



Victoria State Emergency Service

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ses.vic.gov.au



Victoria State Emergency Service | Annual Report 2013-2014



Empowering Community





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Communication objectives

This report provides an account of Victoria State Emergency Service Authority during the 2013–14 financial year, as required under the *Financial Management Act 1994*.

It provides a record of events and activities, acknowledges the cooperation of VICSES volunteers, staff and supporters, and informs government and the public about VICSES services and the organisational development during the 2013–14 financial year.

This report is available for viewing online:

ses.vic.gov.au

Additional copies may be obtained from:

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Who we are

The Victoria State Emergency Service (VICSES) is made up of dedicated volunteers and professional staff of all ages and backgrounds. Our shared desire is to work as part of a team that gives back to the Victorian community we live in.

Victoria State
Emergency Service will
be a strong contributor
to an all hazards, all
agencies approach to
effective emergency
management, enabling
safer communities.



Nearly 5,000 volunteers from all ages, professions and backgrounds serve in both operational and support roles across the state. Every one of our volunteers receives comprehensive training to enable them to respond to emergencies. From road rescue and flood response to community events and logistics, volunteers continually develop and update their skills through the various courses and training programs provided by VICSES.

Our volunteers are supported by 188 staff and contractors working on specific projects.

What we do



What we do

We are the control agency for flood, storm, tsunami and earthquake in Victoria, managing responses to these emergencies and helping communities to prepare through planning and education.

As well as operating the largest road rescue network in Australia, we also assist the Victoria Police in search and rescue operations and play an important support role during major bushfire responses.

Emergency management

Coordinating emergency preparation and response for flood, storm, tsunami and earthquake is the organisation's primary role. VICSES Victorian Head Office works with the regional offices to prepare and warn communities with public safety advice and emergency plans.

Community planning and education

We work closely with municipal councils throughout Victoria to develop emergency management plans, providing advice, information, education and training. We are also required to audit Municipal Emergency Management Plans every three years.

We also engage directly with communities, educating Victorians on how to prepare for natural hazards. Programs are aimed at building resilient communities that are less affected by flood, storm, tsunami and earthquake.

Our vision

Victoria State Emergency Service will be a strong contributor to an all hazards, all agencies approach to effective emergency management, enabling safer communities.

Our purpose

Partnering with the community and other stakeholders to build community preparedness and resilience and providing timely and effective emergency services.

Our values

- Our People
- Commitment
- Trust
- Accountability
- Integrity
- Community Focused

Goals and objectives

VICSES workforce

A sustainable volunteer and employee workforce. Objectives:

- VICSES volunteers and employees support the organisation's vision, purpose and values
- VICSES volunteers and employees are professional, appropriately trained, participate in exercises and have the capability to work in a multi-agency environment
- VICSES volunteers and employees work within the VICSES Work Health and Safety framework
- VICSES volunteers and employees are appropriately supported and resourced

Community

A strategic and proactive approach to service delivery in our community. Objectives:

- VICSES works in partnership with communities and other relevant agencies and stakeholders to build community preparedness and resilience for emergencies
- VICSES empowers communities by providing accurate and timely emergency information and warnings
- VICSES utilises innovative approaches to ensure its emergency management services respond to changing community demographics
- VICSES develops emergency plans for flood, storm, earthquake and tsunami in partnership with the community, other relevant agencies and stakeholders

Collaboration and capability

An all hazards, all agencies approach to emergency management. Objectives:

- VICSES works with the government and other relevant organisations and stakeholders in an innovative way to ensure continuous improvement in the delivery of emergency management services
- VICSES has the capability and capacity to contribute to the delivery of emergency services to the community within an all hazards, all agencies environment in the areas of prevention, preparedness and response
- VICSES is an active and innovative contributor to the implementation and adoption of an all hazards, all agencies approach to emergency management
- VICSES adopts a holistic all hazards risk-based approach to emergency management planning by engaging and working with the community, Emergency Management Victoria and all other relevant agencies and stakeholders
- VICSES emergency management doctrine is interoperable with other relevant emergency services agencies and stakeholders
- VICSES Information Services systems are networked and interoperable with other relevant emergency services, the State Control Centre and relevant Incident Control Centres across the state
- VICSES has strong partnerships and professional working relationships with all relevant stakeholders in Victoria and interstate

"What is the best thing about being a VICSES volunteer?"

The incredibly practical way we can positively impact our community. We develop incredibly spectacular skills which have been useful in day-to-day life."

Michael Casha
Craigieburn Unit



Chair's report



VICSES has continued to serve the Victorian community, responding to more than 31,000 incidents during the year – both as a control agency and supporting other emergency service organisations.

Peter Akers
Chair

Victoria State Emergency
Service Authority

I am pleased to provide you, as Chair, with the 2013-2014 Annual Report for the Victoria State Emergency Service (VICSES).

The Board has reviewed the Authority's financial statements for the period 1 July 2013 to 30 June 2014. The net result for the Victoria State Emergency Service Authority for this period was a consolidated operating surplus of \$4.866 million.

The Board has undergone several transitions throughout the year with my appointment along with Ev Duke in October 2013 making it a seven member Victoria State Emergency Service Authority Board.

My appointment as Chair commenced at the beginning of March 2014, when Claire Higgins stepped down from the role after over five years. I would like to take this opportunity on behalf of the Authority to thank Claire for her leadership as the Chair and express my appreciation at her remaining a member of the Board.

Mary Barry, inaugural Chief Executive Officer of VICSES from 23 January 2006 resigned from the role on 17 January 2014. We remain grateful to Mary for the inspirational role she played in shaping VICSES as an organisation.

The Board is thankful to John Casey who undertook the Acting Chief Executive Officer role for five months whilst the Authority undertook search and recruitment of a new Chief Executive Officer. John maintained the momentum of the organisation during the transition to the new CEO.

The Authority appointed Stephen Griffin as the second CEO of VICSES on 12 May 2014. Stephen has made an impressive start to his service and has already had a positive impact on the organisation.

2014-15 marks the final year of VICSES' existing three-year strategic plan, and the Board will commence the review of the organisation's strategic vision for the next three years at its strategic planning day in November 2014.

VICSES has continued to serve the Victorian community, responding to more than 31,000 incidents during the year – both as a control agency and supporting other emergency service organisations. Educating the community continues to be a focus for the organisation to help build community resilience and raise awareness of risk.

On behalf of the Authority I would like to thank the following for their ongoing support of VICSES: Premier Dr Denis Napthine, Minister for Police and Emergency Services Kim Wells, the Department of Justice, local government and the other emergency service organisations in Victoria. We look forward to strengthening these relationships and partnerships with the introduction of Emergency Management Victoria.

The Board wishes to express our appreciation to the Municipal Councils for their support (unit buildings, financial and in kind) of their local VICSES units and the individuals within their communities who so generously give up their time to be VICSES volunteers responding to emergencies and promoting community preparedness.

The dedication and commitment of VICSES volunteers and their families for their time and devotion to assisting their communities is, as always, greatly appreciated. The Authority also thanks the employees for their efforts to ensure that VICSES volunteers are supported in their work.

I would like to express my thanks to the Authority's Board of Directors, the Chief Executive Officer and the executive management team for their support. I have enjoyed my first nine months as part of the Victoria State Emergency Service Authority, and I look forward to continued success in 2014-2015.

A handwritten signature in black ink, appearing to read 'Peter Akers', written in a cursive style.

Peter Akers
Chair

CEO's foreword



None of this would be possible without the tireless effort from our 5,000 volunteers across Victoria. Their commitment and dedication is commendable and the community, along with myself, the executive team, the staff and our Board thank them for their ongoing service.

Stephen Griffin
Chief Executive Officer

Victoria State Emergency
Service Authority

I have only been with the Victoria State Emergency Service (VICSES) as CEO since May 2014. In that short space of time I have seen some extraordinary efforts from our volunteers and staff. I am proud to be part of this organisation and I am very pleased to submit our annual report for 2013-14.

My exceptional gratitude and thanks must go to Mary Barry, who stepped down as CEO in January of this year. Mary worked very hard over her eight-year tenure and has brought the organisation through difficult times – enabling it to achieve some great things.

I also would like to thank Claire Higgins, who stepped down as the Chair of the Victoria State Emergency Service Authority early this year. Fortunately she has remained with us as a Board Director, and will continue to use her understanding of the Service to contribute to its strategic direction. Peter Akers is now well ensconced as Chair of the Victoria State Emergency Service Authority since March 2014 and is making a great contribution through his wealth of knowledge and experience.

2013-14 was a productive and important year for VICSES. We had fewer operations of significance to take time away from our volunteers and staff than in previous years, so we've been able to focus on continuous improvement in several areas including our Emergency Response Activity Standards (ERAS), leading a local knowledge policy, developing the Community Emergency Risk Assessment (CERA) and the start of a data integrity project. Additionally, we've been able to make some significant equipment purchases, such as the mobile operational vehicles, which will be of great benefit to our operational management capability in rapidly evolving emergency events. These vehicles will also help us support our colleagues in the CFA and MFB during the fire season and other emergencies.

We continue to operate in an all-hazards, all-agencies environment. In the last year we've supported several different agencies including CFA, MFB, Ambulance Victoria and Victoria Police through a range of incidents and operations.

All in all, we responded to more than 31,000 incidents in communities around the state during the year.

We've supported the transition of the emergency services sector to Emergency Management Victoria (EMV), which was officially launched on 1 July 2014. I'm excited at the potential that EMV brings to the state. It will enable VICSES to work, share information and train closely with other emergency services in order to support Victorian communities.

None of this would be possible without the tireless effort from our 5,000 volunteers across Victoria. Their commitment and dedication is commendable and the community, along with myself, the executive team, the staff and our Board thank them for their ongoing service.

Eight volunteers were awarded honours this year – four received the Order of Australia and four received the Emergency Services Medal. This is testament to how hard our volunteers work to serve their community, year after year.

In February this year, the Victorian Auditor General's Office released a report on managing emergency service volunteers. VICSES welcomed the report and its recommendations and we have provided an update on the progress against our action plan within this report.

As a final note, I'd like to thank everyone for welcoming me so warmly to my new role as CEO, I look forward to building on the excellent work of this year and working with you all next year to serve the Victorian community.



Stephen Griffin
CEO

Our board

The Board would like to thank Claire Higgins for her hard work and dedication as Board Chair. Peter Akers is welcomed as the new Board Chair, as is Ev Duke, a new Director to the Board.

Peter Akers

Appointed Board Chair 1 March 2014

Peter Akers was appointed to the Board on 15 October 2013. Peter was appointed Chair of the Victoria State Emergency Service Authority on 1 March 2014.

Peter has a broad range of experience and skills in strategic thinking, leadership, collaboration and project management. Peter has previously held senior executive roles in emergency services and local government, and holds qualifications in civil engineering, local government and management.

Peter is a Director of the Port Phillip and Westernport Catchment Management Authority (PPWCMA) and Chair of the PPWCMA Audit Committee.

Claire Higgins

Board Chair 1 September 2007 to 28 February 2014

Board Director 1 September 2007 ongoing

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

Claire is Chair of the Country Fire Authority, and is also a director of Ambulance Victoria, and several private sector Boards. She is Chair of the Comcare Audit Committee and is an independent member of the Surf Coast Shire and Office of Public Prosecutions Audit Committee.

Roger Jones OAM

Roger Jones was appointed to the VICSES Authority Board from 20 June 2006 to 19 June 2011 and first appointed Deputy Chair of the Board on 1 November 2006. Roger was reappointed to the Board as Deputy Chair on 3 August 2011 for a further three years.

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.

Helen Dyson

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

Helen has had 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.

Barbara Yeoh

Barbara Yeoh was appointed to the Board from 20 June 2006 to 19 June 2011. Barbara was reappointed to the Board on 9 August 2011 for a further three years.

Barbara Yeoh is Chair of the Board's Governance, Finance and Audit Subcommittee and a member of the Remuneration Subcommittee.

Barbara has had an extensive executive career in the finance sector and has held a wide range of directorships over the past 25 years in both the public and private sectors. She is currently Chair of Monash Health, Chair of the Victorian Council of Board Chairs (Health), Member of AHPRA Agency Management Committee and Deputy Chair of the Civil Aviation Safety Authority Board Audit Committee.

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



"My favourite part about being a VICSES volunteer is making people smile when you have done something over and beyond what they expect."

Byron Luiz
Knox Unit

Lawrence (Laurie) 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 Wyndham VICSES.

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

Evelyn (Ev) Duke

Ev Duke was appointed to the Board on 15 October 2013.

Ev is the Chief Executive Officer of A&A Worm Farm Waste Systems and has more than 40 years' experience in executive leadership and business development.

Ms Duke has a demonstrated record of business success and holds a strong desire to contribute her personal business acumen and expertise to the benefit of the broader community.

Executive management team

Stephen Griffin Chief Executive Officer

Stephen was appointed to the position of Chief Executive Officer in May 2014. Stephen comes to the State Emergency Service from the local government sector where he worked in management, executive and Chief Executive appointments.

Stephen's formal qualifications include a Bachelor of Applied Science, Diploma of Education, Graduate Diploma of Local Government Management and a Masters of Business Management.

He has been employed in a number of Local Government Authorities and has been successful in attracting Federal and State Government funding for large local government projects.

Trevor White Chief Officer Operations

Trevor White was appointed as Chief Officer Operations (previously named Director of Operations) in May 2006.

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

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

He provides leadership for VICSES operations in an environment where VICSES plays a major role with other partner agencies and the community in improving state capability and capacity to deal with major emergencies in an all hazards environment.

Trevor White is accountable for VICSES operations management and policy, work health and safety, and capability planning at the state, regional and unit levels within VICSES.

Katrina Bahen Director Human Resources

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. Prior to that role Katrina applied her skills in consultancy roles particularly in the development and implementation of OH&S Management Systems. Katrina has had leadership roles in local government, private industry and in the TAFE sector.

Within VICSES Katrina provides leadership and direction in the area of human resource systems including work health and safety, peer support, learning and development and statewide volunteer training.

John Casey Director Corporate Services

John Casey was appointed to the position of Director Corporate Services on 11 June 2013. John has over 20 years' experience in financial management roles in the public sector across Commonwealth and State Governments.

John's previous role was Chief Financial Officer at Fair Work Building and Construction (FWBC) an agency of the Commonwealth Department of Education, Employment and Workplace Relations in Melbourne. Prior to that John worked in a senior finance role at Department of Sustainability Water Sector Group, as a Business Analyst at Medibank Private and had a number of public sector finance roles in Queensland.

John's VICSES areas of responsibility are governance, finance and administration, information services, project management and assets and infrastructure.

Benjamin (Ben) McFadgen
Director Emergency Management Planning and Communication

Ben McFadgen was appointed to the position of Director Emergency Management Planning and Communication on 17 May 2013.

Prior to VICSES, Ben worked at the Ministry of Social Development in New Zealand. This involved national-level planning across a number of different event scenarios from natural disasters to pandemics and meant engagement with a variety of non-government organisations, government departments, local authorities and communities. Ben also played a major role with the Ministry during the initial response to the Christchurch Earthquakes.

Ben has worked on secondment to the Ministry of Civil Defence and Emergency Management and prior to joining the Ministry of Social Development was at the Department of Labour writing its Pandemic Business Continuity Plan and preparing communications materials for employers dealing with pandemic-related issues.

Ben has over 15 years of communications and relationship management experience from his time as an account director and brand consultant in the Advertising and Design industry – both in New Zealand and the United Kingdom.

Ben provides leadership and direction in the areas of VICSES's emergency management planning and advice functions, community education and communication strategies.

Mary Barry
Chief Executive Officer

(January 2006 – January 2014)

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 was responsible to the Board for the overall performance of Victoria VICSES and for leading its transition to a robust, innovative emergency service organisation keeping Victorian communities safe.

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.

Meetings of the SES authority

Attendance by Board Directors

Number of meetings from 1 July 2013 – July 2014

	Board meetings	Special meetings	Governance, Finance and Audit committee	Remuneration committee
Number of meetings from 1 July 2013 to 30 June 2014	11	1	6	3
Peter Akers <i>appointed 15 October 2013</i>	8	1	-	3
Evelyn Duke <i>appointed 15 October 2013</i>	7	1	-	3
Claire Higgins	9	0	4	3
Roger Jones	11	1	-	3
Helen Dyson	10	1	4	3
Lawrence Russell	11	1	-	3
Barbara Yeoh	10	1	6	3

Notes: Peter Akers and Evelyn Duke appointed as Board Directors to the VICSES Board by Governor-in-Council on 15 October 2013.

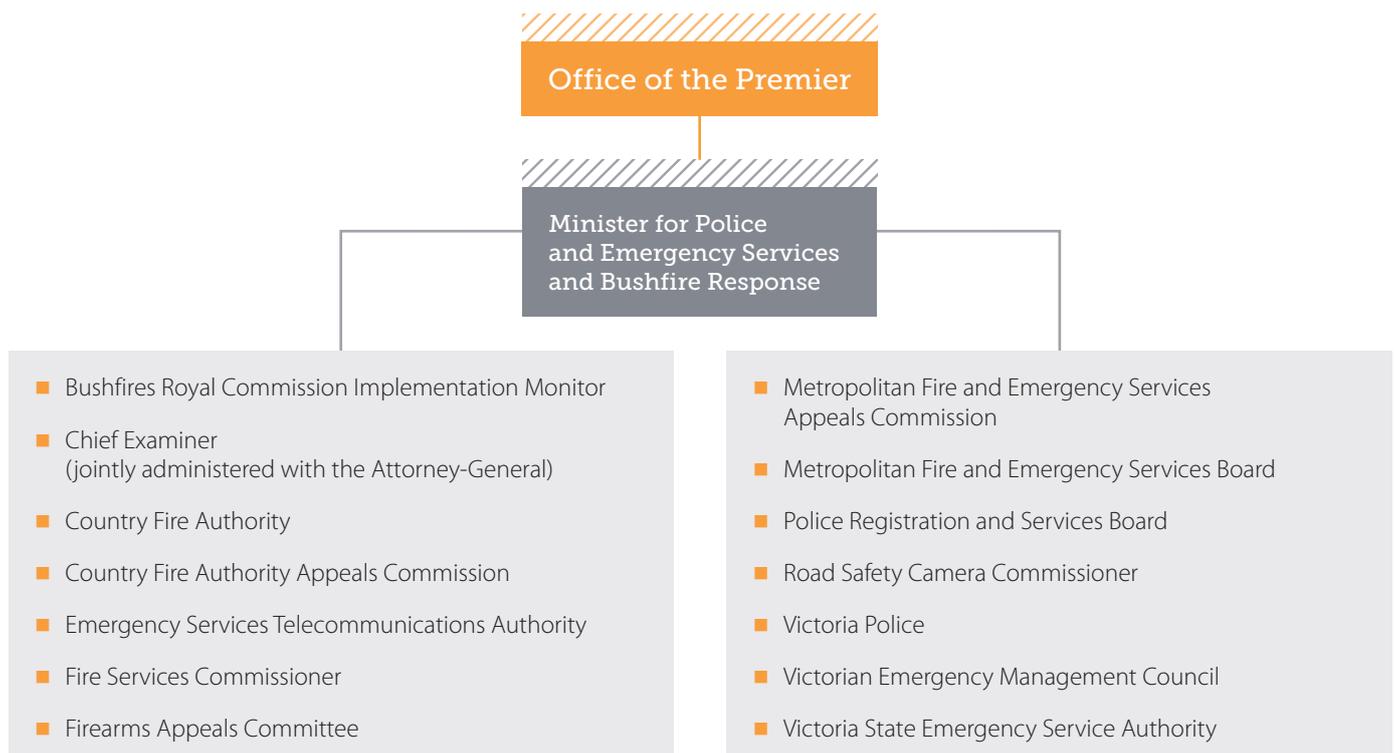


Organisational charts

VICES Organisations Chart



Emergency Services Organisational Chart



State operations

With fewer operations of significance in 2013-14 than in previous years, VICSES has been able to make excellent progress on several performance improvement areas and projects.

Emergency Response Activity Standards assessments and validation workshops

Finalisation of the Emergency Response Activity Standards (ERAS) assessments for each unit was completed early in 2014 following on from consultation undertaken in 2013. The assessments were enhanced during a validation workshop held with the Chief Officer Operations in each region. Results will be issued to each unit in a report in August 2014.

Throughout the year, minor improvements were made to the assessment tools to reflect new competencies and competency equivalence tables. Ongoing work is being undertaken to improve data quality and accuracy of ERAS reports.

Road rescue

A record 54 units were assessed for road rescue capability in 2013-14, with nearly 90 per cent of assessed units meeting minimum requirements. A small number of units were identified as requiring additional support which these units will receive over the next 12 month period to ensure they are confident and capable to deliver this critical service.

A highlight for the year was the rollout of a suite of flexible learning tools for road rescue. Created between regional staff, State Operations, State Training and the South Barwon Unit, they are a useful reference for units to support their training, reviews and awareness. Not only important for units undertaking road rescue, they've proved to be helpful for units that may need to support a road rescue unit.

Rope rescue

A pilot program for training and capability assessment was held with the Ararat and Stawell Units in May 2014. The program was developed to assist units currently endorsed to undertake rope rescue, to maintain their high level of knowledge and ensure they have access and are using the latest techniques and technology.

Once the training program has been completed, units will participate in a rope rescue capability assessment – modelled on the road rescue capability assessment.

Swiftwater rescue

Over the last year, Victorian swiftwater response agencies have been working collaboratively to develop an agreed framework for this complex multi-agency capability. The collective approach is critical in ensuring that risks are identified and appropriate strategies are employed to mitigate or minimise risk to the public and responders.

Three key pieces of work have been led by VICSES on behalf of the State Marine Search and Rescue Committee. This includes the concept of operations, the strategic risk assessment and consultation, selection and trial of specific swiftwater rescue equipment.

Local knowledge policy

Local communities and organisations have valuable knowledge about their areas and how incidents may occur and evolve. We're committed to incorporating this local knowledge into decision making for emergencies by ensuring that this information is captured before, during and after incidents.

Our commitment aligns to the National Strategy for Disaster Resilience (February 2011) and recommendations of the Victorian Floods Review and the spirit of the Victorian Emergency Management Reform Whitepaper which states that "local knowledge on people, history, risks, vulnerability, operational requirements, infrastructure and services significantly enhances emergency preparation, response and recovery."

Following an extensive consultation period with a wide range of stakeholders including VICSES volunteers and staff and other emergency service organisations, in 2014 VICSES developed a local knowledge policy to incorporate local knowledge into our planning and incident management structures.

"A huge thank you to the Eltham SES unit for coming out to our property so quickly after a tree fell down on our home today! You do an amazing job and we're certainly very grateful to your efforts to make sure everything was safe. Keep up the great work!"

Victoria Dobbin

Comment via Facebook

24.06.2014

Incident management facilities

Incident Control Centres

Geelong and Benalla opened new state-of-the-art, multi-agency Incident Control Centres (ICC) which were incorporated into upgraded regional office facilities. Both were purpose-built to cater to level 3 incident management requirements as well as hosting VICSES response control needs and those of our partner agencies.

The ICCs provide a central control room focus to encourage information sharing – an element critical to successful incident management.

Division command points

32 unit facilities have been established and equipped to service Division Command Point requirements across Victoria. The facilities are also set up to operate as an Incident Control Centre during a low level, local response.

A further 34 facilities hosted by the Country Fire Authority (CFA) and Department of Environment and Primary Industries (DEPI) are also recognised as meeting the requirements for a Division Command Point that can offer support during a level 3 incident for flood and storm.

New capabilities

We have taken delivery of two mobile command vehicles, both of which have been designed and built to ensure multi-agency interoperability. They are fully self-sufficient with space for two communications officers and six work stations, they are also able to support video conferencing and have interactive smart screens.

Additionally, five smaller field operations vehicles have been commissioned to provide a self-sufficient mobile resource with working space for three operators and enough equipment suitable to support an Incident Control Point, Sector or Divisional Command Point.

VICSES volunteers are specifically trained to drive and operate in each of these different vehicles that have proven to be a valuable supporting asset to our command and control capability.

Agreements

Agreement with Victoria Police to access impounded vehicles

Anti-hoon laws introduced by the State Government in 2007 provided Victoria Police with an opportunity to work with Victorian Road Rescue providers to supply forfeited vehicles for the purposes of training, workshops and assessment.

Following consultation and an agreement on handling processes this year, we are now procuring these vehicles. It provides a valuable opportunity for volunteers to practise techniques on a range of different vehicle makes and models and with newer car technology.

MOU with Shepparton Search and Rescue

A three-year MOU was signed with Shepparton Search and Rescue in January 2014 to support both agencies to maximise common interests and goals. The MOU provides an overall framework for cooperation between both agencies for emergency planning and response within Victoria and specifically the Greater Shepparton area.

MOU with Australian Volunteer Coast Guard

The January 2014 signing of an MOU with the Australian Volunteer Coast Guard (AVCG) formalised our commitment to present a united approach to benefit the Victorian community. The agreement included formalising protocols for Joint Training or Operational Activities and sharing of agency resources and knowledge about emergency response and volunteerism.

VICSES Incident Management Training Program

Our Incident Management Training Program (IMTP) has been run to compliment the courses offered as part of the 2014 State Incident Management Training Delivery Pilot delivered by Operational Training and Volunteerism Directorate of the Country Fire Authority.

Both programs use common training packages, and our version is contextualised to better reflect the hazards and operating arrangements that are relevant to our emergency response role as described in the State Emergency Response Plan.

The program has been designed to efficiently deliver the training and accreditation of personnel in seven key Incident Management roles:

- Incident Controller (level 2)
- Planning Officer (level 2)
- Operations Officer (level 2)
- Logistics Officer (level 2)
- Safety Officer (level 3)
- Situation Officer (level 2)
- Intelligence Officer (level 3)

Operational Incident Management System Lite

An Apple iPad installed with the Operational Incident Management System (OIMS) Lite application has been provided to all response units, giving them the ability to read incident details, fill out and submit reports back to their local headquarters away from their base. This improves the current workflow which requires the report be written after the event at base, often several days after the incident.

The outcome of this is more timely reports containing more accurate information on incidents attended by a unit.

Emergency Alerting System upgrade

The Emergency Alerting System (EAS) upgrade project was established by the Emergency Services Telecommunication Authority (ESTA) in 2013 to assess a range of options to improve the message delivery performance and coverage of the EAS pager network. As part of this project VICSES, CFA and Ambulance Victoria, endorsed the replacement of the Infostream X3 pager with the Unication EAS Alpha Legend pager.

The implementation of the new pager provides better coverage due to greater receiver sensitivity as well as improved battery life.

Additionally, a major upgrade to the EAS pager network was endorsed, to add a second channel on the network. This will provide up to 100 per cent improvement to message throughput and allow for the splitting of message traffic across two channels instead of the single channel currently relied upon.

National Disaster Rescue Competition

In September 2013, VICSES hosted the National Disaster Rescue Competition (NDRC) at CFA's Fiskville training facility. The NDRC is a biannual rescue competition, offering a unique opportunity for VICSES volunteers to pit their skills, knowledge and ability against representative teams from other states in the spirit of friendly competition.

More than 100 volunteers from each of the State and Territory SES agencies from across Australia competed in a range of rescue scenarios including simulated airplane and train crashes involving mass casualties, sandbagging a breached dam and the rescue of a victim from heights.

VICSES was represented in the competition by the Malvern Unit. The Malvern Unit's dedication and team work resulted in them placing second after a team from New South Wales.



Emergency management capabilities

Key performance measures of VICSES for Budget Paper 3

Major Outputs/Deliverables Performance Measures	Unit of Measure	As of 30 June 2014		
		Target	Actual	%Var
Quantity				
1. Permanent operational staff	number	57	57	0%
2. Permanent support staff	number	124	131	6%
3. Volunteers - operational	number	3,270	3,377	3%
4. Volunteers - support	number	367	626	71%
Quality				
5. Road crash rescue accredited brigades/units	number	102	102	0%
6. Level 3 Incident Controller trained staff and volunteers	number	13	7	-46%
Timeliness				
9. Emergency response times meeting benchmarks - road accident rescue	per cent	90%	91%	1%
- Emergency response times meeting benchmarks	number	N/A	586	
- Total Number of emergency response	number	N/A	643	

source: crystal report query: Volunteers - Current Active Operational and non

Volunteer breakdown

Non-Operational	Volunteers	Operational	Volunteers
Associate Member	407	Controller	141
Junior Member*	54	Deputy Controller	255
Probationary Member*	571	Staff and Volunteer	2
Non-active volunteer	455	Volunteer	2,655
Volunteer on leave	129	Unit Officer	324
OIMS Administrative Member*	1		
Sub total	1,617	Subtotal	3,377
		Volunteer total	4,994

*Non-operational volunteer numbers included in key performance indicators of VICSES for Budget Paper 3

Operations of significance

Over the last 12 months VICSES has responded to 31,370 incidents in the community.

Wind and Heavy Rainfall 12-19 August 2013

A series of cold fronts commenced with a Severe Weather Warning for damaging winds being issued ahead of a strong cold front expected in the far west of Victoria.

This system moved across Melbourne late evening on Friday 12 August, and pushed through central districts by midnight, moving into the east in the early hours of Saturday morning. The next front was following close behind and a Severe Weather Warning for damaging winds was issued for a low pressure system which passed to the south of Tasmania Sunday night. This cold front caused large waves to 10-11 metres to develop over the open waters of western Bass Strait, which had the potential to result in some beach erosion along the coast, mainly in Portland.

Proactive door knocking of local residents was undertaken by VICSES, supported by CFA. Statewide VICSES received 1,515 RFAs.

Severe Weather Event 26 September-3 October 2013

A series of cold fronts resulted in Severe Weather including damaging winds across the state from late Wednesday 25 September and into Thursday 26 September morning and again Monday 30 September into Tuesday 1 October.

In total 8,229 RFAs were received including 6,266 in Central Region. Calls were predominantly related to trees down (3,028 RFAs) or trees down traffic hazard (2,273 RFAs). A further 2,592 RFAs were related to building damage. At peak times call rates to VICSES were as high as 8 calls per minute.

Incident Control Centres were active in South West, East, Central and North West regions and were supported throughout by the State Control Centre. Staff and volunteers were deployed across the state and out of region and with support from DEPI, CFA and MFB were able to respond to and clear RFAs safely and efficiently.

BoM advised that the winds were the worst experienced in Victoria for more than five years with speeds as high 165km/hr at Wilsons Prom, 142 km/hr at Fawcner Beacon, and 100km/hr at St Kilda. Some of these speeds hit the range of what would be expected in a Category 2 tropical cyclone which has destructive winds with gusts over open flat land of 125-164km/hr.

"Just had the SES knock on my door to inform me of the relief setup and offer any assistance. I've lived here for only eight months, but never in my life experienced any type of community spirit!"

Thank you to the volunteers out there and to the crews trying to fix the damage."

Paul Russell

Comment via Facebook
25.06.2014

Heatwave and Fire Support

16 January - 25 March, 2014

Between January 16 and March 25 2014, VICSES operated for on-going heatwave and fire support operations, including to the Hazelwood mine in Morwell.

There was significant complexity to be managed across the state and in particular, the Gippsland Region. VICSES ensured ongoing capacity to support response efforts across the state in areas including:

- Filling roles in incident management teams
- Regional and state control teams
- Emergency management teams at all levels
- Staging area management
- Base camp management
- Field logistics support
- Traffic management points in support of Victoria Police

Our resource requirements were escalated and de-escalated in line with forecasted danger periods for both fire and storm in each region.

Between 8-10 February, Fire Danger Ratings reached the most critical level since Black Saturday 2009. VICSES had a significant involvement in the major fires in Gisborne, Mickleham-Kilmore, Shepparton and throughout Gippsland. This resulted in an increase of VICSES resource support to the affected regions.

During this protracted period of operational support to fire agencies, VICSES also received more than 4,610 Requests for Assistance. 2,131 of those were in Central Region, 778 in North East, 544 in North West with a relatively even spread across the rest of the state. More than 2,611 RFAs were related to trees with 601 building damage calls and 170 flooding calls.

Support to Australian Maritime Safety Authority (AMSA)

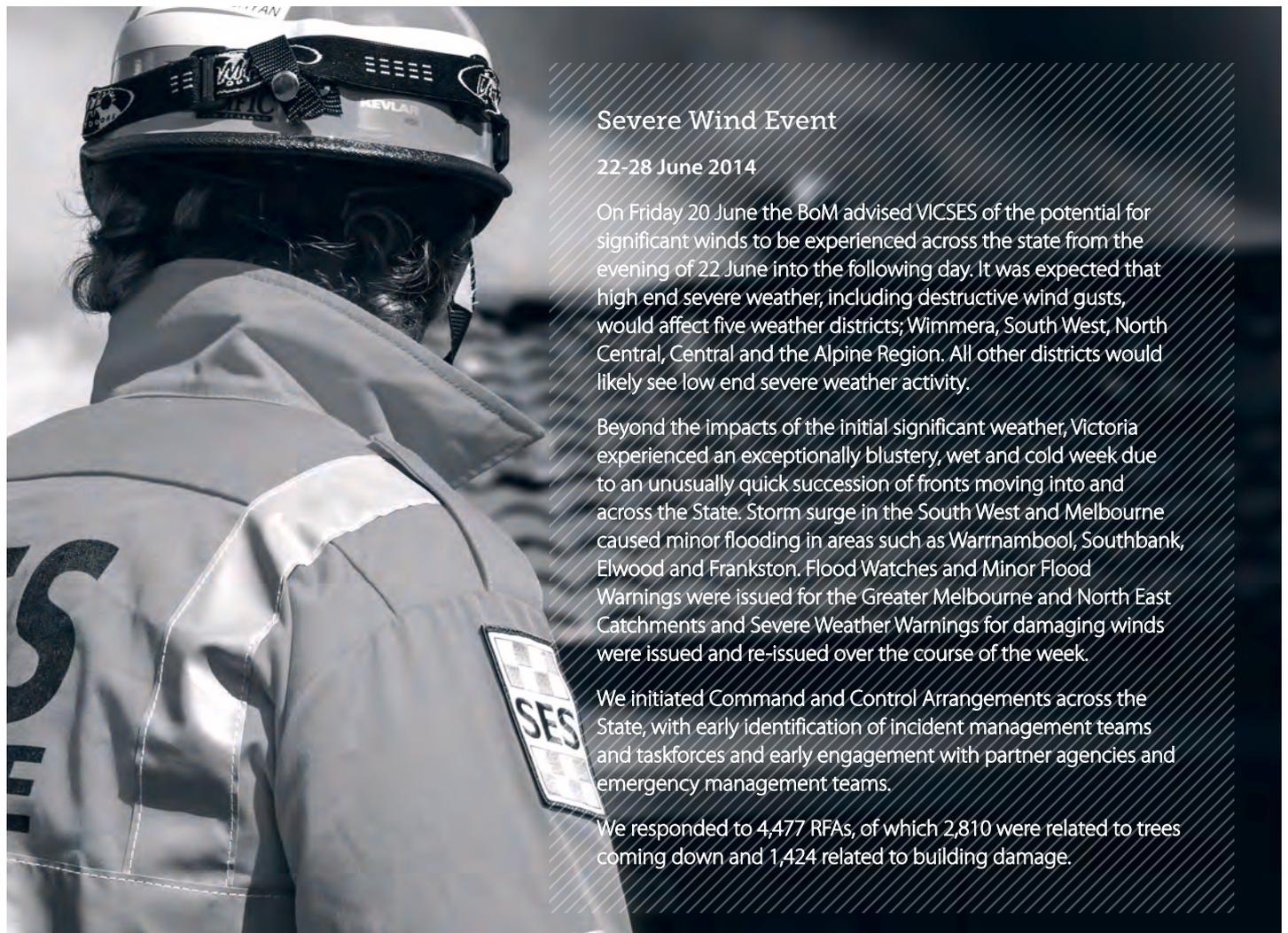
Rescue Coordination Centre - Malaysia Airlines Flight MH370

The multi-country search and investigation into missing Malaysia Airlines flight MH370 west of Perth was supported by VICSES on request from the Australian Maritime Safety Authority Rescue (AMSA) coordination centre.

We have a number of trained air observers who are accredited to support AMSA search operations in accordance with an agreement between VICSES and AMSA.

On Friday 21 March seven VICSES volunteer air observers were flown to Perth, initially for a six day deployment. On 30 March we received a further request to deploy air observers. On 3 April a second request to support the search was made by AMSA and four VICSES air observers flew to Perth to assist for three days.

Significant planning was required to support this search operation due to the remote location, unforgiving environment, poor weather and visibility. All participants were fully briefed and supplied with specialist equipment.



Severe Wind Event

22-28 June 2014

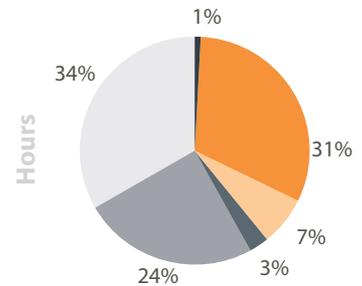
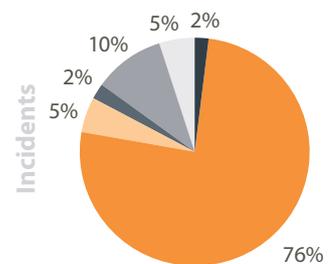
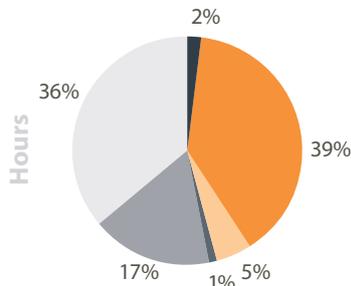
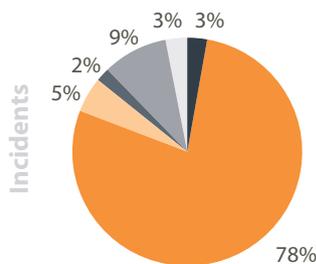
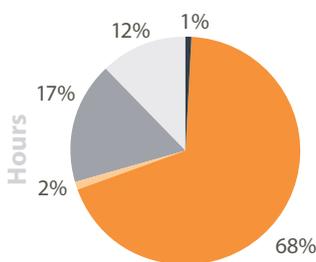
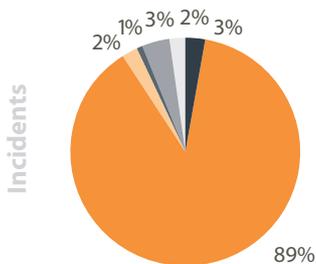
On Friday 20 June the BoM advised VICSES of the potential for significant winds to be experienced across the state from the evening of 22 June into the following day. It was expected that high end severe weather, including destructive wind gusts, would affect five weather districts; Wimmera, South West, North Central, Central and the Alpine Region. All other districts would likely see low end severe weather activity.

Beyond the impacts of the initial significant weather, Victoria experienced an exceptionally blustery, wet and cold week due to an unusually quick succession of fronts moving into and across the State. Storm surge in the South West and Melbourne caused minor flooding in areas such as Warrnambool, Southbank, Elwood and Frankston. Flood Watches and Minor Flood Warnings were issued for the Greater Melbourne and North East Catchments and Severe Weather Warnings for damaging winds were issued and re-issued over the course of the week.

We initiated Command and Control Arrangements across the State, with early identification of incident management teams and taskforces and early engagement with partner agencies and emergency management teams.

We responded to 4,477 RFAs, of which 2,810 were related to trees coming down and 1,424 related to building damage.

State operations data



Regions:

- CL – Central Region
- ET – East Region
- MW – Mid-West Region
- NE – North East Region
- NW – North West Region
- SW – South West Region
- VQ – Victorian Head Office

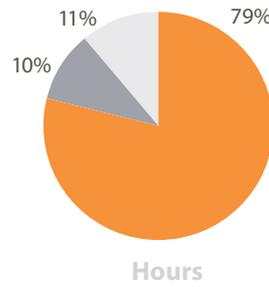
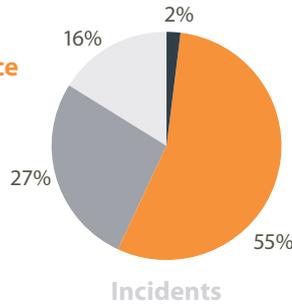
Actual Incidents

	CL	ET	MW	NE	NW	SW	VQ	Total
Flood	527	82	25	52	42	122	1	851
Storm	18,115	2,120	1,122	1,738	1,631	1,599	24	26,349
Road Rescue	312	141	70	165	160	184	0	1,032
Rescue Other	295	55	28	44	33	57	0	512
Support Other Agency	715	234	150	269	188	201	12	1,769
Non-Ops Tasks	337	94	79	96	143	101	7	857
Total	20,301	2,726	1,474	2,364	2,197	2,264	44	31,370

Total primary incidents reported per IRS



Victorian Head Office



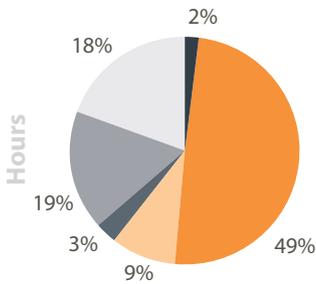
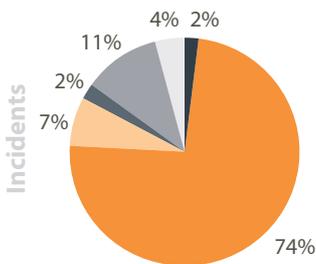
Key:

- Flood
- Storm
- Road rescue
- Rescue other
- Support other agency
- Non-ops tasks



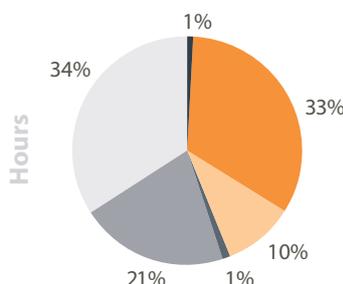
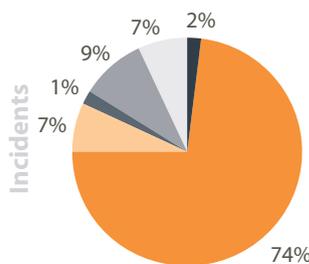
North East Region

Benalla Office



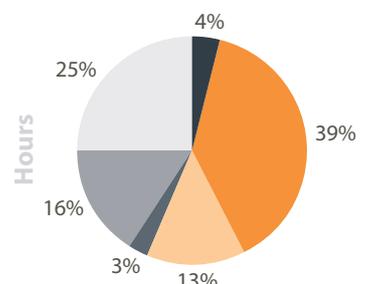
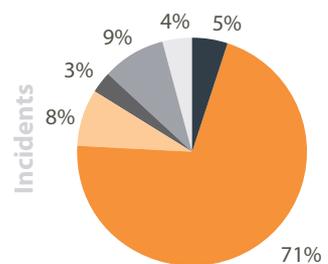
North West Region

Bendigo Office
Swan Hill Office



South West Region

Geelong Office
Hamilton Office



Estimated Hours

	CL	ET	MW	NE	NW	SW	VQ	Total
Flood	1,560	536	110	375	266	639	0	3,486
Storm	125,300	12,142	5,853	10,225	6,859	6,870	792	168,041
Road Rescue	2,497	1567	1,321	1,940	2,181	2,383	0	11,889
Rescue Other	897	318	488	530	2,82	447	0	2,962
Support Other Agency	31,390	5,331	4,546	3,978	4,309	2,858	100	52,512
Non-Ops Tasks	22,643	11,204	6,234	3,914	7,061	4,427	105	55,588
Total	184,287	31,098	18,552	20,962	20,958	17,624	997	294,478

Actual incidents multiplied by average hours for region and incident type group

Emergency management planning

Community Emergency Risk Assessment

We were successful in gaining funds through the Natural Disaster Resilience Grant Scheme (NDRGS) to build on the work previously undertaken in the development of the Community Emergency Risk Assessment (CERA).

The updated CERA tool represents a significant shift within the Emergency Management and broader municipal management sectors towards a shared understanding of emergency hazards and the plans, actions and activities that are needed to ensure the safety and resilience of Victorian communities.

VICSES has fostered a partnership approach with other emergency service organisations to shape a more collaborative and sector-wide approach for emergency risk assessment in Victoria. The CERA methodology improves the consistency and rigour of emergency risk assessments, and allows meaningful comparisons between agencies on different hazards and/or hazard footprints and has been ratified for use in the Integrated Fire Management Planning (IFMP) framework.

CERA is now seen as an overarching multi-hazard risk assessment process in the Victorian emergency management sector and has been shared with all states nationwide as best practice to drive local risk based planning. CERA is now being used to inform emergency management plans which have enabled a better planning environment due to an improved understanding of risk and is being adapted for use at the regional level in consultation with EMV.

Flood Emergency Plans

We have continued to play a leading role in facilitating the development of Municipal Flood Emergency Plans for municipalities with a high risk of flooding. Municipal Flood Emergency Plans have been endorsed in collaboration with Municipal Emergency Management Planning Committees (MEMPCs).

Additionally, we were successful in gaining funds through the NDRGS to support the Flood Evacuation Arrangements (FEA) Project.

The FEA Project will enable flood emergency planners to develop evacuation arrangements in consultation with all relevant stakeholders and integrate them into Municipal Flood Emergency Plans (MFEP). This work will fill an identified gap in evacuation planning for communities at high risk of flood, bringing them tailored, localised information ahead of time.

FEAs will take the form of reference documents consolidating information to create plans for specific flood events across the five stages of evacuation: decision, warning, withdrawal, shelter and return. It's important to note that given evacuation is not compulsory in Victoria; VICSES will focus on providing people with as much context, data and planning support as possible so they can make informed decisions.

"The best part about being a VICSES volunteer would have to be helping others, networking with other volunteers, learning new skills and gaining confidence."

Julie Jochs
Swan Hill Unit

Local Flood Guides

We were successful in gaining funds through NDRGS to build on the FloodSafe programs in the North East, South West, Mid West and North West. The NDRGS enables us to produce community awareness resources for at risk flood areas and implement FloodSafe activities in these areas.

We have developed flood guides (for residents and business owners) to explain local flood risks for communities at risk and advise on how to prepare for and respond to flood events. These resources will be made available online at ses.vic.gov.au.

Communities need to have an understanding of their risks and what actions they can take to be prepared. VICSES continues to work in partnership with communities to build community preparedness for emergencies and to ensure that VICSES has the capability and capacity to contribute to the delivery of emergency services to the community within an all hazards all agencies environment.

Mapping

We have developed a suite of mapping products to support the development of Flood Emergency Plans and Local Flood Guides and contribute to an enhanced flood intelligence capability to plan for and respond to flood events. Clear mapping specifications developed by VICSES have helped to drive a consistent approach to maps produced.

Maps developed include flood inundation maps, depth class modelling and maps, hazard class modelling and maps, evacuation modelling and major river system schematic diagrams.

Community Education Facilitators Course

Community education and engagement is a core function of VICSES and is vital to proactive emergency management. VICSES has developed two training courses to build the capacity and capability of volunteers to plan, conduct and evaluate community education activities at a local level.

- Community Education at VICSES awareness session
- The Community Education Facilitator (CEF) Course (PUACOM006B: Plan and Conduct a Public Awareness Program)

The community education at VICSES session aims to give participants an understanding of community education programs, resources and procedures at VICSES. The successful completion of this session is an entry requirement for the CEF course.

The CEF course aims to provide participants with the skills and knowledge needed to plan, conduct and evaluate community education activities aligned to the strategic direction and plans of VICSES at a state, regional and local level.

A quality training program for volunteers with a dedicated focus on community education ensures the authority is continually building and reviewing its internal capacity to deliver this critical component of its service delivery to the community. It also ensures quality and consistency of the messaging delivered in relation to emergency preparedness. It supports the community to identify its risks and take appropriate action before, during and after an emergency event while simultaneously building the capacity of volunteers to meet whole-of-community expectations.



Auditing of Municipal Emergency Management Plans

Under the Emergency Management Act 1986 (Vic), VICSES is responsible for auditing Municipal Emergency Management Plans. In 2013-14, a total of 19 Emergency Management Plans were audited.

Introduction to Emergency Management training

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.

We conducted 12 Introduction to Emergency Management courses in 2013-14 involving more than 340 participants.

Melbourne Water

Following the successful 2008-2013 partnership between VICSES and Melbourne Water, the two authorities signed a further three year agreement in December 2013. Over the course of the last 12 months the partnership has been successful in continuing to:

- Build resilience to floods and storms through the delivery of FloodSafe and StormSafe awareness and preparedness programs and activities.
- Improve VICSES' response capability to flood events through the delivery of the Municipal Flood Emergency Plans to improve planning and community preparedness.
- Ensure cooperative sharing of information between VICSES and Melbourne Water to effectively warn and prepare communities in the event of a flood.
- Ensure volunteers are better equipped to support the community to identify its risks and take appropriate action before, during and after an emergency event.

Emergency management communications

Internal communications strategy

VICSES' first holistic internal communications strategy was developed and endorsed in 2013-14. The strategy is designed to unify all internal communications undertaken at VICSES and set metrics for coming years.

The strategy aims for all internal information to be easily found within VICSES and sets out a best-practise methodology for official messages to be communicated amongst volunteers and staff.

The internal communications strategy will be further circulated to volunteers and staff in the coming financial year and a survey will be conducted to set a benchmark for continuous improvement.

SES Link

SES Link was launched to all volunteers and staff early in 2014. This informal, social-networking style communication tool is designed to allow volunteers and staff to more easily connect and collaborate with their counterparts across the state. In addition to being able to be accessed through the internal intranet, SES Link is able to be accessed through a smart phone app which has been well received by all.

So far, the new channel has been used to share images, campaign ideas, questions, events and polls with staff and volunteers, effectively bringing the VICSES community closer together across the state.

Emergency Management Communications ran familiarisation sessions in offices and units across the state, with plans for more to come in the new financial year.

Public information

Working within the multi-agency space, we worked closely with other emergency service organisations to provide support and advice on the VicEmergency website and multi-agency public information training courses.

Collaboration within this space is essential in order to be able to provide support within the AIIMs framework and contribute to an all-hazards, all-agencies environment of emergency management.

Online and digital strategy

A major upgrade to the content management system (Plone) that runs the VICSES website and internal intranet was completed. The upgrade provided a more stable, secure environment for both sites and allowing for additional editing features.

Significant growth was recorded in all VICSES-owned social media channels (Facebook, Twitter and YouTube) as well as an increase in the number of units that created Facebook pages and Twitter accounts for use as community education tools within their local areas.

The VICSES state Facebook page continued to be used to promote the work of VICSES units, as well as to publish emergency information when required. The growth in VICSES online communities ensures that emergency information is able to reach the Victorian public faster.

Media liaison

As in previous years, the Emergency Management Communications team provided reactive media support for the organisation, with a Media Duty Officer being on-call at all times and staff members working at the State Control Centre during declared operations – for VICSES and other agencies such as CFA.

Over the financial year, nearly 7,000 pieces of media coverage were noted by the Emergency Management Communications team, which covered both local and state wide media outlets. This represented a significant increase in media coverage from the 2012-13 year which had a little over 5,000.

Name change

The Media and Community Information business unit changed its name to Emergency Management Communications to better align it with the Emergency Management Planning and Communications directorate and acknowledge the links with the Emergency Management Planning business unit.

Funding and sponsorships

VICSES is extremely grateful for the support it received from government, business and local communities across Victoria in 2013-14. We recognise the importance of all contributions and we are committed to further developing and strengthening relationships with all our supporters and sponsors.

We would especially like to thank Victorian municipal councils for the contribution they make to their local units through funding, equipment, unit accommodation and all other forms of support. We would like to thank the following significant funding sources and sponsorship contributors:



Contributor	Area of support	Amount
AAMI	Equipment and Community Education	\$510,000
FaHCSIA	Volunteer Grant Program	\$64,355
Transport Accident Commission	Road rescue funding and Driver Reviver	\$3,187,484
Country Fire Authority	Facility development and AILMS Training	\$389,000
Melbourne Water	Community Education	\$350,000
DBI	OIMS Lite	\$22,000
Corrangamite Shire Council	Camperdown Unit Upgrade	\$70,000

Our people

Managing Emergency Service Volunteers

This year the Victorian Auditor General undertook an audit of the CFA and VICSES to assess whether the agencies effectively and efficiently manage emergency service volunteers. The report from this audit identified deficiencies in workforce planning with both agencies. This needs to be addressed to ensure the long-term sustainability of VICSES and the support its workforce provides to the community. VICSES has developed an action plan to address the recommendations and this is listed below.

Recommendation	VICSES Response
<p>The Country Fire Authority and the Victoria State Emergency Service should:</p> <p>1. Improve their central and regional oversight of volunteer workforce management, by strategically using the available information, such as volunteer demographic data, Brigade Operational Skills Profiles and ERAS-e profiles, and developing new information, such as risk assessment to increase their awareness of:</p> <ul style="list-style-type: none"> ■ Actual and required volunteer numbers ■ The gaps and risk around volunteer capability and capacity 	<p>VICSES agrees with the recommendation. As part of its volunteer strategy, VICSES will scope and prioritise enhancements to its ERAS-e and other business planning systems to increase its awareness of actual and required volunteer numbers and gaps and risks around volunteer capability and capacity.</p>
<p>Proposed Completion Date: December 2015</p>	
<p>The Country Fire Authority and the Victoria State Emergency Service should:</p> <p>2. Develop recruitment and retention strategies to guide these activities centrally, regionally and at the district, brigade and unit level, so that approaches are consistent with the organisations' strategic goals</p>	<p>VICSES agrees with the recommendation. As part of its volunteer strategy, VICSES will develop a State-wide recruitment and retention strategy to inform regional and individual volunteer unit recruitment and retention activity.</p>
<p>Proposed Completion Date: December 2014</p>	
<p>The Country Fire Authority and the Victoria State Emergency Service should:</p> <p>3. Implement risk management processes within regions, districts, brigades and units to understand and manage the local risk associated with their volunteer workforces</p>	<p>VICSES agrees with the recommendation. As part of its volunteer strategy, VICSES will incorporate risk management into region and volunteer unit business planning processes.</p>
<p>Proposed Completion Date: June 2015</p>	
<p>The Country Fire Authority and the Victoria State Emergency Service should:</p> <p>4. Evaluate volunteer support systems and processes</p>	<p>VICSES agrees with the recommendation. As part of its volunteer strategy, VICSES will evaluate volunteer support systems, processes, structures and service delivery models.</p>
<p>Proposed Completion Date: December 2015</p>	

Work has already commenced to address these recommendations in line with their proposed completion dates. This includes:

1. An overarching volunteer strategy is currently under development.
2. ERAS enhancements have commenced.
3. An enterprise risk module has been scoped for implementation in 2015.
4. A pilot recruitment and retention strategy has been developed in Central Region and will be piloted in 2014-15.
5. The volunteer unit business plans for 2014-15 include recruitment strategies to address the risks in the unit supported communities.
6. Corporate Services is looking at the Information Services strategy to priorities enhancements to VICSES systems that would better support volunteer workforce planning.

Workforce Data

	Ongoing Employees				Fixed Term & Casual Employees
	Employees (Headcount)	Full Time (Headcount)	Part Time (Headcount)	FTE	FTE
June 2014	167	159	8	164.4	21.5
June 2013	146	138	8	143.05	72.7

	June 2014				June 2013		
	Ongoing		Fixed Term and Casual Employees		Ongoing		Fixed Term and Casual Employees
	Employee (Headcount)	FTE	FTE	Employee (Headcount)	FTE	FTE	
Gender	Male	106	105.6	9.7	93	92.2	35.4
	Female	61	58.8	11.8	53	50.8	37.3
Age	Under 25	2	2	1	3	3	6
	25-34	32	32	4.3	29	28.4	18.4
	35-44	39	37.4	12.3	40	38.75	16
	45-54	58	57.6	2.8	45	44.3	18.7
	55-64	34	33.8	1.1	28	28	11.6
	Over 64	2	1.6	0	1	0.6	2
	Classification	VPS 1	0	0	0	0	0
VPS 2		17	15.8	6.6	17	14.8	40.9
VPS 3		37	36.2	2.2	30	29.8	12
VPS 4		60	59.8	7.9	59	58.4	8.8
VPS 5		34	31.4	4.0	24	24	6
VPS 6		14	13.6	0.8	16	16	5
STS		0	0	0	0	0	0
Executives		5	5	0	6	6	0
Other		0	0	0	0	0	0

Training

Training continued to play a key role in establishing and maintaining important skills for VICSES volunteers and staff.

Volunteer Training

Volunteers participated in a wide range of learning opportunities to build their capability to perform roles in rescue, incident management, community engagement and unit support activities.

There were 6,466 nationally recognised Statements of Attainment issued to members for rescue skills, incident management and non-operational skills.

The most popular programs were:

- First Aid Refresher - 1,517 participants
- Australasian Inter-Service Incident Management System, (AIIMS) 4th Edition Briefing - 1,037 participants
- Emergency Vehicle Status Briefing (EVS) - 746 participants
- Maintaining Safety at a Flood and Storm Incident, including swift water awareness - 731 participants
- Peer Support – Critical Incident Stress Management – Unit Awareness – 711 participants
- First Aid – full course – 584 participants*
- Working Safely at a CFA Incident – 480 participants
- Work Health and Safety Essentials – 437 participants*
- Introduction to AIIMS - 296 participants*

* denotes a nationally recognised program

Trainer and assessor workforce development

We have formed new arrangements with numerous TAFE institutes and private training providers across the state to deliver the new Certificate IV in Training and Assessment TAE to members.

This year, 80 members completed their Certificate IV TAE. This will expand the workforce of volunteer trainers and assessors who can deliver nationally accredited courses to their peers. This qualification will enable VICSES to meet the proposed changes to national standards that regulate training providers.

Flexible learning tools

Flexible learning tools are online awareness products that allow new and existing members to learn about specific topics at a time and location that suits them, whether they are at the unit or home. This year VICSES launched tools for road rescue, basic life support using a defibrillator and traffic management.

Partnerships

Regional TAFE providers delivered courses in chainsaw operations, four wheel driving, managing traffic at emergencies, workplace safety as well as qualifications in training and assessment. Engaging regional and metropolitan TAFE institutes and regional private training providers allows VICSES to increase the supply of nationally recognised training to supplement in-house training and assessment.

CFA delivered training to 480 VICSES members to prepare them to work at fire grounds in a support capacity at major fires.

Victorian Emergency Management Training Centre

We liaised with MFB to utilise the new Victorian Emergency Management Training centre in Craigieburn. This centre offers a significant opportunity for VICSES members to participate in training for rescue and incident management in state of the art simulated environments.

First aid and safety training

First aid and work health and safety continued to be a strong focus for member training.

During the year 584 members attended the full first aid training course and 1,517 members attended a first aid refresher. Supplementing the training supplied by private training providers, a group of accredited members also provided first aid training and refresher courses.

Additionally, 437 members completed the nationally recognised Work Health and Safety Essentials program. This course is customised to cover our 'SES Play Your Part' safety system.

Incident management capability development

Our training and operational staff joined CFA and DEPI colleagues in working groups within the Multi Agency Capability Committee-Bushfire (MACC) to complete the development of training courses in incident management. The MACC Technical and Standards group completed work on the development of pathways for training and accreditation for personnel to attain the required skills, knowledge and experience to safely and effectively manage incidents. This work supports a multi-agency approach to developing and accrediting capable incident management resources.

Incident management training

During the year 488 members completed competency based courses in Controlling a Level 1 Incident, Sector Divisional Command and the foundation course Introduction to AIMS.

AIMS-4th Edition briefings were delivered to 1,037 members. These briefings provided members with up to date information on the national changes to the AIMS.

Source of data: TRAIN database report



"Thank you for the quick response to the tree down in our street. I just wanted to say a very heartfelt thank you for the wonderful job you all do."

Lisa Short

Comment via Facebook

16.01.2014

Health and wellbeing

Volunteers

Additional state government funding through the Valuing Volunteers program has enabled continuation of the Volunteer Health and Wellbeing program. Under the banner “Looking after yourself as well as others” there are a number of health initiatives currently available to volunteers and their families.

Healthwatch

Healthwatch is a free and confidential health check to determine an individual’s risk of cardiovascular and lifestyle related diseases. This program is an on-site (unit) visit testing cholesterol, triglycerides, blood glucose, blood pressure, height and weight. This year there has been 722 assessments across 55 units.

Wellbeing, Health and Injury Prevention

This program was introduced this year and its focus is on reducing risk of injury and improving health. A customised, online injury prevention and fitness program and health portal is available to all members. In addition, a group program runs over 6-9 months and provides physiotherapist visits to observe and improve manual handling technique, and keynote health presentations on nutrition, including hydration, and mental health.

The feedback has been very positive from the volunteers: “We have the responsibility to members as Unit Controllers to ensure that each member has the tools to perform their tasks. It is imperative that we ensure that health and wellbeing is up to scratch for each and every person that puts on the overalls. As a road rescue unit we are under high physical demands and being able to physically cope during rescues also ensures that we are equipped to mentally cope also.” – Unit Controller

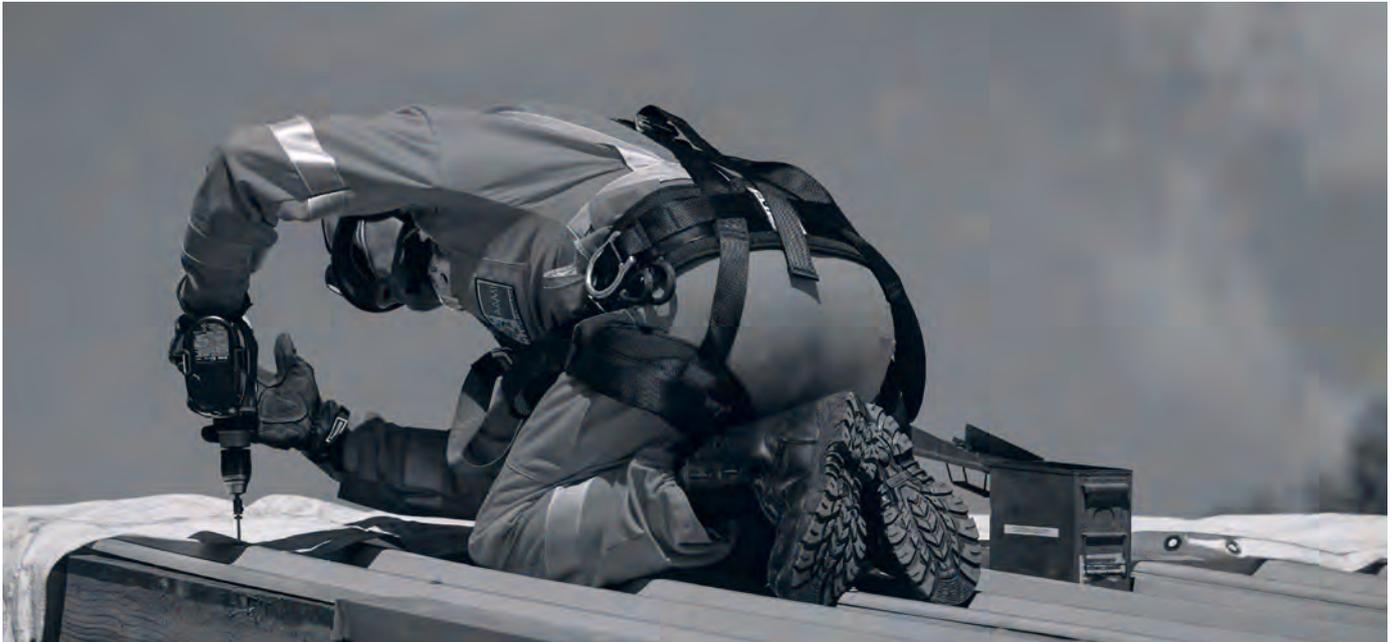
To measure health and wellbeing achievements VICSES has set up a confidential health portal which allows frequent check in and self-assessment of lifestyle changes over time.

Other programs delivered to volunteers this year include: the Diabetes Victoria Life! program; a pedometer challenge for staff and volunteers; Healthy eating program.

Resilience training has also been offered to volunteers to assist them in dealing with stressful events and supporting them to build a positive orientation to life’s issues.

“It is imperative that we ensure that health and wellbeing is up to scratch for each and every person that puts on the overalls. As a road rescue unit we are under high physical demands and being able to physically cope during rescues also ensures that we are equipped to mentally cope also.”

Unit Controller



Work health and safety indicators

	Year			
	2010-11	2011-12	2012-13	2013-14
Number of Incidents and hazards*	229	251	261	374
Hazard reporting rate**	28%	35%	40%	24%
Number of standard claims***	33	22	18	41
Number of lost time claims	19	5	10	26
Average cost per standard claim****	\$124,603	\$1,712	\$5,779	\$6,451
Fatality claims	NIL	NIL	NIL	NIL
Volunteers and staff who received training				
i. Staff	9	11	13	8
ii. Volunteer	721	547	427	438

* includes all incidents, near misses and hazards

** reported as a percentage of all hazards reported by total incidents report

*** note that an excess period applies to staff policy and not to volunteers

**** calculated on the actual costs

Employees

VICSES employees have also embraced the health and wellbeing initiatives by participating in various activities, such as the Emergency Services Blood Bank Challenge, Emergency Service Games, Resilience Training, Tai Chi classes, pedometer programs, after work workouts, RU OK? Day, Mental Health First Aid Training, Run Ballarat, Eureka Challenge, Macular Degeneration Awareness week, FebFast, Grateful in April, Tour de Hume, Step up for Downs Syndrome, National Walk to Work day, health talks including healthy eating, stress and sleep, meditation and yoga classes. VICSES successfully utilised the Victorian WorkCover Authority Work Health Grant program to partly fund some of these initiatives

Safety

In 2013-14, steps were taken to streamline health and safety and strengthen integration across the organisation. This included a restructure of the VICSES Safety Management System ('Play Your Part') and was supported by a new audit program to monitor compliance to Play Your Part. Internal audits were conducted of staff locations and an external desk top audit completed against elements of AS/NZS 4801:2001.

Developing the awareness of mental health issues and the capabilities of our people to support others was a key objective this year. Mental health first aid sessions were delivered to volunteers and staff and continues to be offered on the training calendar.

Corporate services

Assets and Infrastructure

The Assets and Infrastructure Team has had a busy financial year and has continued to increase its focus on customer service. The most significant change for the Team has been the introduction of SysAid, which provides greater visibility of issue management and resolution for staff and volunteers.

Infrastructure

The infrastructure team has managed the fit-out works and staff relocation at the Regional Headquarters in the South West Region and in the North East Region. The developments in both of these locations incorporate staff accommodation, a Level 2 Incident Control Centre and a regional store.

This year has also seen the completion of the joint VICSES and CFA development at Marong, and the start of construction of similar local headquarters developments at Woomelang, Edenhope and Buchan. These volunteer facilities are scheduled to be completed before the end of 2014.

The co-location development between VICSES and Victoria Police at Waurin Ponds is currently under construction and is also scheduled to be completed before the end of the calendar year.

Fleet Projects

The following new replacement assets will be delivered to VICSES volunteers as part of the 2013-14 Critical Asset Replacement Program:

- Six Heavy Rescue Trucks
- Three Medium Rescue Trucks (2WD)
- Two Medium Rescue Trucks (4WD)
- Six Rescue Boats
- 12 Road Rescue Kits

These works follow the award of new supply contracts for the Heavy Rescue Trucks and for the Medium Rescue Trucks (4WD).

Equipment

The Equipment Replacement Program has continued this year with one third of the units receiving replacement equipment as part of the three year rolling program.

The AAMI sponsored equipment program has also continued. In 2013-14, the program was based on the fourth edition of the equipment catalogue.

Fleet Services

The dual cab replacement program has seen the delivery of a replacement vehicle to all forty three VICSES units involved in the program.

A modification program to upgrade the suspension on sixteen Nissan Navaras vehicles has also been completed.

A review of business processes has seen changes to the management of fuel cards and the transition of the management of the fitting-out of vehicles to Fleet Services, to increase the efficiency of these activities.

Information Services

2013-14 saw a number of changes in the Information Services (IS) team. The Information and Records unit moved across from Finance to sit with the IS, prompting a name change from Information Communication Technology (ICT) to IS to better reflect the activities of the business unit.

The year was primarily focused on bedding down changes after moving to a new managed data provider last year, as well as contributing to and delivering on key projects while at the same time providing day-to-day service support to volunteers and staff.

The fit out of technology at Incident Control Centres across the State as well as the introduction of 31 Divisional Command Points saw an extra 270 computers added to our corporate network. We continued to assist in the fit out of the Mobile Command Vehicles and Field Operation Vehicles.

This coincided with the delivery of Voice over IP telephony (VoIP) to move the organisation from an analogue telephone system to a digital environment.

Other key achievements included migrating OIMS from CFA to our managed service provider, Datacom, introducing a pilot implementation of Microsoft Lync and rationalising our printer needs across the organisation to reduce our carbon footprint.

For volunteer units, IS provided each site with a new up to date PC and delivered Office 365 capability to each volunteer which provides online features such as email, document editing and storage and Microsoft Lync. Additionally, each unit now has a state-provided iPad with the OIMS Lite application installed.

Work continues on developing solutions for the guest network, single sign on and password resets functionality which once in place will make life easier for volunteers and staff when going about their daily business.

Projects and Grants

The Project and Grants area has once again had a busy year finalising a number of projects including Buy Online, Organisational Capability and Information Framework (OCIF), Incident Control and Divisional Command point upgrades, implementation of Voice over internet protocol (VOIP), OIMS lite, SES Link, Bandwidth upgrade and 360 View.

A number of new projects were also initiated this year, the implementation of which is subject to VICSES Investment Management Committee review and funding availability. These include:

Data integrity

Following a data cleansing project run in 2012, VICSES kicked off the data integrity projects to address known data issues and to address specific recommendations coming from the VAGO Report 'managing emergency services volunteers'.

The business case has been drafted and the key benefits resulting from this project will be accurate volunteer, staff and asset data and simplified systems accessibility.

The project is expected to deliver benefits at yearly intervals during the three year development.

Unit name change

A new unit name change policy and procedure has been created to allow units to change their names as required. Each name change requires a small change to up to 18 systems and a considerable number of business processes, requiring a coordinated effort.

At the end of the financial year, 11 unit name changes took place, allowing units to more accurately reflect the area in which they operate.

Rostering

The business case for the rostering project is being finalised and VICSES is looking to implement a new solution by the end of the next financial year.

Rostering will provide accurate and timely payments to staff. The system will provide automated rostering and a better understanding of surge capacity, improved visibility of staff availability and their skill sets. The new process and tools will enable VICSES to better plan and monitor its capacity and capability during emergency events.

Buy Online

The new Buy Online purchasing solution will mean volunteers get their Personal Protective Clothing & Equipment (PPC&E) faster and more efficiently. Accessed from anywhere, Buy Online comprises a few simple web pages for raising orders, gaining approvals, tracking order progress and managing problems with deliveries.

The new functionality has been successfully rolled out to the administrative officers across all regions. The feedback to date has been very positive.

In early July 2014 it is planned that Buy Online will be made generally available to units and volunteers, with user guides and quick reference material provided online.

SES Link

The full launch of SES Link occurred in early 2014 after being piloted in ten units. SES Link allows volunteers and staff to connect and collaborate via an informal, social media style tool.

OIMS Lite Project

OIMS Lite is an iPad mobile incident management solution that interfaces to IMS and IRS and enables more timely reporting and lowers administrative overheads.

After piloting the new application in several stages, gathering feedback and making updates based on feedback the OIMS lite solution was rolled out to each unit late in 2013.

Grants

Victoria SES continues to receive the Volunteer Emergency Services Equipment Program (VESEP) funding and this year received \$2 million which included a state-wide initiative to replace Triton Vehicles and the purchase of:

- Nine vehicles
- Four building refurbishments
- Seven light rescue trucks
- One medium rescue truck
- Five lighting trailers
- One all terrain vehicle
- One Fireco base ultralight roof mast

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 s. 9 of 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 s. 22 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 duty owed to VICSES.

Board Committees

The Board has incorporated into its management structure a Governance, Finance and Audit Committee and a Remuneration 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 directors 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 2011-13. Maddocks was also appointed to undertake the Corporate Secretary role for the Board.

Victorian Industry Participation Policy (VIPPP)

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 VIPPP in their annual reports. FRD 25 specifies that VIPPP be reported for contracts valued over \$3 million in metropolitan areas and \$1 million in regional areas. There were no contracts that fell into the category for the financial year 2013-14.

Freedom of Information (FOI)

VICSES is subject to the *Freedom of Information Act 1982*. Requests for access to documents should be made in writing to the Freedom of Information Officer (FOI). 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*, 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.

Consultancies table

	Service	Fees Approved	Amount Expended 2013-14	Future Commitments
Under \$10,000				
Eight consultancies totalling		38,675	38,675	-
Over \$10,000				
Palladium Consulting	Cultural Pathways	58,730	58,730	-
Dialog Information Technology	ICT Strategy	294,762	294,762	-
Dialog Information Technology	OIMS Lite Review	160,851	160,851	-
Dialog Information Technology	Chris 21 Review	12,000	12,000	-
Nous Group	Organisation Structure Review	100,846	100,846	-
Colmar Brunton	Floodsafe Campaign Evaluation	44,829	44,829	-
Centring	BERC Business Case	16,182	16,182	-
Solve	Uniform Standards	14,400	14,400	-
Dialog Information Technology	Options analysis for technology solutions for SES Units	14,039	14,039	-
Bushfire Risk Management Services	Flood Emergency Plans Update	21,948	21,948	-
Total		738,587	738,587	-

Risk Management

I, Stephen Griffin, 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 twelve months.

Insurance

I, Stephen Griffin, Chief Executive Officer, certify that the Victoria State Emergency Service has complied with Ministerial Direction 4.5.5.1 – Insurance, except for

- i. Recording the valuation and basis for valuation of self-insured retained losses; and
- ii. Providing information on claims management capability, resources, structures and procedures for any self-insured retained losses to VMIA

These items will be addresses during 2014-15 as part of the development of VICSES insurance policies and procedures.

National Competition Policy

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

Protected Disclosure Act

The VICSES is subject to the *Protected Disclosure Act 2012*, which replaced *The Whistleblower's Protection Act 2001* in February 2013. The VICSES is unable to receive disclosures made under the provisions of this Act. As such all disclosures should, in the first instance, be made to IBAC directly. Further procedural information in relation to the *Protected Disclosure Act 2012* can be obtained from the Information and Records Manager. Contact details are on the back cover of this report.

Financial information

Five year financial summary

	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Appropriation from Government (i)					
Output	43,905	44,918	36,638	46,059	31,620
Special	150	124	169	292	773
Capital	400	1,102	6,250	3,873	8,688
Total Appropriation from Government	44,455	46,144	43,057	50,224	41,081
Comprehensive Operating Statement					
Total income from transactions	55,590	57,024	51,247	56,005	42,620
Total expenses from transactions	(51,218)	(50,081)	(48,940)	(46,677)	(33,959)
Net result from transactions for the period	4,372	6,943	2,307	9,328	8,661
Other economic flows	494	43	(44)	(369)	191
Net result	4,866	6,986	2,263	8,959	8,852
Other economic flows not in the net result (ii)	0	0	0	6,760	0
Comprehensive result	4,866	6,986	2,263	15,719	8,852
Balance Sheet					
Total assets	112,943	107,866	100,323	91,134	70,010
Total liabilities	(12,574)	(12,763)	(13,308)	(12,632)	(11,100)
Net Assets	100,369	95,103	87,015	78,502	58,910
Cashflow Statement					
Net increase/(decrease) in cash and cash equivalents	(356)	4,363	257	13,856	(269)
Cash and cash equivalents at 30 June	41,395	41,751	37,388	37,131	23,275

Note:

- (i) Includes output, special, capital and major incident Appropriation funding from the State and Commonwealth Governments. Output and special appropriation as well as major incident funding are recognised as Income in the Comprehensive operating statements and capital appropriation is recognised as Capital contributions by owners in the Balance Sheet and Statement of changes in equity.
- (ii) The high "other economic flows" in 2010-2011 results from the increase 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

Comprehensive Operating Statement

For the year ended 30 June 2014 the Authority achieved a Net surplus result of \$4.866 million, \$2.120 million less than in 2012-13. The key items impacting the 2013-14 Net result are:

- A fall of \$1.434 million in income from transactions to \$55.590 million resulting primarily from:
 - A reduction in Government Appropriation of \$0.987 million as project funding of \$2.709 million for initiatives related to the program to improve and upgrade business systems and processes for major emergencies ceased in 2012-13.
 - A reduction in Volunteer and other Grants from the Department of Justice of \$0.899 million as the 13-14 National Disaster and Resilience Grants were not issued until June 2014 and had not been received by VICSES at 30 June 2014. The 2013-14 grants for this program will be received in 2014-15.
- An increase of \$1.137 million in expenses from transactions primarily from a \$1.294 million increase in employee expenses. Employee expenses have risen due to a 3.25% EBA increase and the full year impact of the additional regional staff who commenced during 2012-13.

Balance Sheet

Net assets increased by \$5.266 million in 2013-14 to \$100.369 million. The major reasons for the increase is an increase of \$5.390 million in the carrying value of Property, plant & equipment including:

- Asset additions of \$11.888m including 12 road rescue kits, 66 Four Wheel drive vehicles, 11 large and medium rescue trucks, 12 storm trailers, 4 lighting trailers, 3 sandbag trailers and 2 mass casualty trailers and finalisation of building works at Geelong and Benalla regional offices.
- \$5.814 million in depreciation for the year.

Cash flow Statement

VICSES hold cash and cash equivalents of \$41.395 million. \$13.702 million is held by Volunteer Units and \$27.693 million by the Authority.

VICSES volunteer units are holding funds to replace critical operational equipment. The Authority funds are to cover net short term liabilities and assets, to finalise projects for which funding has been received and to cover employee leave entitlements.

The cash and cash equivalents decrease by \$0.356 million (2011-12: Increase \$4.363 million).

The major changes in cashflow from 2012-13 were:

- A reduction in income from transactions and an increase in expenses from transactions as detailed as part of the Net Surplus for 2013-14;
- An increase in capital expenditure due to the finalisation of critical asset replacement programs from 2011-12 and 2012-13 in 2013-14.
- A reduction in Capital Appropriation from Government for the South Barwon Unit which is being constructed at Waurn Ponds in Geelong. VICSES received \$1.102 million towards the facility being built by Victoria Police in 20-12-2013 and an additional \$0.400 million to finalise the build in 2013-14. There is still some minor to complete the project in 2014-15.
- An increase in Volunteer Unit funds of \$1.424 million (2012-13: \$1.174 million)

Subsequent events

Other than the item noted below 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.

VICSES Financial Statements for the year ended 30 June 2014

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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 2014 and financial position of the Authority at 30 June 2014.

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 11 September 2014.



Peter Akers
Chairperson

Victoria State Emergency
Service Authority

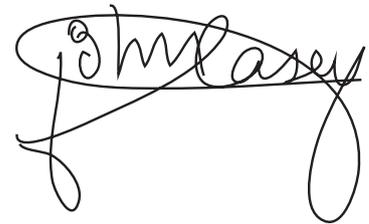
Melbourne
11 September 2014



Stephen Griffin
Chief Executive Officer

Victoria State Emergency
Service Authority

Melbourne
11 September 2014



John Casey
Director of Corporate Services

Victoria State Emergency
Service Authority

Melbourne
11 September 2014



Victorian Auditor-General's Office

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Website www.audit.vic.gov.au

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 2014 of the Victoria State Emergency Service Authority which comprises 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, 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 and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Auditing in the Public Interest

Independent Auditor's Report (continued)

Independence

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

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Victoria State Emergency Service Authority as at 30 June 2014 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of the Victoria State Emergency Service Authority for the year ended 30 June 2014 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
12 September 2014

Per 
Dr Peter Frost
Acting Auditor-General

Comprehensive operating statement for the financial year ended 30 June 2014

	Notes	2014 \$'000	2013 \$'000
Income from transactions			
Grants	2(a)	50,805	52,476
Sale of services	2(b)	41	25
Interest income	2(c)	803	1,014
Fair value of assets not previously recognised	2(d)	0	150
Other income	2(e)	3,941	3,359
Total income from transactions		55,590	57,024
Expenses from transactions			
Employee expenses	3(a)	(19,794)	(18,500)
Depreciation	3(b)	(5,814)	(5,524)
Grants	3(c)	(1,773)	(1,724)
Interest expense	3(d)	(326)	(360)
Other operating expenses	3(e)	(23,511)	(23,973)
Total expenses from transactions		(51,218)	(50,081)
Net result from transactions (net operating balance)		4,372	6,943
Other economic flows included in net result			
Net gain on non-financial assets	4(a)	510	16
Other gains/(losses) from other economic flows	4(b)	(16)	27
		494	43
Net result		4,866	6,986
Total other economic flows – other comprehensive income		0	0
Comprehensive result		4,866	6,986

The above comprehensive operating statement should be read in conjunction with the accompanying notes on pages 46 to 84.

Balance sheet as at 30 June 2014

	Notes	2014 \$'000	2013 \$'000
Assets			
Financial assets			
Cash and deposits	16(a)	41,395	41,751
Receivables	5	1,045	1,005
Total financial assets		42,440	42,756
Non-financial assets			
Property, plant and equipment	7	69,707	64,376
Other non-financial assets	6	796	734
Total non-financial assets		70,503	65,110
Total assets		112,943	107,866
Liabilities			
Payables	8	4,252	4,945
Borrowings	9	4,121	3,828
Provisions	10	4,201	3,990
Total liabilities		12,574	12,763
Net assets		100,369	95,103
Equity			
Accumulated surplus		50,954	46,088
Physical asset revaluation reserve surplus	17	6,760	6,760
Contributed capital		42,655	42,255
Net worth		100,369	95,103
Commitments for expenditure	13		
Contingent assets and contingent liabilities	14		

The above balance sheet should be read in conjunction with the accompanying notes included on pages 46 to 84.

Statement of changes in equity for the financial year ended 30 June 2014

	Notes	Physical asset revaluation reserve surplus	Accumulated surplus	Contributed capital	Total
		\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2012		6,760	39,102	41,153	87,015
Net result for the year		0	6,986	0	6,986
Capital appropriations		0	0	1,102	1,102
Balance at 30 June 2013		6,760	46,088	42,255	95,103
Net result for the year		0	4,866	0	4,866
Capital appropriations		0	0	400	400
Balance at 30 June 2014	17	6,760	50,954	42,655	100,369

The statement of changes in equity should be read in conjunction with the accompanying notes on pages 46 to 84.

Cash flow statement for the financial year ended 30 June 2014

		2014	2013
	Notes	\$'000	\$'000
Cash flows from operating activities			
Receipts			
Receipts from government		46,906	48,098
Receipts from other entities		7,334	8,502
Goods and Services Tax recovered from the ATO		2,807	2,670
Interest received		785	1,074
Other receipts (unit cash)		1,424	1,174
Total receipts		59,256	61,518
Payments			
Payments of grants		(1,773)	(1,724)
Payments to suppliers and employees		(47,440)	(47,033)
Interest and other costs of finance paid		(335)	(375)
Other payments		(122)	(129)
Total payments		(49,670)	(49,261)
Net cash flow from/(used in) operating activities	16(b)	9,586	12,257
Cash flows from investing activities			
Purchases of non-financial assets		(10,624)	(8,512)
Sales of non-financial assets		1,285	747
Net cash flows from/(used in) investing activities		(9,339)	(7,765)
Cash flows from financing activities			
Owner contributions by State Government		400	1,102
Repayment of finance leases		(1,003)	(1,231)
Net cash flows from/(used in) financing activities		(603)	(129)
Net increase/(decrease) in cash and cash equivalents		(356)	4,363
Cash and cash equivalents at the beginning of the financial year		41,751	37,388
Cash and cash equivalents at the end of the financial year	16(a)	41,395	41,751

The above cash flow statement should be read in conjunction with the accompanying notes included on pages 46 to 84.

Notes to the financial statements for the financial year ended 30 June 2014

Note 1. Summary of significant accounting policies

These annual financial statements represent the audited general purpose financial statements for Victoria State Emergency Service Authority (the Authority) for the period ended 30 June 2014. The purpose of the report is to provide users with information about the Authority's stewardship of resources entrusted to it.

(a) Statement of compliance

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

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.

To gain a better understanding of the terminology used in this report, a glossary of terms and style conventions can be found in Note 23.

The annual financial statements were authorised for issue by the Board of the Victoria State Emergency Service Authority on 11 September 2014.

(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.

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 circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AASs that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, plant and equipment (refer to Note 1(k));
- superannuation expense (refer to Note 1(g));
- assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 1(l)); and
- volunteer units' cash and deposits (refer to Note 1(j)).

These financial statements are presented in Australian dollars, and prepared in accordance with the historical cost convention except for non-financial physical assets which, subsequent to acquisition, are measured at a revalued amount being their fair value at the date of 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.

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

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

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

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

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

The Valuer-General Victoria (VGV) is the Authority's independent valuation agency.

The Authority, in conjunction with VGV, monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

(c) Reporting entity

The financial statements include all the controlled activities of the Authority. The financial statements include cash balances and property, plant and equipment of individual VICSES Volunteer Units.

The Authority is a government Authority of the State of Victoria established under the *Victoria State Emergency Services Act 2005 (Vic)*.

Its principal address is:

Victoria State Emergency Service Authority
168 Sturt Street
Southbank VIC 3006

A description of the nature of the Authority's operations and its principal activities is included in the report of operations on page 3, which does not form part of these financial statements.

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 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

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

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

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

Balance sheet

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

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

Cash flow statement

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

Statement of changes in equity

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

Rounding of amounts

Amounts in the financial statements (including the notes) have been rounded to the nearest \$1,000, unless otherwise stated. Figures in the financial statements may not equate due to rounding. Please refer to Note 23 for a style convention for explanations of minor discrepancies resulting from rounding.

(e) Changes in accounting policies

Subsequent to the 2012-13 reporting period, the following new and revised Standards have been adopted in the current period with their financial impact detailed as below.

AASB 13 Fair Value Measurement

AASB 13 establishes a single source of guidance for all fair value measurements. AASB 13 does not change when a Authority is required to use fair value, but rather provides guidance on how to measure fair value under Australian Accounting Standards when fair value is required or permitted. The Authority has considered the specific requirements relating to highest and best use, valuation premise, and principal (or most advantageous) market. The methods, assumptions, processes and procedures for determining fair value were revisited and adjusted where applicable.

In light of AASB 13, the Authority has reviewed the fair value principles as well as its current valuation methodologies in assessing the fair value, and the assessment has not materially changed the fair values recognised.

However, AASB 13 has predominantly impacted the disclosures of the Authority. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards, including AASB 7 *Financial Instruments: Disclosures*.

The disclosure requirements of AASB 13 apply prospectively and need not be applied in comparative information before first application. Consequently, the 2012-13 comparatives of these disclosures have not been provided, except for financial instruments, of which the fair value disclosures are required under AASB 7 *Financial Instruments: Disclosures*.

AASB 119 Employee Benefits

In 2013-14, the Authority has applied AASB 119 *Employee benefits* (Sept 2011, as amended) and the related consequential amendments for the first time.

The revised AASB 119 changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligation and plan assets. As the current accounting policy is for the Department of Treasury and Finance (DTF) to recognise and disclose the State's defined benefit liabilities in its financial statements, changes in defined benefit obligations and plan assets will have limited impact on the Authority.

The revised standard also changes the definition of short-term employee benefits. These were previously benefits that were expected to be settled wholly within twelve months after the end of the reporting period in which the employees render the related service, however, short-term employee benefits are now defined as benefits expected to be settled wholly within twelve months after the end of the reporting period in which the employees render the related service.

As a result, accrued annual leave balances which were previously classified by the Authority as short-term employee benefits no longer meet this definition and are now classified as long-term employee benefits. This has resulted in a change of measurement for the annual leave provision from an undiscounted to discounted basis.

The application of the revised standard has no material impact on the financial results and as such there is no requirement to restate employee benefits.

(f) 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 at fair value.

Grants

Income from grants is recognised when the Authority obtains control over the contribution.

Operating grant

Operating grant income is provided to the Authority by Government to provide the outputs required by Government. Operating 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.

Operating grant funding received for the purchase of assets is treated as contributed capital and designated as contribution by owners (refer Note 1(n)).

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 in each annual reporting period.

Interest

Interest income is interest received on bank term deposits and the operating bank account and is recognised on a time-proportionate basis that takes into account the effective yield on the financial asset.

Fair value of assets not previously recognised

Fair value of assets identified in stocktake

Assets identified during stocktakes that have not been previously recognised are brought to account at fair value.

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 1 July 2013 and 30 June 2014. Refer to note 1(j) (Financial assets).

(g) Expenses from transactions

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

Employee expense

Refer to Note 1(l) regarding employee benefits.

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, payroll tax and Workcover premiums.

Superannuation

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

The DTF in their Annual Financial Statements, disclose on behalf of the State as the sponsoring employer, the net defined benefit cost related to the members of these plans as an administered liability. Refer to DTF's Annual Financial Statements for more detailed disclosures in relation to these plans.

Depreciation expense

All property, plant and equipment, (excluding items under operating leases) that have finite useful lives are depreciated. Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Refer to note 1(k) (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 of assets for both 2013 and 2014:

Asset Class	Useful Life
Buildings and leasehold improvements	
- Buildings	15 - 40 years
- Leasehold improvements	2 - 40 years
Plant, equipment and vehicles	3 - 15 years
Leased vehicles	3 - 5 years

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.

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. Refer to *Glossary of terms and style conventions* in Note 23.

Interest expense

Interest expense is recognised in the period in which it is incurred. Refer to *Glossary of terms and style conventions* in Note 23 for an explanation of interest expense items.

Other operating expenses

Other operating expenses generally represent the day-to-day running costs incurred in normal operations and include:

Supplies and services

Supplies and services costs 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.

(h) 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.

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-financial physical assets

Refer to Note 1(k) *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 of disposal 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 an other 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 reversal 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.

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 the asset and fair value less costs to sell.

Refer to Note 1(k) 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.

(i) 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(j)), 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 interestbearing liability, using the effective interest rate method (refer to Note 23).

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

(j) Financial assets

Cash and deposits

Cash and deposits recognised on the balance sheet comprise cash on hand and cash at bank, deposits at call and 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.

Volunteer Unit cash and deposit balances

Volunteer Units' cash and deposits have been brought to account at 30 June 2014, 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(e) *Other Income*) and as an increase in assets in the balance sheet (Note 16(a) *Cash flow information*).

Volunteer Units' cash and deposits are brought to account with the basis of estimation being the balances held by units as at 31 March 2014, adjusted for expected income and expenditure to 30 June 2014. The adjustment is based on historical movement in balances.

Receivables

Receivables consist of:

- contractual receivables, which include mainly debtors in relation to goods and services, and accrued interest income; and
- statutory receivables, which include GST recoverable.

Contractual receivables are classified as financial instruments and categorised as loans and receivables (refer to Note 1(i) for recognition and measurement). Statutory receivables, are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they do not arise from a contract.

Receivables are subject to impairment testing as described below. 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.

For the measurement principle of receivables, refer to Note 1(i).

De-recognition 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.

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. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

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

The amount of allowance is the difference between the financial assets' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

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 methods in accordance with AASB 136 *Impairment of Assets*.

(k) Non-financial assets

Property, plant and equipment

All nonfinancial physical assets are measured initially at cost and subsequently re-valued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a machinery of government change are transferred at their carrying amount. More details about the valuation techniques and inputs used in determining the fair value of non-financial physical assets are discussed in Note 7. *Property, plant and equipment*.

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

Non-financial 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 physical restrictions imposed on the asset, 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. Therefore, unless otherwise disclosed, the current use of these non-financial physical assets will be their highest and best use.

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. Assets under construction are valued at cost which is deemed to approximate fair value.

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

Revaluations of non-financial physical assets

Non-financial physical assets are measured at fair value on a cyclical basis, in accordance with Financial Reporting Directions (FRD's) 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 FRDs.

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

Net revaluation increases (where the carrying amount of a class of assets is increased as a result of a revaluation) are recognised in 'Other economic flows – other comprehensive income', and accumulated in equity under the asset revaluation surplus. However, the net revaluation increase is 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 decrease is recognised in 'Other economic flows – other comprehensive income' to the extent that a credit balance exists in the asset revaluation surplus in respect of the same class of property, plant and equipment. Otherwise, the net revaluation decreases are recognised immediately as other economic flows in the net result. The net revaluation decrease recognised in 'Other economic flows – other comprehensive income' reduces the amount accumulated in equity under the asset revaluation surplus.

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.

(I) Liabilities

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.

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

Borrowings

All interest bearing liabilities are initially recognised at fair value of the consideration received, less directly attributable transaction costs (refer also to Note 1(m) *Leases*). The measurement basis subsequent to initial recognition depends on whether the Authority has categorised its interest-bearing liabilities as either financial liabilities designated at fair value through the profit or loss, or financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method.

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 provision 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, long service leave and time in lieu 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 are recognised in the provision for employee benefits, classified as current liabilities, because the Authority does not have an unconditional right to defer settlement of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for wages and salaries, annual leave and time-in-lieu are measured at:

- undiscounted value if the Authority expects to wholly settle within 12 months of the reporting period; or
- present value, using the remuneration rate expected to apply at the time of settlement, if the Authority does not expect to wholly settle within 12 months.

(ii) *Long service leave*

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

Unconditional LSL 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:

- undiscounted value – if the Authority expects to wholly settle within 12 months; and
- present value – if the Authority does not expect to wholly 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(h)).

(iii) *Termination benefits*

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee decides to accept an offer of benefits in exchange for the termination of employment. 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.

On-costs

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

(m) 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 – Authority as lessee

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 accounted for as a non-financial physical asset. If there is certainty that the Authority will obtain ownership of the lease asset by the end of the lease term, the asset shall be depreciated over the useful life of the asset. If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

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 – Authority as lessee

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.

(n) Equity

Contributed capital

Operating grant funding received for the purchase of assets that has been designated as contribution by owners is treated as contributed capital.

(o) Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note (refer to Note 13) at their nominal value and inclusive of GST payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

(p) 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 (refer to Note 14) and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

(q) 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 also stated inclusive of GST.

(r) 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 at the reporting date. 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 that are considered to be of material interest.

(s) AASs issued that are not yet effective

Certain new AASs have been published that are not mandatory for the 30 June 2014 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 2014, the following standards and interpretations (applicable to Authority) had been issued but were not yet effective for the financial year ending 30 June 2014. The Authority has not early-adopted these standards.

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 9 Financial Instruments	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement).	1 Jan 2017	The preliminary assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss. While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.

Note 2. Income from transactions

	2014	2013
	\$'000	\$'000
(a) Grants		
Department of Justice		
- Operating grant income	43,905	44,918
- Volunteer and other grants	2,613	3,512
- Major incident funding	458	0
Other State Government entities/agencies		
- Melbourne Water	350	542
- Transport Accident Commission	3,187	3,110
- Other	135	283
Commonwealth Departments	64	62
Other	93	49
Total grants and other transfers	50,805	52,476
(b) Sale of services		
Provision of services	41	25
Total sale of services	41	25
(c) Interest		
Interest from financial assets not at fair value through P/L:		
- Interest on bank and term deposits	803	1,014
Total interest income	803	1,014
(d) Fair value of assets not previously recognised		
Fair value of assets not previously recognised (i)	0	150
Total fair value of assets not previously recognised	0	150
(e) Other income		
Sponsorship	531	513
Donations	30	70
Unit Contributions for assets and equipment	1,388	600
Other income	568	1,002
Change in unit cash balances	1,424	1,174
Total other income	3,941	3,359

Note:

(i) The Authority undertook an asset stocktake in June 2014 and no additional assets were identified.

Note 3. Expenses from transactions

	Notes	2014 \$'000	2013 \$'000
(a) Employee expenses			
Post-employment benefits:			
- Defined contribution superannuation plans	11	(1,383)	(1,149)
- Defined benefit superannuation expense	11	(96)	(85)
Termination benefits		(10)	(10)
Salaries, wages and long service leave		(18,305)	(17,256)
Total employee expenses		(19,794)	(18,500)
(b) Depreciation			
Depreciation of property, plant, equipment and vehicles			
- Buildings and leasehold improvement		(861)	(750)
- Plant, equipment and vehicles		(3,845)	(3,669)
- Leased vehicles		(1,108)	(1,105)
Total depreciation expense		(5,814)	(5,524)
(c) Grants			
Grants to municipalities for Volunteer Units		(1,773)	(1,724)
Total grants		(1,773)	(1,724)
(d) Interest expense			
Interest on finance leases		(326)	(360)
Total interest expense		(326)	(360)
(e) Other operating expenses			
Supplies and services:			
- Contractors and professional services		(2,821)	(4,250)
- Building service and maintenance expenses		(2,105)	(2,084)
- Travel and associated costs		(462)	(607)
- Printing, stationery and other office expenses		(771)	(1,033)
- Postage and communication expenses		(5,225)	(5,143)
- Vehicle expenses		(1,602)	(1,329)
- Technology services costs		(4,985)	(3,954)
- Protective clothing		(920)	(818)
- Emergency rescue equipment		(1,615)	(1,915)
- Training (volunteers and staff)		(2,086)	(2,122)
- Other		(797)	(589)
Total supplies and services		(23,389)	(23,844)
Operating lease rental expenses			
- Lease payments		(122)	(129)
Total operating lease rental expenses		(122)	(129)
Total other operating expenses		(23,511)	(23,973)

Note 4. Other economic flows included in net results

	2014	2013
	\$'000	\$'000
(a) Net gain on non-financial assets		
Net gain on disposal of physical assets	510	16
Total net gain on non-financial assets	510	16
(b) Other gains/(losses) from other economic flows		
Net gain/(loss) from revaluation of long service leave liability (i)	(16)	27
Total other gain from other economic flows	(16)	27

Note:

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

Note 5. Receivables

	2014	2013
	\$'000	\$'000
Current receivables		
Contractual		
Accrued interest income	47	53
Other receivables (i)	669	548
	716	601
Statutory		
GST recoverable (net)	329	404
Other receivables	0	0
	329	404
Total current receivables	1,045	1,005
Total receivables	1,045	1,005

Note:

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

(a) Ageing analysis of contractual receivables

Please refer to Table 15.4 in Note 15 for the ageing analysis of contractual receivables.

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

Please refer to Note 15(b) for the nature and extent of credit risk arising from contractual receivables.

Note 6. Other non-financial assets

	2014	2013
	\$'000	\$'000
Current other non-financial assets		
Prepayments	796	734
Total current other non-financial assets	796	734
Total other non-financial assets	796	734

Note 7. Property, plant and equipment

Table 7.1 Classification by 'Purpose Group' – Public Safety and Environment. Gross carrying amounts, accumulated depreciation and net carrying amounts (i)

	Gross carrying amounts		Accumulated depreciation		Net carrying amounts	
	2014	2013	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Nature based classification						
Crown land at fair value	9,170	9,170	0	0	9,170	9,170
Buildings and leasehold improvements at fair value	19,744	16,105	(3,118)	(2,283)	16,626	13,822
Plant, equipment and vehicles at fair value	49,293	44,675	(15,603)	(13,437)	33,690	31,238
Leased vehicles at fair value	6,564	5,862	(2,886)	(2,402)	3,678	3,460
Assets under construction	6,543	6,686	0	0	6,543	6,686
Total property, plant and equipment	91,314	82,498	(21,607)	(18,122)	69,707	64,376

Note:

- (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.

Table 7.2 Movements in carrying value (i), (ii)

Carrying Amount	Crown land at fair value	Buildings and leasehold improvements at fair value	Plant, equipment and vehicles at fair value	Leased vehicles at fair value	Assets under construction (iv)	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 30 June 2012	9,170	13,077	30,981	3,930	3,896	61,054
Additions	0	0	0	1,062	8,365	9,427
Transfers in/(out) of assets under construction	0	1,519	4,056	0	(5,575)	0
Disposals	0	(24)	(280)	(427)	0	(731)
Asset stocktake additions (iii)	0	0	150	0	0	150
Depreciation expense	0	(750)	(3,669)	(1,105)	0	(5,524)
Balance at 30 June 2013	9,170	13,822	31,238	3,460	6,686	64,376
Additions	0	0	0	1,644	10,244	11,888
Transfers in/(out) of assets under construction	0	3,666	6,721	0	(10,387)	0
Disposals	0	0	(425)	(318)	0	(743)
Asset stocktake additions (iii)	0	0	0	0	0	0
Depreciation expense	0	(862)	(3,844)	(1,108)	0	(5,814)
Balance at 30 June 2014	9,170	16,626	33,690	3,678	6,543	69,707

Notes:

- (i) The scheduled full revaluation for this purpose group was conducted in 2011.
- (ii) Fair value assessments have been performed for all other classes of assets, except for assets under construction which are valued at cost. The decision was made that movements were not material (less than or equal to 10%) to require a full revaluation.
- (iii) The Authority undertook an asset stocktake in June 2014 and no additional assets were identified.
- (iv) All assets transactions are capitalised via the "Assets under construction" account excluding leased assets at fair value.

The useful lives of assets used in the calculation of depreciation are disclosed in Note 1(g) Expenses from transactions.

Aggregated depreciation recognised as an expense during the year is disclosed in Note 3 Expenses from transactions.

Table 7.3 Fair value measurement hierarchy for assets as at 30 June 2014

	Carry amount as at 30 June 2014	Fair value at the end of the reporting period using		
		Level 1(i)	Level 2(i)	Level 3(i)
Crown land at fair value				
Non-specialised land	9,170	0	9,170	0
Total of land at fair value	9,170	0	9,170	0
Buildings and leasehold improvements at fair value				
Non-specialised buildings	16,626	0	16,626	0
Total of buildings at fair value	16,626	0	16,626	0
Plant, equipment and vehicles at fair value				
Vehicles	30,235	0	0	30,235
Plant and equipment	7,133	0	0	7,133
Total of plant, equipment and vehicles at fair value	37,368	0	0	37,368

Note:

(i) Classified in accordance with the fair value hierarchy, see Note 1(b).

There have been no transfers between levels during the period.

Non-specialised land, non-specialised buildings

Non-specialised land and non-specialised buildings are valued using the market approach. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

For non-specialised land and non-specialised buildings, an independent valuation of the Authority's land and buildings was performed by 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. To the extent that non-specialised land and non-specialised buildings do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market approach.

Plant, Equipment and Vehicles

Plant, equipment and vehicles are held at fair value. When plant, equipment or vehicles are specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the depreciated replacement cost method. The Authority acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers in the Authority who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

There were no changes in valuation techniques throughout the period to 30 June 2014.

For all assets measured at fair value, the current use is considered the highest and best use.

Table 7.4 Reconciliation of Level 3 fair value

	Vehicles	Plant and equipment
2014		
Opening balance	27,604	7,094
Purchases (sales)	6,515	1,107
Transfers in (out) of Level 3	0	0
Gains or losses recognised in net result	0	0
Depreciation	(3,884)	(1,068)
Impairment loss	0	0
Closing balance	30,235	7,133

7.5 Description of significant unobservable inputs to Level 3 valuations:

	Valuation technique (i)	Significant Unobservable Inputs (i)	Range (weighted average) (i)	Sensitivity of fair value measurement to changes in significant unobservable inputs
Vehicles	Depreciated replacement cost	Cost per unit	\$5,000-\$297,000 per unit (\$130,000 per unit)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value
		Useful life of vehicles	5-15 years (12.87 years)	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Plant and equipment	Depreciated replacement cost	Cost per unit	\$5,000-\$233,000 per unit (\$24,000 per unit)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value
		Useful life of plant and equipment	3-15 years (10.01 years)	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.

Note:

(i) Illustrations on the valuation techniques, significant unobservable inputs and the related quantitative range of those inputs are indicative and should not be directly used without consultation with entities' independent valuer.

Note 8. Payables

	2014	2013
	\$'000	\$'000
Current payables		
Contractual		
Supplies and services	4,175	4,808
Statutory		
Other taxes payable	77	137
Total current payables	4,252	4,945
Total payables	4,252	4,945

(a) Maturity analysis of contractual payables

Please refer to Table 15.5 in Note 15 for maturity analysis of contractual payables.

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

Please refer to Note 15 for the nature and extent of risk arising from contractual payables.

Note 9. Borrowings

		2014	2013
	Notes	\$'000	\$'000
Current borrowings			
Finance lease liabilities (i)	12	2,282	1,891
Total current borrowings		2,282	1,891
Non-current borrowings			
Finance lease liabilities (i)	12	1,839	1,937
Total non-current borrowings		1,839	1,937
Total borrowings		4,121	3,828

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 15.5 for maturity analysis of borrowings.

(b) Nature and extent of risk arising from borrowings

Please refer to Note 15 for the nature and extent of risk arising from borrowings.

(c) Defaults and breaches

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

Note 10. Provisions

		2014	2013
	Notes	\$'000	\$'000
Current provisions			
Employee benefits (i) – annual leave (iii)	10(a)		
Unconditional and expected to settle within 12 months (ii)		1,415	1,296
Unconditional and expected to settle after 12 months (ii)		201	235
Employee benefits (i) – long service leave	10(a)		
Unconditional and expected to settle within 12 months (ii)		494	364
Unconditional an expected to settle after 12 months (ii)		845	749
		2,955	2,644
Provisions related to employee benefit on-costs	10(a)		
Unconditional and expected to settle within 12 months (ii)		325	285
Unconditional an expected to settle after 12 months (ii)		174	170
		499	455
Total current provisions		3,454	3,099
Non-Current provisions			
Employee benefits (i)	10(a)	641	760
On-costs (ii)	10(a)	106	131
Total non-current provisions		747	891
Total provision		4,201	3,990

(a) Employee benefits and related on-costs

Current employee benefits

Annual leave (iii)		1,616	1,531
Long service leave		1,339	1,113
		2,955	2,644

Non-current employee benefits

Long service leave		641	760
Total employee benefits		3,596	3,404

Current on-costs	10(b)	499	455
Non-current on-costs	10(b)	106	131
Total on-costs		605	586

Total employee benefits and related on-costs		4,201	3,990
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Notes:

- (i) Provision for employee benefits consist of amounts for annual leave, time-in-lieu and long service leave accrued by employees. On-costs such as payroll tax, workers' compensation insurance are not employee benefits and are recognised as a separate provision.
- (ii) The amounts disclosed are discounted to present values.
- (iii) Annual leave includes annual leave and time-in-lieu entitlements

(b) Movement in Provisions

	On-costs	On-costs
	2014	2013
	\$'000	\$'000
Opening balance	586	513
Additional provisions recognised	304	220
Reductions arising from payments / other sacrifices of future economic benefits	(285)	(198)
Closing balance	605	535
Current	499	455
Non-current	106	131
Total movement in provision	605	586

Note 11. 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 expense in the comprehensive operating statement of the Authority.

The name, details and amounts expenses in relation to the major employee superannuation funds and contributions made by the Authority are as follows:

Fund	Contribution Paid for the Year	
	2014	2013
	\$'000	\$'000
Defined benefits plan:		
State Superannuation Fund - Revised and New (i)	96	85
Defined contribution plans:		
VicSuper	905	797
Other	478	352
Total	1,479	1,234

Note:

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

Note 12. Leases

Finance leases

Leasing arrangements

Finance leases relate to motor vehicles with lease terms of 3 to 5 years. The Authority has options to purchase the motor vehicles for a nominal amount at the conclusion of the lease agreements.

	Notes	Minimum future lease payments		Present value of minimum future lease payments	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Finance lease liabilities payable					
Not longer than 1 year		2,479	2,126	2,282	1,891
Longer than 1 year and not longer than 5 years		1,973	2,062	1,839	1,937
Minimum future lease payments (i)					
Less future finance charges		(331)	(360)	0	0
Present value of minimum lease payments		4,121	3,828	4,121	3,828
Included in the financial statements as					
Current borrowings lease liabilities	9			2,282	1,891
Non-current borrowing lease liabilities	9			1,839	1,937
				4,121	3,828

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 and logistics facilities and equipment 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. Refer to Note 13.

Note 13. Commitments for expenditure

	2014	2013
	\$'000	\$'000
(a) Commitments		
Capital expenditure commitments		
Plant and equipment	2,950	2,899
Total capital expenditure commitments	2,950	2,899
Operating and lease commitments		
Leasing of office and logistics facilities	3,515	3,298
Total operating and lease commitments	3,515	3,298
Other commitments		
Outsourcing		
– Information Technology and Communications	1,012	2,910
– Other	1,922	543
Total other commitments	2,934	3,453
(b) Commitments payable		
Capital expenditure commitments payable		
Less than 1 year	2,950	2,899
Longer than 1 year and not longer than 5 years	0	0
5 years or more	0	0
Total capital expenditure commitments	2,950	2,899
Operating and lease commitments payable		
Less than 1 year	926	990
Longer than 1 year and not longer than 5 years	2,136	1,686
5 years or more	453	622
Total operating and lease commitments	3,515	3,298
Other commitments payable		
Less than 1 year	1,381	2,910
Longer than 1 year and not longer than 5 years	1,223	543
5 years or more	330	0
Total other commitments	2,934	3,453
Total commitments for expenditure (inclusive of GST)	9,399	9,650
Less GST recoverable from the Australian Taxation Office	(854)	(877)
Total commitments for expenditure (exclusive of GST)	8,545	8,773

Note:

(i) All amounts shown in the commitments note are nominal amounts inclusive of GST.

Note 14. Contingent assets and contingent liabilities

(a) Contingent assets

There were no contingent assets at balance date 30th June 2014 (nil: 2013).

(b) Contingent liabilities

There were no contingent liabilities at balance date 30th June 2014 (nil: 2013).

Note 15. Financial instruments

(a) Financial risk management objectives and policies

The Authority's principal financial instruments comprise:

- cash and 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 and financial liability above 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 Board.

The carrying amounts of the Authority's contractual financial assets and financial liabilities by category are disclosed in Table 15.1 below.

Table 15.1 Categorisation of financial instruments (i)

	Contractual financial assets – loans and receivables		Contractual financial liabilities at amortised cost		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Contractual financial assets						
Cash and deposits	41,395	41,751	0	0	41,395	41,751
Receivables (i)						
- Accrued interest income	47	53	0	0	47	53
- Other receivables	670	548	0	0	670	548
Total contractual financial assets	42,112	42,352	0	0	42,112	42,352
Contractual financial liabilities						
Payables (i)						
- Supplies and services	0	0	4,175	4,808	4,175	4,808
Borrowings						
- Lease liabilities	0	0	4,121	3,828	4,121	3,828
Total contractual financial liabilities	0	0	8,296	8,636	8,296	8,636

Note:

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

Table 15.2 Net holding gain/(loss) on financial instruments by category (i)

	Total interest income / (expense)	Impairment loss	Total
	\$'000	\$'000	\$'000
2014			
Contractual financial assets			
Financial assets – cash and deposits	803	0	803
Total contractual financial assets	803	0	803
Contractual financial liabilities			
Financial liabilities at amortised cost	326	0	326
Total contractual financial liabilities	326	0	326
2013			
Contractual financial assets			
Financial assets - cash and deposits	1,014	0	1,014
Total contractual financial assets	1,014	0	1,014
Contractual financial liabilities			
Financial liabilities at amortised cost	360	0	360
Total contractual financial liabilities	360	0	360

Note:

(i) Amounts disclosed in this table exclude holding gains and losses related to statutory financial assets and liabilities.

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

- for cash and deposits 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 contractual financial assets is minimal as the debtors are mainly State and Commonwealth Governments.

In addition, the Authority does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed 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 high credit ratings.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that the Authority will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts which are more than 60 days overdue, and change in debtor 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 15.3 Credit quality of contractual financial assets that are neither past due nor impaired (i)

	Financial institutions (AAA credit rating)	Government agencies (AAA credit rating)	Other (min BBB credit rating)	Total
	\$'000	\$'000	\$'000	\$'000
2014				
Contractual financial assets				
Cash and deposits	0	20,000	21,395	41,395
Receivables (i)				
– Accrued interest income	0	30	17	47
– Other receivables	0	666	3	669
Total contractual financial assets	0	20,696	21,415	42,111
2013				
Contractual financial assets				
Cash and deposits	0	20,000	21,751	41,751
Receivables (i)				
– Accrued interest income	0	53	0	53
– Other receivables	0	293	255	548
Total contractual financial assets	0	20,346	22,006	42,352

Note:

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

Table 15.4 Ageing analysis of contractual financial assets

	Carrying amount \$'000	Not past due and not impaired \$'000	Past due but not impaired			
			Less than 1 month \$'000	1-3 months \$'000	3 months - 1 year \$'000	1-5 Years \$'000
2014						
Receivables (i)						
Accrued interest income	47	47	0	0	0	0
Other receivables	669	493	137	2	37	0
Total	716	540	137	2	37	0
2013						
Receivables (i)						
Accrued interest income	53	53	0	0	0	0
Other receivables	548	503	38	5	2	0
Total	601	556	38	5	2	0

Note:

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

Contractual financial assets that are either past due or impaired.

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

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

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. 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; and
- careful maturity planning of its financial obligations based on forecasts of future cash flows.

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 15.5 Maturity analysis of contractual financial liabilities (i)

	Carrying amount \$'000	Nominal amount \$'000	Maturity dates			
			Less than 1 month \$'000	1- 3 Months \$'000	3 Months to 1 Year \$'000	1 to 5 Years \$'000
2014						
Payables (ii)						
- Supplies and services	4,175	4,175	4,175	0	0	0
Borrowings						
- Finance lease liabilities	4,121	4,452	422	781	1,276	1,973
Total	8,296	8,627	4,597	781	1,276	1,973
2013						
Payables (ii)						
- Supplies and services	4,808	4,808	4,808	0	0	0
Borrowings						
- Finance lease liabilities	3,828	4,188	366	415	1,345	2,062
Total	8,636	8,996	5,174	415	1,345	2,062

Notes:

(i) Maturity analysis is presented using the contractual undiscounted cash flows.

(ii) The carrying amounts disclosed exclude statutory amounts (e.g. GST payables).

(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 15.6.

Table 15.6 Interest rate exposure of financial instruments

	Weighted Average Effective Interest Rate %	Carrying Amount \$'000	Interest Rate Exposure		
			Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non-Interest Bearing \$'000
2014					
Financial assets					
Cash and deposits	2.64%	41,395	22,009	19,386	0
Receivables (i)					
- Accrued interest income		47	0	0	47
- Other receivables		669	0	0	669
Total financial assets		42,111	22,009	19,386	716
Financial liabilities					
Payables (i)					
- Supplies and services		4,175	0	0	4,175
Borrowings					
- Finance lease liabilities	8.62%	4,121	4,121	0	0
Total financial liabilities		8,296	4,121	0	4,175
2013					
Financial assets					
Cash and deposits	3.04%	41,751	22,300	19,451	0
Receivables (i)					
- Accrued interest income		53	0	0	53
- Other receivables		548	0	0	548
Total financial assets		42,352	22,300	19,451	601
Financial liabilities					
Payables (i)					
- Supplies and services		4,808	0	0	4,808
Borrowings					
- Finance lease liabilities	9.27%	3,828	3,828	0	0
Total financial liabilities		8,636	3,828	0	4,808

Note:

(i) The carrying amounts disclosed exclude statutory amounts (e.g. GST receivable/payable).

Sensitivity disclosure analysis and assumptions

The Authority's sensitivity to market risk is determined based on the observed range of actual 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 100 basis points up and down in market interest rates (AUD) is "reasonably possible" over the next twelve months (2013: 100 basis points up and down).

Table 15.7 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 15.7 Market risk exposure – Interest rate risk sensitivity

	Carrying amount \$'000	Interest rate	
		-100 basis points Net result / Accumulated Surplus \$'000	+100 basis points Net result / Accumulated Surplus \$'000
2014			
Contractual financial assets			
Cash and deposits (i)	41,395	(194)	194
Total impact	41,395	(194)	194
Contractual financial liabilities			
Borrowings (ii)	4,121	0	0
Total impact	4,121	0	0
2013			
Contractual financial assets			
Cash and deposits (i)	41,751	(195)	195
Total impact	41,751	(195)	195
Contractual financial liabilities			
Borrowings (ii)	3,828	0	0
Total impact	3,828	0	0

Notes:

(i) Cash and deposits includes \$19,386 thousand (2013: \$19,451 thousand) that is exposed to floating rate movements. Sensitivities to these movements are as follows:

- 2014: \$19,386 thousand x -0.01 = -\$194 thousand; and \$19,386 thousand x 0.01 = \$194 thousand; and
- 2013: \$19,451 thousand x -0.01 = -\$195 thousand; and \$19,451 thousand x 0.01 = \$195 thousand

(ii) Borrowings include Nil (2014: Nil) that are exposed to floating rate movements.

(e) Fair value

The Authority considers 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 16. Cash flow information

(a) Reconciliation of cash and cash equivalents

	2014	2013
	\$'000	\$'000
Total cash and deposits disclosed in the balance sheet	41,395	41,751
Balance as per cash flow statement	41,395	41,751

(b) Reconciliation of net result for the period to net cash flows from operating activities

	2014	2013
	\$'000	\$'000
Net result for the period	4,866	6,986
Non-cash movements		
- (Gain)/loss on sale or disposal of non-current assets	(510)	(15)
- Depreciation of non-current assets	5,814	5,524
- Fair value of assets identified at stocktake	0	(150)
Movements in assets and liabilities		
- (Increase)/decrease in receivables	(40)	440
- (Increase)/decrease in other non-financial assets	(62)	(297)
- Increase/(decrease) in payables	(693)	(792)
- Increase/(decrease) in provisions	211	561
Net cash flows from/(used in) operating activities	9,586	12,257

Note 17. Reserves

	2014	2013
	\$'000	\$'000
Physical asset revaluation reserve surplus (i)		
Balance at beginning of financial year	6,760	6,760
Revaluation increments/(decrements)	0	0
Balance at end of financial year	6,760	6,760
Net changes in reserves	0	0

Note:

(i) The physical assets revaluation surplus arises on the revaluation of land and buildings.

Note 18. Ex-gratia expenses (i)

	2014	2013
	\$'000	\$'000
Compensation for economic loss	8	0
Total ex-gratia expenses	8	0

Note:

(i) Includes ex-gratia expenses greater than or equal to \$5,000 or those considered material in nature.

Note 19. 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. Kim Wells, MP	1 July 2013 to 30 June 2014

Acting Minister for Police and Emergency Services	
The Hon. Edward O'Donohue	10 July 2013 to 28 July 2013
The Hon. Robert Clark, MLC	20 December 2013 to 5 January 2014
The Hon. Edward O'Donohue	6 January 2014 to 12 January 2014

Board Members

Peter Akers	Commenced 15 October 2013, Chairperson 1 March 2014 to 30 June 2014
Claire Higgins	Chairperson 1 July 2013 to 28 February 2014
Roger Jones	
Lawrence Russell	
Barbara Yeoh	
Helen Dyson	
Ev Duke	Commenced 15 October 2013

Accountable Officer of the Victoria State Emergency Service Authority

Mary Barry, Chief Executive Officer	1 July 2013 to 17 January 2014
Stephen Griffin, Chief Executive Officer	12 May 2014 to 30 June 2014

Acting Accountable Officer of the Victoria State Emergency Service Authority

Trevor White, Acting Chief Executive Officer	10 October 2013 to 20 October 2013
Trevor White, Acting Chief Executive Officer	6 December 2013 to 14 December 2013
John Casey, Acting Chief Executive Officer	15 December 2013 to 6 January 2014
John Casey, Acting Chief Executive Officer	18 January 2014 to 11 May 2014

Remuneration

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

	2014	2013
	No.	No.
Remuneration band		
\$10,000 - \$19,999	6	4
\$30,000 - \$39,999	2	1
\$210,000 - \$219,999	1	0
\$260,000 - \$269,999	0	1
	9	6
Total amount	366,491	360,063

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

Claire Higgins, who is a board member, is also the chairperson of the Country Fire Authority and a director of Ambulance Victoria.

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

Mr Lawrence Russell is a SES volunteer and the Unit Controller for the Wyndham / Wyndham West SES unit. The Authority conducted business transactions at arm's length and on normal Volunteer Unit terms.

Note 20. Remuneration of executives and payments to other personnel

a) 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 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. The total annualised employee equivalent provides a measure of full time equivalent executive officers over the reporting period.

	Total remuneration		Base remuneration	
	2014	2013	2014	2013
Income band	No.	No.	No.	No.
\$110,000 - \$119,999	0	0	0	1
\$120,000 - \$129,999	0	1	0	0
\$160,000 - \$169,999	1	0	2	1
\$170,000 - \$179,999	1	1	0	1
\$180,000 - \$189,999	0	1	0	1
\$190,000 - \$199,999	1	1	2	0
\$200,000 - \$209,999	1	0	0	0
Total numbers	4	4	4	4
Total annualised employee equivalents (i)	4	3.59	4	3.59
Total amount	744,383	712,062	723,213	672,424

Note:

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

b) Remuneration to other personnel with significant management responsibilities

There were no payments to other personnel (i.e. contractors) with significant management responsibilities during the year (2013: nil).

Note 21. Remuneration of auditors

	2014	2013
	\$'000	\$'000
Victorian Auditor General's Office		
Audit of the financial statements	61	57
	61	57

Note 22. Subsequent events

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

Note 23. Glossary of terms and style conventions

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 comprehensive income.

Commitments

Commitments include those operating, capital and other outsourcing commitments arising from noncancellable 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 expenses

Ex-gratia expenses mean the voluntary payment of money or other non-monetary benefit (e.g. write-off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability or claim against the entity.

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 nonderivative 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.

Financial statements

A complete set of financial statements comprises:

- (a) A balance sheet as at the end of the period;
- (b) A comprehensive operating statement for the period;
- (c) A statement of changes in equity for the period;
- (d) A cash flow statement for the period;
- (e) Notes, comprising a summary of significant accounting policies and other explanatory information;
- (f) Comparative information in respect of the preceding period as specified in paragraphs 38 of AASB 101 *Presentation of Financial Statements*; and
- (g) A balance sheet as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 41 of AASB 101.

Grants and other transfers

Transactions in which one entity 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 nonreciprocal 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, those which are largely for collective consumption by the community 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 shortterm and longterm borrowings, amortisation of discounts or premiums relating to borrowings, interest component of finance leases repayments, and the increase in financial liabilities and nonemployee 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 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 economic flows – other comprehensive income'.

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

Nonfinancial 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.

Other economic flows included in the net result

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;

Other economic flows – other comprehensive income

Other economic flows – other comprehensive income comprises items (including reclassification adjustments) that are not recognised in net result as required or permitted by other Australian Accounting Standards.

The components of other economic flows - other comprehensive income includes changes in physical asset revaluation surplus;

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 nonproduced 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.

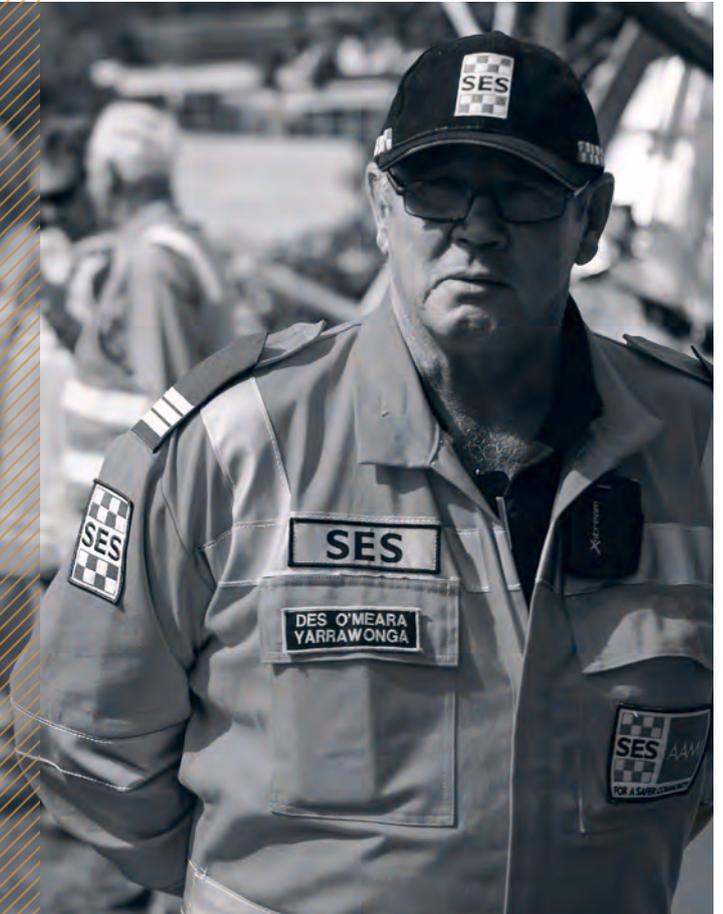
The notation used in the tables is as follows:

..	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 2013-14 *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.

"I enjoy working with a great group of people for a common cause."

Gary Birkett
Manningham Unit



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.

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FRD 22E	Nature and range of services provided	3
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Financial Statements

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Legislation

Freedom of Information Act 1982

Building Act 1993

Financial Management Act 1994

Protected Disclosure Act 2012

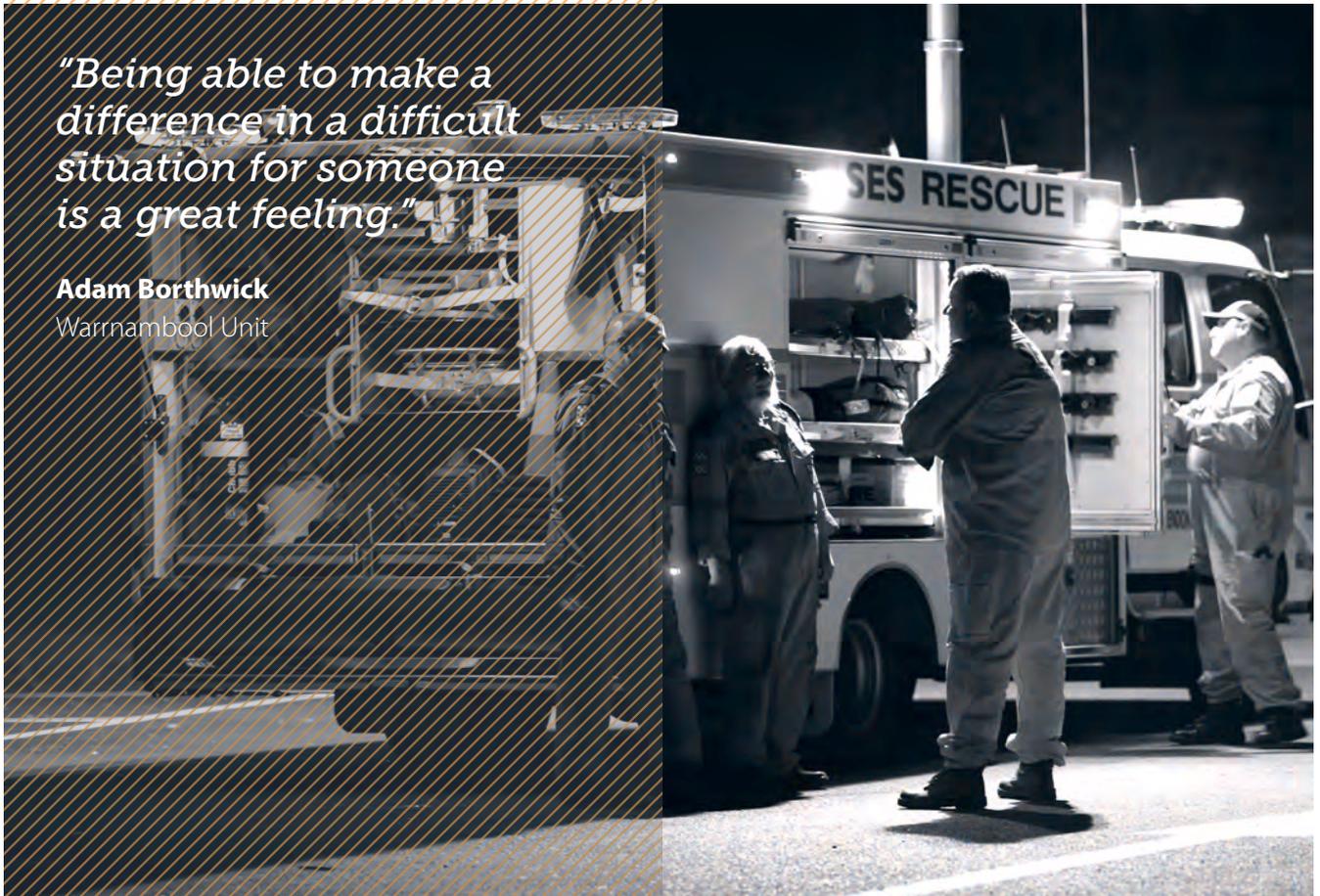
Victorian Industry Participation Policy Act 2003

Quick reference

Acronym	Name	Explanation
AIIMS	Australasian Inter-Service Incident Management System	The nationally recognised system of incident management for the nation's fire and emergency service agencies
AMSA	Australian Maritime Search Authority	A statutory authority dedicated to promoting maritime safety, providing national search and rescue to maritime and aviation sectors and protecting the marine environment
BoM	Bureau of Meteorology	Australia's national weather, climate and water agency
CERA	Community Emergency Risk Assessment	Provides Emergency Management Planning Committees with a framework for considering and improving the safety and resilience of their community from hazards and emergencies.
CFA	Country Fire Authority	A volunteer and community based fire and emergency services organisation
DEPI	Department of Environment and Primary Industries	Provides an efficient management approach for public and private land, and water for the people of Victoria.
EMV	Emergency Management Victoria	Overarching body which supports and enables the Emergency Management Commissioner (EMC) to fulfil his role. The Emergency Management Commissioner has legislated coordination and control responsibilities over all major emergencies in the state of Victoria.
ERAS	Emergency Response Activity Standards	An assessment to determine the capability and capacity of a unit, region or state to respond in an emergency
ICC	Incident Control Centre	A local, permanent base where all agencies can all operate in the event of an emergency
MEMP	Municipal Emergency Management Plans	Arranged by Councils, it sets out the procedures to be followed when Council and community resources are required in the case of an emergency
MFB	Metropolitan Fire Brigade	An organisation providing fire and emergency management services to Melbourne residents
NDRGS	Natural Disaster Resilience Grant Scheme	Established to assist local governments and agencies to undertake a range of natural disaster risk reduction works
OCIF	Organisations Capability and Information Framework	Systems necessary to support decision-making processes within VICSES using business intelligence software.
OIMS	Operational Incident Management System	Used to manage and report on key emergency and non-emergency operational processes and resource management
PPC&E	Personal Protective Clothing and Equipment	Clothing worn by volunteers when undertaking an operational duty, it ensures that all volunteers remain safe while working
RFA	Request for Assistance	An event where a member of the public has contacted the VICSES for help
SCC	State Control Centre	A hub of a network of regional and incident control centres. These facilities are in place for the management of emergencies in the state of Victoria, Australia.
VAGO	Victorian Auditor General's Office	An independent officer of the Victorian Parliament, appointed under legislation to examine, on behalf of Parliament and Victorian taxpayers, the management of resources within the public sector.
VICSES	The Victoria State Emergency Service	A volunteer-based emergency services organisation

"Being able to make a difference in a difficult situation for someone is a great feeling."

Adam Borthwick
Warrnambool Unit



Revive Laser Digital is Certified Carbon Neutral under the National Carbon Offset Standard (NCOS), an Australian Government Initiative.

Revive Laser Digital 100-140gsm is 100% recycled and FSC Recycled Certified. Revive Laser Digital 300gsm is 70% recycled and is FSC Mix Certified. No bleaching occurs in the recycling process and Revive Laser Digital is manufactured in Australia by an ISO 14001 Certified mill. Sales of Revive supports Landcare Australia.