assets.

**(b) Nature and extent of risk arising from investments and other financial assets**

Please refer to Note 16 for the nature and extent of risks arising from investments and other financial assets.

**NOTE 7. OTHER NON-FINANCIAL ASSETS**

	2011 \$'000	2010 \$'000
<b>Current other non-financial assets</b>		
Prepayments	274	149
<b>Total current other non-financial assets</b>	<b>274</b>	<b>149</b>
<b>Total other non-financial assets</b>	<b>274</b>	<b>149</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

**NOTE 8. PROPERTY, PLANT AND EQUIPMENT**

**Table 8.1 Gross carrying amounts, accumulated depreciation and net carrying amounts**

Nature based classification	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Land - Crown Land – at fair value	9,137	2,454	0	0	9,137	2,454
Buildings and leasehold improvements	11,462	8,250	(1,016)	(1,347)	10,446	6,903
Plant, equipment and vehicles at fair value	39,601	24,534	(12,549)	(10,056)	27,052	14,478
Assets under construction	5,754	14,923	0	0	5,754	14,923
<b>Total Property, Plant and Equipment</b>	<b>65,954</b>	<b>50,161</b>	<b>(13,565)</b>	<b>(11,403)</b>	<b>52,389</b>	<b>38,758</b>

**Notes:**

- (i) Property, plant and equipment are classified primarily by the 'purpose' for which assets are used, according to one of six purpose groups based upon government purpose classifications (GPC). All assets within a purpose group are further sub categorised according to the asset's nature (i.e. land, buildings, plant and equipment etc), with each sub category being classified as a separate class of asset for financial reporting purposes.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

**NOTE 8. PROPERTY, PLANT AND EQUIPMENT**

**Table 8.2 Movements in carrying value**

	Land		Buildings and leasehold improvements		Plant, equipment and vehicles		Assets under construction		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance</b>	<b>2,454</b>	<b>2,454</b>	<b>6,903</b>	<b>6,329</b>	<b>14,478</b>	<b>15,438</b>	<b>14,923</b>	<b>3,603</b>	<b>38,758</b>	<b>27,824</b>
Additions	0	0	0	0	933	1,122	10,064	13,492	10,997	14,614
Transfers in/(out) of assets under construction	0	0	4,749	1,010	14,484	1,162	(19,233)	(2,172)	0	0
Disposals	0	0	0	0	0	(365)	0	0	0	(365)
Transfer to disposal group assets held-for-sale	0	0	0	0	0	0	0	0	0	0
Revaluation	6,683	0	(755)	0	0	0	0	0	5,928	0
Depreciation expense	0	0	(451)	(436)	(2,843)	(2,879)	0	0	(3,294)	(3,315)
<b>Closing balance</b>	<b>9,137</b>	<b>2,454</b>	<b>10,446</b>	<b>6,903</b>	<b>27,052</b>	<b>14,478</b>	<b>5,754</b>	<b>14,923</b>	<b>52,389</b>	<b>38,758</b>

**Notes:**

- (i) The scheduled full revaluation for this purpose group was conducted in 2011.  
(ii) Fair value assessments have been performed for all classes of assets and the decision was made that movements were not material (less than or equal to 10%) for a full revaluation.

The useful lives of assets used in the calculation of depreciation are disclosed in Note 1(f) Expenses from Transactions

Aggregate depreciation recognised as an expense during the year is disclosed in Note 3 Expenses from Transactions

**Freehold land and buildings carried at fair value**

An independent valuation of the Authority's land and buildings was performed through the Valuer-General Victoria to determine the fair value of the land and buildings. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. Fair value is determined by direct reference to recent market transactions on arm's length terms for land and buildings of comparable size and location to the authority. The valuation was based on independent assessments. The effective date of the valuation is 30 June 2011.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

#### NOTE 9. PAYABLES

	2011 \$'000	2010 \$'000
<b>Current payables</b>		
<b>Contractual</b>		
Amounts payable to other government agencies (i)	0	0
Supplies and services	5,866	4,203
		<b>4,203</b>
<b>Statutory</b>		
Taxes payable	135	731
<b>Total current payables</b>	<b>6,001</b>	<b>4,934</b>
<b>Total payables</b>	<b>6,001</b>	<b>4,934</b>

**Notes:**

(i) Terms and conditions of amounts payable to other government agencies vary according to a particular agreement with that agency.

**(a) Maturity analysis of contractual payables**

Please refer to Table 16.5 in Note 16 for maturity analysis of contractual payables.

**(b) Nature and extent of risk arising from contractual payables**

Please refer to Note 16 for the nature and extent of risk arising from contractual payables.

#### NOTE 10. BORROWINGS

	Notes	2011 \$'000	2010 \$'000
<b>Current borrowings</b>			
Finance lease liabilities (i)	13	1,192	1,001
<b>Total current borrowings</b>		<b>1,192</b>	<b>1,001</b>
<b>Non-current borrowings</b>			
Finance lease liabilities (i)	13	2,420	2,580
<b>Total non-current borrowings</b>		<b>2,420</b>	<b>2,580</b>
<b>Total borrowings</b>		<b>3,612</b>	<b>3,581</b>

**Note:**

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

**(a) Maturity analysis of borrowings**

Please refer to Table 16.5 for maturity analysis of borrowings.

**(b) Nature and extent of risk arising from borrowings**

Please refer to Note 16 for the nature and extent of risk arising from borrowings.

**(c) Defaults and breaches**

During the current and prior year, there were no defaults and breaches.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

**NOTE 11. PROVISIONS**

	Notes	2011 \$'000	2010 \$'000
<b>Current provisions</b>			
Employee benefits (i) – annual leave (iv)	11(a)		
Unconditional and expected to be settled within 12 months (ii)		981	889
Unconditional and expected to be settled after 12 months (iii)		0	0
<hr/>			
Employee benefits (i) – long service leave	11(a)		
Unconditional and expected to be settled within 12 months (ii)		328	290
Unconditional and expected to be settled after 12 months (iii)		767	675
<hr/>			
		<b>2,076</b>	<b>1,854</b>
Provisions related to employee benefit on-costs	11(a)		
Unconditional and expected to be settled within 12 months (ii)		312	278
Unconditional and expected to be settled after 12 months (iii)		129	113
<hr/>			
		<b>441</b>	<b>391</b>
<b>Total current provisions</b>		<b>2,517</b>	<b>2,245</b>
<hr/>			
<b>Non-Current provisions</b>			
Employee benefits (i)	11(a)	430	291
Employee benefits on costs		72	49
<hr/>			
<b>Total non-current provisions</b>		<b>502</b>	<b>340</b>
<hr/>			
<b>Total Provision</b>		<b>3,019</b>	<b>2,585</b>
<hr/>			
<b>(a) Employee benefits and related on-costs</b>			
<b>Current employee benefits</b>			
Annual leave entitlements (iv)		981	889
Long service leave entitlements		1,095	965
<hr/>			
		<b>2,076</b>	<b>1,854</b>
<hr/>			
<b>Non-current employee benefits</b>			
Long service leave entitlements		430	291
<hr/>			
<b>Total employee benefits</b>		<b>2,506</b>	<b>2,145</b>
<hr/>			
Current on-costs		441	391
Non-current on-costs		72	49
<hr/>			
<b>Total on-costs</b>		<b>513</b>	<b>440</b>
<hr/>			
<b>Total employee benefits and related on-costs</b>		<b>3,019</b>	<b>2,585</b>

**Notes:**

- (i) Provision for employee benefits consist of amounts for annual leave, time-in-lieu and long service leave accrued by employees, not including on-costs.
- (ii) The amounts disclosed are nominal amounts.
- (iii) The amounts disclosed are discounted to present values.
- (iv) Annual leave includes annual leave and time-in-lieu entitlements.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

#### NOTE 11. PROVISIONS

<b>(b) Movement in Provisions</b>	<b>On-Costs</b>
	<b>2011</b>
	<b>\$'000</b>
<b>Opening balance</b>	<b>440</b>
Additional provisions recognised	244
Reductions arising from payments / other sacrifices of future economic benefits	(171)
<b>Closing balance</b>	<b>513</b>
Current	441
Non-current	72
	<b>513</b>

#### NOTE 12. SUPERANNUATION

Employees of the Authority are entitled to receive superannuation benefits and the Authority contributes to both defined benefit and defined contribution plans. The defined benefit plans provide benefits based on years of service and final average salary.

The Authority does not recognise any defined benefit liability in respect of the defined benefit plan because the entity has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance recognises and discloses the State's defined benefit liabilities in its disclosure for administered items.

However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the Comprehensive Operating Statement of the Authority.

The name and details of the major employee superannuation funds and contributions made by the Authority are as follows:

<b>Fund</b>	<b>Contribution Paid</b>	
	<b>for the Year</b>	
	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Defined benefits plans:</b>		
State Superannuation Fund - Revised and New (i)	102	135
<b>Defined contribution plans:</b>		
VicSuper	615	521
Other	248	144
<b>Total</b>	<b>965</b>	<b>800</b>

**Notes:**

(i) The bases for determining the level of contributions is determined by the various actuaries of the superannuation plans.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

**NOTE 13. LEASES**

**Finance Leases**

**Leasing arrangements**

Finance leases relate to equipment with lease terms of 1 to 5 years. The Authority has options to purchase the equipment for a nominal amount at the conclusion of the lease agreements.

	Notes	Minimum future lease payments		Present value of minimum future lease payments	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>Finance lease liabilities payable</b>					
Not longer than 1 year		1,493	1,304	1,192	1,001
Longer than 1 year and not longer than 5 years		2,695	2,923	2,420	2,580
<b>Minimum future lease payments (i)</b>		<b>4,188</b>	<b>4,227</b>	<b>3,612</b>	<b>3,581</b>
Less future finance charges		(576)	(646)	0	0
<b>Present value of minimum lease payments</b>		<b>3,612</b>	<b>3,581</b>	<b>3,612</b>	<b>3,581</b>
Included in the financial statements as:					
Current borrowings lease liabilities	10			1,192	1,001
Non-current borrowing lease liabilities	10			2,420	2,580
				<b>3,612</b>	<b>3,581</b>

**Note:**

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

**Operating Leases**

**Leasing arrangements**

Operating leases relate to office facilities and equipment and logistics facilities of between 1 to 10 years with options to extend. The Authority does not have the option to purchase the leased items at the expiry of the lease period.

	2011 \$'000	2010 \$'000
<b>Non-cancellable operating leases payable</b>		
Not longer than one year	481	560
Longer than one year and not longer than five years	941	1,250
Longer than five years	92	261
	<b>1,514</b>	<b>2,071</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

**NOTE 14. COMMITMENTS FOR EXPENDITURE**

	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>a) Capital expenditure commitments</b>		
<b>Plant and equipment</b>		
Not longer than 1 year	1,749	1,836
Longer than 1 year and not longer than 5 years	0	0
Longer than 5 years	0	0
<b>Total capital expenditure commitments</b>	<b>1,749</b>	<b>1,836</b>
<b>b) Other expenditure commitments (i)</b>		
<b>Outsourcing commitments</b>		
Not longer than 1 year	1,227	456
Longer than 1 year and not longer than 5 years	1,209	0
Longer than 5 years	0	0
<b>Total other expenditure commitments</b>	<b>2,436</b>	<b>456</b>
<b>Total commitments for expenditure (inclusive of GST)</b>	<b>4,185</b>	<b>2,292</b>
Less GST recoverable	(380)	(208)
<b>Total commitments for expenditure (exclusive of GST)</b>	<b>3,805</b>	<b>2,084</b>

**Notes:**

- (i) All amounts shown in the commitments note are nominal amounts inclusive of GST.
- (ii) Finance lease and non-cancellable operating lease commitments are disclosed in Note 13.

**NOTE 15. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

**(a) Contingent Assets**

There were no contingent assets at balance date.

**(b) Contingent Liabilities**

There were no contingent liabilities at balance date.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

#### NOTE 16. FINANCIAL INSTRUMENTS

##### (a) Financial risk management objectives and policies

The Authority's principal financial instruments comprise:

- cash and cash deposits
- term deposits
- receivables (excluding statutory receivables)
- payables (excluding statutory payables); and
- 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 1 to the financial statements.

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

The Authority's main financial risks include credit risk, liquidity risk and interest rate risk. The Authority manages these financial risks in accordance with its financial risk management policy.

The Authority uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Governance & Audit Committee.

The carrying amounts of the Authority's contractual financial assets and financial liabilities by category are in table 16.1 right.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

**NOTE 16. FINANCIAL INSTRUMENTS**

**Table 16.1 Categorisation of Financial Instruments**

	Contractual financial assets – loans and receivables		Contractual financial liabilities at amortised cost		Total	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>Contractual financial assets</b>						
Cash and deposits	37,131	23,275	0	0	37,131	23,275
Receivables (i)						
- Sale of goods and services	880	2,866	0	0	880	2,866
- Other Receivables	0	0	0	0	0	0
Investments and other contractual financial assets:						
- Term deposits	0	4,000	0	0	0	4,000
<b>Total contractual financial assets</b>	<b>38,011</b>	<b>30,141</b>	<b>0</b>	<b>0</b>	<b>38,011</b>	<b>30,141</b>
<b>Contractual financial liabilities</b>						
Payables (i)						
- Supplies and services	0	0	5,866	4,203	5,866	4,203
- Amounts payable to government and agencies	0	0	0	0	0	0
- Other payables	0	0	0	0	0	0
Borrowings						
- Lease liabilities	0	0	3,612	3,581	3,612	3,581
<b>Total contractual financial liabilities</b>	<b>0</b>	<b>0</b>	<b>9,478</b>	<b>7,784</b>	<b>9,478</b>	<b>7,784</b>

**Notes:**

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

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

**NOTE 16. FINANCIAL INSTRUMENTS**

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

	Total interest income / (expense) \$'000	Impairment loss \$'000	Total \$'000
<b>2011</b>			
<b>Contractual financial assets</b>			
Financial assets - receivables	1,169	0	1,169
<b>Total contractual financial assets</b>	<b>1,169</b>	<b>0</b>	<b>1,169</b>
<b>Contractual financial liabilities</b>			
Financial liabilities at amortised cost	311	0	311
<b>Total contractual financial assets</b>	<b>311</b>	<b>0</b>	<b>311</b>
<b>2010</b>			
<b>Contractual financial assets</b>			
Financial assets - receivables	814	0	814
<b>Total contractual financial assets</b>	<b>814</b>	<b>0</b>	<b>814</b>
<b>Contractual financial liabilities</b>			
Financial liabilities at amortised cost	320	0	320
<b>Total contractual financial liabilities</b>	<b>320</b>	<b>0</b>	<b>320</b>

The net holding gains or losses disclosed above are determined as follows:

- For cash and deposits or receivables the net gain or loss is calculated as the interest income, minus any impairment recognised in the net result.
- For financial liabilities measured at amortised cost, the net gain or loss is calculated as the interest expense, plus or minus losses arising from the revaluation of financial liabilities measured at amortised cost.

**(b) Credit Risk**

Credit risk arises from the contractual financial assets of the Authority, which comprise cash and deposits, and non-statutory receivables. The Authority's exposure to credit risk arises from the potential default of a counterparty on their contractual obligations resulting in financial loss to the Authority. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the Authority's financial assets is minimal as the debtors are mainly State and Commonwealth government.

In addition, the Authority does not engage in hedging of its financial assets and mainly obtains contractual financial assets that have a fixed rate of interest, except for cash assets which are mainly cash at bank. As with the policy for debtors, the Authority's policy is to only deal with banks with a high credit rating.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

### NOTE 16. FINANCIAL INSTRUMENTS

Provision for impairment of contractual financial assets is calculated based on past experience, and current and expected changes in client credit ratings.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents the Authority's maximum exposure to credit risk.

**Table 16.3 Credit quality of contractual financial assets that are neither past due nor impaired**

	Financial institutions (AAA credit rating) \$000's	Government agencies (AAA credit rating) \$000's	Government agencies (BBB credit rating) \$000's	Other (min BBB credit rating) \$000's	Total \$000's
<b>2011</b>					
<b>Contractual financial assets</b>					
Cash and deposits	2,000	12,000	0	23,131	37,131
Receivables (i)	0	275	0	605	880
Investments and other financial assets	0	0	0	0	0
<b>Total contractual financial assets</b>	<b>2,000</b>	<b>12,275</b>	<b>0</b>	<b>23,736</b>	<b>38,011</b>
<b>2010</b>					
<b>Contractual financial assets</b>					
Cash and deposits	0	10,000	0	13,275	23,275
Receivables (i)	0	917	0	1,949	2,866
Investments and other financial assets	0	2,000	0	2,000	4,000
<b>Total contractual financial assets</b>	<b>0</b>	<b>12,917</b>	<b>0</b>	<b>17,224</b>	<b>30,141</b>

**Note:**

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

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

**NOTE 16. FINANCIAL INSTRUMENTS**

**Table 16.4 Ageing analysis of contractual financial assets**

	Carrying amount \$000's	Not past due and not impaired \$000's	Past Due but not Impaired				Impaired Financial Assets \$000's
			Less than 1 Month \$000's	1-3 Months \$000's	3 Months - 1 Year \$000's	1-5 Years \$000's	
<b>2011</b>							
<b>Receivables (i)</b>							
- Sale of goods and services	880	683	107	2	88	0	0
- Other receivables	0	0	0	0	0	0	0
<b>Investments and other contractual assets</b>							
- Term deposits	0	0	0	0	0	0	0
<b>Total</b>	<b>880</b>	<b>683</b>	<b>107</b>	<b>2</b>	<b>88</b>	<b>0</b>	<b>0</b>
<b>2010</b>							
<b>Receivables (i)</b>							
- Sale of goods and services	2,866	2,794	20	18	34	0	0
- Other receivables	0	0	0	0	0	0	0
<b>Investments and other contractual assets</b>							
- Term deposits	4,000	4,000	0	0	0	0	0
<b>Total</b>	<b>6,866</b>	<b>6,794</b>	<b>20</b>	<b>18</b>	<b>34</b>	<b>0</b>	<b>0</b>

**Note:**

(i) Ageing analysis of financial assets excludes statutory financial assets (e.g. amount owing from Victorian Government and GST input tax credit).

*Contractual financial assets that are either past due or impaired*

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

As at the reporting date, there is no event to indicate that any of the financial assets were impaired.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated. The table above discloses the ageing of financial assets that are past due but not impaired.

**(c) Liquidity risk**

Liquidity risk arises when the Authority would be unable to meet its financial obligations as and when they fall due. The Authority 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.

The Authority's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the Balance Sheet.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

#### NOTE 16. FINANCIAL INSTRUMENTS

The Authority manages its liquidity risk via:

- close monitoring of its short-term and long-term borrowings by senior management, including monthly reviews on current and future borrowing levels and requirements;
- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short term obligations;
- holding investments and other contractual financial assets which are readily tradeable in financial markets;
- careful maturity planning of its financial obligations based on forecasts of future cashflows; and
- a high credit rating for the State of Victoria (Moody's Investor Services and Standard and Poor's AAA), which assists in accessing debt markets at a lower interest rate

The Authority's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The following table discloses the contractual maturity for the Authority's financial liabilities.

**Table 16.5 Maturity analysis of contractual financial liabilities (i)**

	Carrying amount \$000's	Nominal amount \$000's	Maturity dates			
			Less than 1 Month \$000's	1 to 3 Months \$000's	3 Months to 1 Year \$000's	1 to 5 Years \$000's
<b>2011</b>						
<b>Payables (ii)</b>						
- Supplies and services	5,866	5,866	5,808	20	38	0
- Amounts payable to government and agencies	0	0	0	0	0	0
- Other payables	0	0	0	0	0	0
<b>Borrowings</b>						
- Finance lease liabilities	3,612	3,612	79	239	874	2,420
<b>Total</b>	<b>9,478</b>	<b>9,478</b>	<b>5,887</b>	<b>259</b>	<b>912</b>	<b>2,420</b>
<b>2010</b>						
<b>Payables (ii)</b>						
- Supplies and services	4,203	4,203	4,203	0	0	0
- Amounts payable to government and agencies	0	0	0	0	0	0
- Other payables	0	0	0	0	0	0
<b>Borrowings</b>						
- Finance lease liabilities	3,581	3,581	55	264	858	2,404
<b>Total</b>	<b>7,784</b>	<b>7,784</b>	<b>4,258</b>	<b>264</b>	<b>858</b>	<b>2,404</b>

**Notes:**

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

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

**NOTE 16. FINANCIAL INSTRUMENTS**

**(d) Market Risk**

The Authority's exposure to market risk is primarily through interest rate risk. Objectives, policies and processes used to manage this risk are disclosed below:

**Interest Rate Risk**

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in the market interest rates. The Authority does not hold any interest bearing financial instruments that are measured at fair value, therefore has nil exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Authority has exposure to cash flow interest rate risks through its cash and deposits that are at floating rate.

The risk is minimised by investing in some fixed-rate financial instruments.

Management monitors movements in interest rates as investments approach maturity.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates are set out in Table 16.6.

**Table 16.6 Interest rate exposure of financial instruments**

	Weighted Average Effective Interest Rate %	Carrying Amount \$000s	Interest Rate Exposure		
			Fixed Interest Rate \$000s	Variable Interest Rate \$000s	Non- Interest Bearing \$000s
<b>2011</b>					
<b>Financial assets</b>					
Cash and Deposits	4.79%	37,131	4,000	33,131	0
Receivables					
- Sale of goods and services		880	0	0	880
- Other receivables		0	0	0	0
- Term deposits		0	0	0	0
<b>Total financial assets</b>		<b>38,011</b>	<b>4,000</b>	<b>33,131</b>	<b>880</b>
<b>Financial liabilities</b>					
Payables					
- Supplies and services		5,866	0	0	5,866
- Amounts payable to government and agencies		0	0	0	0
- Other payables		0	0	0	0
Borrowings					
- Finance lease liabilities	9.97%	3,612	3,612	0	0
<b>Total financial liabilities</b>		<b>9,478</b>	<b>3,612</b>	<b>0</b>	<b>5,866</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

**NOTE 16. FINANCIAL INSTRUMENTS**

	Weighted Average Effective Interest Rate %	Carrying Amount \$000	Interest Rate Exposure		
			Fixed Interest Rate \$000s	Variable Interest Rate \$000s	Non- Interest Bearing \$000s
<b>2010</b>					
<b>Financial assets</b>					
Cash and Deposits	3.75%	23,275	0	23,275	0
Receivables					
- Sale of goods and services		2,866	0	0	2,866
- Other receivables		0	0	0	0
Investments and other contractual financial assets					
- Term deposits	5.26%	4,000	4,000	0	0
<b>Total financial assets</b>		<b>30,141</b>	<b>4,000</b>	<b>23,275</b>	<b>2,866</b>
<b>Financial liabilities</b>					
Payables					
- Supplies and services		4,203	0	0	4,203
- Amounts payable to government and agencies		0	0	0	0
- Other payables		0	0	0	0
Borrowings					
- Finance lease liabilities	9.59%	3,581	3,581	0	0
<b>Total financial liabilities</b>		<b>7,784</b>	<b>3,581</b>	<b>0</b>	<b>4,203</b>

**Sensitivity disclosure analysis and assumptions**

The Authority's sensitivity to market risk is determined based on the observed range of historical data for the preceding five year period, with all variables other than the primary risk variable held constant. The Authority's fund managers cannot be expected to predict movements in market rates and prices, sensitivity analyses shown are for illustrative purposes only. A movement of 200 basis points up and down in market interest rates (AUD) is "reasonably possible" over the next twelve months (2010: 200 basis points up and down).

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

**NOTE 16. FINANCIAL INSTRUMENTS**

Table 16.7 below discloses the impact on the Authority's net result for each category of financial instrument held by the Authority at year-end as presented to key management personnel, if the above movements were to occur.

**Table 16.7 Market risk exposure – Interest rate**

	Carrying amount \$'000s	Interest rate	
		-200 basis points Net result \$'000s	+200 basis points Net result \$'000s
<b>2011</b>			
<b>Contractual financial assets</b>			
Cash and deposits (i)	37,131	(663)	663
Investments and other contractual financial assets (ii)	0	0	0
<b>Total impact</b>	<b>37,131</b>	<b>(663)</b>	<b>663</b>
<b>Contractual financial liabilities</b>			
Borrowings (iii)	3,612	0	0
<b>Total impact</b>	<b>3,612</b>	<b>0</b>	<b>0</b>
<b>2010</b>			
<b>Contractual financial assets</b>			
Cash and deposits (i)	23,275	(465)	465
Investments and other contractual financial assets (ii)	4,000	0	0
<b>Total impact</b>	<b>27,275</b>	<b>(465)</b>	<b>465</b>
<b>Contractual financial liabilities</b>			
Borrowings (iii)	3,581	0	0
<b>Total impact</b>	<b>3,581</b>	<b>0</b>	<b>0</b>

**Notes:**

- (i) Cash and deposits includes \$33,131 thousand (2010: \$23,275 thousand) that is exposed to floating rate movements. Sensitivities to these movements are as follows:  
2011: \$33,131 thousand x -0.02 = -\$663 thousand; and \$33,131 thousand x 0.02 = \$663 thousand  
2010: \$23,275 thousand x -0.02 = -\$465 thousand; and \$23,275 thousand x 0.02 = \$465 thousand
- (ii) Investments and other contractual financial assets include Nil (2010: \$4,000 thousand) that is exposed to floating rate movements.
- (iii) Borrowings include Nil (2010: Nil) that are exposed to floating rate movements.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

### NOTE 16. FINANCIAL INSTRUMENTS

#### (e) Fair Value

The Authority considers that the carrying amount of financial assets and financial liabilities recorded in the financial report to be a fair approximation of their fair values, because of the short-term nature of the financial instruments and the expectation that they will be paid in full.

### NOTE 17. CASH FLOW STATEMENT INFORMATION

#### (a) Reconciliation of cash and deposits

	2011 \$'000	2010 \$'000
Total cash and deposits disclosed in the balance sheet	37,131	23,275
<b>Balance as per cash flow statement</b>	<b>37,131</b>	<b>23,275</b>

#### (b) Reconciliation of Net Result for the Period to Net Cash Flows from Operating Activities

	2011 \$'000	2010 \$'000
<b>Net result for the period</b>	8,959	8,852
<b>Non-cash movements</b>		
- (Gain)/Loss on sale or disposal of non-current assets	377	(185)
- Depreciation and amortisation of non-current assets	3,294	3,315
- Adjustment for prior year FBT assessment	0	686
<b>Movements in assets and liabilities</b>		
- (Increase)/decrease in receivables	2,488	917
- (Increase)/decrease in other non-financial assets	(125)	87
- Increase/(decrease) in payables	1,044	(4,187)
- Increase/(decrease) in provisions & borrowings	466	308
<b>Net Cash Flows from/(used in) operating activities</b>	<b>16,503</b>	<b>9,793</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

**NOTE 18. RESERVES**

	2011 \$'000	2010 \$'000
<b>Physical asset revaluation reserve surplus:</b>		
Balance at beginning of financial year	0	0
Revaluation increments/(decrements)	6,760	0
Transfers to accumulated surplus	0	0
<b>Balance at end of financial year</b>	<b>6,760</b>	<b>0</b>
<b>Net changes in reserve</b>	<b>6,760</b>	<b>0</b>

**NOTE 19. EX-GRATIA PAYMENTS**

The Authority did not make any ex-gratia payments for the period ending 30 June 2011. (2010: Nil).

**NOTE 20. RESPONSIBLE PERSONS**

In accordance with the Ministerial Directions issued by the Minister for Finance under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period.

**Names**

The persons who held the positions of Ministers and Responsible Officers in the Authority are as follows:

**Minister for Police and Emergency Services**

The Hon. Bob Cameron, MP	01/07/10 to 10/10/10	132 days
The Hon. Peter Ryan, MP	02/12/10 to 30/06/11	211 days

**Minister for Emergency Services**

The Hon. Bob Cameron, MP	11/10/10 to 01/12/10	22 days
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**Board Members**

C Higgins	(Chairperson)
R Jones	
L Russell	
B Yeoh	
H Dyson	

**Accountable Officer of the Victoria State Emergency Service Authority**

Mary Barry - Chief Executive Officer

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

#### NOTE 20. RESPONSIBLE PERSONS

##### Remuneration

Remuneration received or receivable by Responsible Persons in connection with the management of the Authority during the reporting period was in the range:

Remuneration band	2011 No.	2010 No.
\$1 - \$9,999	0	0
\$10,000 - \$19,999	4	4
\$20,000 - \$29,999	0	0
\$30,000 - \$39,999	1	1
\$220,000 - \$229,999	0	1
\$260,000 - \$269,999	1	0
	<b>6</b>	<b>6</b>

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

##### Other transactions

Other related transactions and loans requiring disclosure under the Directions of the Minister for Finance have been considered and there are no matters to report.

##### Related parties

C Higgins, who is the Authority's chairperson, is also a Board member of the Country Fire Authority.

During the financial year, the Authority and the Country Fire Authority conducted business transactions at arms length and on normal commercial terms.

Other related transactions and loans requiring disclosure under the Directions of the Minister for Finance have been considered and there are no matters to report.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

### NOTE 21. REMUNERATION OF EXECUTIVES

The numbers of executive officers, other than Ministers and Responsible Officers, and their total remuneration during the reporting period are shown in the first two columns in the table below in their relevant income bands. The base remuneration amounts of executive officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, long-service leave payments, redundancy payments and retirement benefits.

Income band	Total remuneration		Base remuneration	
	2011 No.	2010 No.	2011 No.	2010 No.
Less than \$110,000	0	0	0	0
\$110,000 - \$119,999	0	0	0	0
\$120,000 - \$129,999	0	0	0	0
\$130,000 - \$139,999	0	0	0	1
\$140,000 - \$149,999	0	1	1	0
\$150,000 - \$159,999	1	0	0	2
\$160,000 - \$169,999	0	2	3	1
\$170,000 - \$179,999	3	1	0	0
<b>Total numbers</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
<b>Total amount</b>	<b>674,097</b>	<b>649,839</b>	<b>638,187</b>	<b>612,441</b>

### NOTE 22. REMUNERATION OF AUDITORS

	2011 \$'000	2010 \$'000
<b>Victorian Auditor General's Office</b>		
- Audit of the financial statements	45	44
	<b>45</b>	<b>44</b>

### NOTE 23. SUBSEQUENT EVENTS

There has not arisen any other item, transaction or event of a material or unusual nature, likely, in the opinion of the Board, to affect significantly the operations of the Victoria State Emergency Service Authority, the results of those operations, or the state of affairs of the Authority, in subsequent financial years.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

## NOTE 24. GLOSSARY OF TERMS AND STYLE CONVENTIONS

### Actuarial gains or losses on superannuation defined benefit plans

Actuarial gains or losses reflect movements in the superannuation liability resulting from differences between the assumptions used to calculate the superannuation expense from transactions and actual experience.

### Amortisation

Amortisation is the expense which results from the consumption, extraction or use over time of a non-produced physical or intangible asset. This expense is classified as an other economic flow.

### Borrowings

Borrowings refers to interest-bearing liabilities mainly raised from public borrowings raised through the Treasury Corporation of Victoria, finance leases and other interest-bearing arrangements. Borrowings also include non-interest-bearing advances from government that is acquired for policy purposes.

### Comprehensive result

The net result of all items of income and expense recognised for the period. It is the aggregate of operating result and other non-owner movements in equity.

### Commitments

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

### Depreciation

Depreciation is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense is classified as a 'transaction' and so reduces the 'net result from transaction'.

### Effective interest method

The effective interest method is used to calculate the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument, or, where appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

### Employee benefits expenses

Employee benefits expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments, defined benefits superannuation plans, and defined contribution superannuation plans.

### Ex gratia payments

Ex gratia payment is the gratuitous payment of money where no legal obligation exists.

### Financial asset

A financial asset is any asset that is:

- (a) cash;
- (b) an equity instrument of another entity;
- (c) a contractual or statutory 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 the entity; or
  - (d) a contract that will or may be settled in the entity's own equity instruments and is:
    - a non-derivative for which the entity 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 the entity's own equity instruments.

### Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets or liabilities that are not contractual (such as statutory receivables or payables that arise as a result of statutory requirements imposed by governments) are not financial instruments.

### Financial liability

A financial liability is any liability that is:

- (a) A contractual obligation:
  - (i) to deliver cash or another financial asset to another entity; or
  - (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
  - (b) a contract that will or may be settled in the entity's own equity instruments and is:
    - (i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
    - (ii) 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 the entity's own equity instruments. For this purpose the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

### NOTE 24. GLOSSARY OF TERMS AND STYLE CONVENTIONS

#### 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 (September 2007), which means it may include the main financial statements and the notes.

#### Grants

Transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another entity without receiving approximately equal value in return. Grants can either be operating or capital in nature.

While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods or services, to particular taxpayers in return for their taxes.

Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

#### General government sector

The general government sector comprises all government departments, offices and other bodies engaged in providing services free of charge or at prices significantly below their cost of production. General government services include those which are mainly non-market in nature and those which involve the transfer or redistribution of income. These services are financed mainly through taxes, or other compulsory levies and user charges.

#### Interest expense

Costs incurred in connection with the borrowing of funds includes 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 unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

#### Net acquisition of non financial assets (from transactions)

Purchases (and other acquisitions) of non-financial assets less sales (or disposals) of non-financial assets less depreciation plus changes in inventories and other movements in non-financial assets. It includes only those increases or decreases in non-financial assets resulting from transactions and therefore excludes write offs, impairment write downs and revaluations.

#### Net result

Net result is a measure of financial performance of the operations for the period. It is the net result of items of income, 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 income 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.

#### Net worth

Assets less liabilities, which is an economic measure of wealth.

#### Non financial assets

Non financial assets are all assets that are not 'financial assets'. It includes inventories, land, buildings, infrastructure, road networks, land under roads, plant and equipment, investment properties, cultural and heritage assets, intangible and biological assets.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

## NOTE 24. GLOSSARY OF TERMS AND STYLE CONVENTIONS

### 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-financial 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, taxes and interest payable.

### Receivables

Includes amounts owing from government through appropriation receivable, short and long-term trade credit and accounts receivable, accrued investment income, 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 and 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 the Authority.

### 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.

### Style conventions

Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

The notation used in the tables is as follows:

..	zero, or rounded to zero
(xxx.x)	negative numbers
201x	year period
201x-1x	year period

The financial statements and notes are presented based on the illustration for a government department in the 2010-11 Model Report for Victorian Government departments. The presentation of other disclosures is generally consistent with the other disclosures made in earlier publications of the Authority's annual reports.

## DISCLOSURE INDEX

The Annual Report of the Victoria State Emergency Service Authority is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the Authority's compliance with statutory disclosure requirements.

Legislation	Requirement
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### MINISTERIAL DIRECTIONS

#### Report of Operations – FRD Guidance

##### *Charter and purpose*

FRD 22B	Manner of establishment and the relevant Ministers
FRD 22B	Objectives, functions, powers and duties
FRD 22B	Nature and range of services provided

##### *Management and structure*

FRD 22B	Organisational structure
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##### *Financial and other information*

FRD 10	Disclosure index
FRD 12A	Disclosure of major contracts
FRD 15B	Executive officer disclosures
FRD 22B	Operational and budgetary objectives and performance against objectives
FRD 22B	Employment and conduct principles
FRD 22B	Occupational health and safety policy
FRD 22B	Summary of the financial results for the year
FRD 22B	Significant changes in financial position during the year
FRD 22B	Major changes or factors affecting achievement
FRD 22B	Subsequent events
FRD 22B	Application and operation of <i>Freedom of Information Act 1982</i>
FRD 22B	Compliance with building and maintenance provisions of <i>Building Act 1993</i>
FRD 22B	Statement on National Competition Policy
FRD 22B	Application and operation of the <i>Whistleblowers Protection Act 2001</i>
FRD 22B	Details of consultancies over \$100,000
FRD 22B	Details of consultancies under \$100,000
FRD 22B	Statement of availability of other information
FRD 24B	Reporting of office-based environmental impacts
FRD 25	Victorian Industry Participation Policy Disclosures
FRD 29	Workforce Data disclosure

## DISCLOSURE INDEX

### Financial Statements

#### ***Financial statements required under Part 7 of the FMA***

SD 4.2(a)	Statement of Changes in Equity
SD 4.2(b)	Operating Statement
SD 4.2(b)	Balance Sheet
SD 4.2(b)	Cash flow statement
SD 4.2(f)	Compliance with Model Financial Report
SD 4.2(c)	Compliance with Australian accounting standards and other authoritative pronouncements
SD 4.2(c)	Compliance with Ministerial Directions
SD 4.2(c)	Accountable Officer's declaration
SD 4.2(d)	Rounding of amounts

#### ***Other disclosures as required by FRDs in notes to the financial statements***

FRD 11	Disclosure of ex-gratia payments
FRD 21A	Responsible person and executive officer disclosures

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## LEGISLATION

*Freedom of Information Act 1982*

*Building Act 1993*

*Financial Management Act 1994*

*Whistleblowers Protection Act 2001*

*Victorian Industry Participation Policy Act 2003*

*Multicultural Victoria Act 2004*



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