

Victoria State Emergency Service

Annual Report 2014 – 2015





Communication objectives

This report provides an account of Victoria State Emergency Service Authority during the 2014–15 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 2014–15 financial year.

This report is available for viewing online:

ses.vic.gov.au

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WHO WE ARE

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.

More than 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, storm 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 164 staff in the Victorian Head Office, State Logistics Centre and 12 regional offices.





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 six 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 also 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

OUR GOALS



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 (SCC) and relevant Incident Control Centres (ICCs) across the state
- VICSES has strong partnerships and professional working relationships with all relevant stakeholders in Victoria and interstate

CHAIR'S REPORT



"Volunteers are an essential part of our organisation, and I would like to thank the volunteers, their families and employers."

Peter Akers

Chair

Victoria State Emergency Service Authority

As Chair of the Victoria State Emergency Service Authority, it gives me pleasure to provide this report to you.

The business of running a volunteer based Authority can be a challenging one, but VICSES is approaching its future strategically through the development of a service delivery strategy.

The Authority is also committed to having in place a volunteer strategy by the end of December 2015 as part of our ongoing goal for building a sustainable volunteer and employee workforce. To this end VICSES continues to develop a number of its key systems and processes.

The Authority this year held its September 2014 Board meeting at the Benalla office. It was preceded by a meet and greet with volunteers from the North East Region. Following the board meeting, Board members met with the Mayors and CEOs from surrounding Councils.

It was a great opportunity for the Board to better understand the volunteers and the communities in which they operate. I'd like to thank those involved for the taking the time to travel to Benalla to meet with us.

The Board has also benefitted from presentations and discussions at board meetings with key stakeholders, in particular the Municipal Association of Victoria.

During 2014–15, VICSES volunteers have responded to 22,673 requests for assistance in storm, flood or earthquake response or in support of other emergency services. Volunteers are an essential part of our organisation, and I would like to thank the volunteers, families and employers for their commitment and the sacrifices they have made.

The Board also appreciates those volunteers who have taken up senior management, finance and administration roles within their units and the additional work they have taken on to ensure the smooth operation and regulatory compliance of their unit.

The Authority wishes to thank our employees for their efforts to ensure the efficient operation of VICSES and that our volunteers are supported in their work.

We appreciate the support of the Minister for Emergency Services, Emergency Management Victoria, and our fellow emergency service agencies. In particular, the Board appreciate the Municipal Councils of Victoria for their support of their local units both financial and in kind. The Authority looks forward to continuing to partner with the other agencies in our emergency management roles and the state and local governments as we review the future funding of VICSES in the coming year.

The Board has reviewed the Authority's financial statements for the period 1 July 2014 to 30 June 2015. The net result for the Victoria State Emergency Service Authority for this period was a consolidated operating surplus of \$5.956 million.

Lastly, I gratefully acknowledge and recognise all the Board members, the Chief Executive Officer and the executive management team for their contributions to the governance and oversight of the Authority throughout the year.

Peter Akers

Chair

CEO'S FOREWORD



"Each hour spent by our volunteers is time selflessly given to help the community; I thank each of our volunteers and staff for what they've done this year."

Stephen Griffin

Chief Executive Officer

Victoria State Emergency Service Authority

Having now been with VICSES for more than 12 months, I am happy to present our 2014–15 annual report to you, to show firsthand the incredible dedication and hard work that is undertaken by our volunteers and staff.

I have visited many VICSES volunteer units and offices across Victoria to appreciate and understand the fantastic contribution they give. I've been struck by the commitment of each of our volunteers, who give their time freely to help others – a commendable effort. A new development for the 2014–15 year was the creation of Emergency Management Victoria (EMV) on 1 July 2014. EMV has been created as an integral part of the emergency management sector, managing strategy and ensuring that emergency management in Victoria is sustainable, effective and community focused.

We've worked closely with Craig Lapsley, Emergency Management Commissioner, Neil Robertson, Chief Executive Officer and EMV staff over the last year on a range of projects, fulfilling our vision of being a strong contributor to an all-hazards, all-agencies approach to effective emergency management, enabling safer communities.

One example is our involvement in the development of Emergency Management Victoria's Strategic Action Plan, which will see our service being involved in the overall delivery of the projects to align with the new emergency management plans across Victoria.

How VICSES provides services to local communities in the future is something that we've focused strongly on when creating our 'Planning the Future Together' strategy. Created in consultation with volunteers and employees, it will provide us with the direction for the next 5-10 years – taking into account the future needs of Victorian communities, our work with other emergency service agencies and EMV. This is an exciting piece of work that will shape how we work as an organisation in the future, and I look forward to sharing this in the next year.

To ensure that our funding sources remain sustainable, so that we can continue supporting our volunteers, we've had serious discussions with the Municipal Association of Victoria, EMV, and the Minister for Emergency Services.

The 2014–15 year has seen VICSES volunteers and staff respond to more than 22,000 incidents, totalling more than 250,000 hours of their time. Each of these hours is time selflessly given to help the community; I thank each of our volunteers and staff for what they've done.

We've been fortunate this year that we have not had to respond to a widespread emergency in Victoria. 150 volunteers and staff were deployed to New South Wales in April and May of 2015 to assist in their recovery from severe storm that hit the state causing significant damage. Not only was this assistance appreciated, it highlighted to our members the importance their skills, training and professional approach to emergency management which was commented on by many observers and members on their return.

I'm pleased to say that Evan Arnold, June Reid, Ray Jasper, Denis Purcell, Chris Patton and Karen Picone were honoured in the Australia Day and Queen's Birthday honours lists this year, thanks in part to what they've done with VICSES.

I look forward to working with our Board, volunteers, staff, emergency service agencies and EMV in the next year in partnership with the Victorian community to provide emergency services and build community preparedness and resilience.

I again wish to thank the Board members, dedicated volunteers and staff for their respective roles in making VICSES a highly respected member of the emergency services sector.



Stephen Griffin
Chief Executive Officer

OUR BOARD

VICSES is governed by a board of directors, who are accountable to the Minister of Emergency Services.

Peter Akers

Board Chair

Peter was appointed to the Board in October 2013, and appointed Chair in 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).

Barbara Yeoh

Deputy Chair

Barbara was initially appointed to the Board in June 2006 and became Deputy Chair in August 2014.

In addition to being Deputy Chair, Barbara is also Chair of the Board's Governance, Finance and Audit Committee.

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.

Bernard (Bernie) Cronin

Director

Bernie was appointed to the Board in October 2014.

Bernie is a Social Planning Consultant and is Chair of Board, Corpus Christi Community Greenvale (care for homeless). Bernie is also Director of Development at St Bernard's College.

Bernie has had extensive experience in local government including Wyndham City Council, Shire of Melton and the Municipal Association of Victoria. Bernie has managed a broad range of services including social planning, finance, human resources, community services, recreation, regulatory, community facilities, asset maintenance, libraries, culture and municipal emergency recovery management.

Evelyn (Ev) Duke

Director

Ev was appointed to the Board in 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.

Ev 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.

Helen Dyson

Director

Helen's first appointment to the Board was in June 2006.

Helen has had over 30 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). She is currently General Counsel of OZ Minerals 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.



Claire Higgins

Director

Claire was first appointed to the Board in September 2007. Claire is a member of the Board's Governance, Finance and Audit Committee.

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

Claire is Chair of the CFA, and REI Superannuation Pty Ltd. In addition, she is a Director of Vital Healthcare Management Limited, Ryman Healthcare Limited and a Ministerial Delegate at Portland District Health on behalf of the Victorian Government.



Lawrence (Laurie) Russell ESM

Director

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

Laurie was a foundation member of the Wyndham Unit of the Victoria State Emergency Service, a past president of the Victoria Emergency Service Association and is the current Unit Controller of the Wyndham Unit.

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

OUR EXECUTIVE MANAGEMENT TEAM



*"It's great working with a team
who are enthusiastic and
motivated to learn new skills."*

– Sue, Orbest Unit

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

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

He leads VICSES Operations, working with other emergency service organisations, providing joint capability and capacity to deal with emergencies in an all-hazards environment.

Trevor is accountable for leading service delivery thorough regions and units, building capability and ensuring operational readiness for community support and response.

Katrina Bahen

Director Human Resources

Katrina 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, wellbeing and peer support, learning and development and statewide volunteer training.

John Casey

Director Corporate Services

John was appointed to the position of Director Corporate Services in 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 senior finance roles at the Victorian Departments of Treasury and Finance and Sustainability and Environment 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 was appointed to the position of Director Emergency Management Planning and Communication in 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 required a high level of engagement with a variety of non-government organisations, government departments, local authorities and communities.

Ben has over 15 years of communications, consultancy and relationship management experience from his time in the advertising and design industry as an account director and brand consultant – both in New Zealand and England.

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

MEETINGS OF THE VICSES AUTHORITY

The Board

The Victoria State Emergency Service Authority Board is constituted under the Victoria State Emergency Service Act 2005.

The Board is accountable to the Minister for Emergency Services. The Board consists of seven members appointed by the Governor in Council on the recommendation of the Minister for Emergency Services.

The Board's key responsibilities include approving our strategy and corporate plan and monitoring the implementation of our strategy and performance against the corporate plan and ensuring VICSES meets its statutory obligations. The Board also monitors and influences our culture, reputation, policies and legal compliance.

Decision making authority on a number of significant matters is reserved to the Board. Outside of those areas, the CEO is responsible for the day to day management of VICSES. The CEO, together with the Executive Management Team, is responsible to the Board for the development and implementation of our strategy and the overall management and performance of VICSES.

All Board members are independent of the Victoria State Emergency Service. Board members are required to disclose any conflict or pecuniary interests and submit an annual Declaration of Private Interests in respect of their responsibilities to the Victoria State Emergency Service Authority.

Board members' attendance at meetings

Details of the number of meetings held by the Board and its committees during financial year 2014–15, and attendance by Board members, are set out below:

	Board	Committees (1)	
Board members	Meetings	Governance, Finance & Audit	Remuneration
P Akers	11	6*	4
B Yeoh	9	7	3
C Higgins	9	6	4
L Russell	11	-	4
H Dyson	11	-	4
E Duke	10	4	4
B Cronin (2)	8	-	3
R Jones (3)	0	0	0
Total number of meetings held during the year	11	7	4

(1) Committee meetings are open to all Directors to attend. Where a Director has attended a meeting of a Committee of which he or she was not a voting member, this is indicated by *.

(2) Appointed as Board Director effective 7 October 2014.

(3) Resignation as Board Director effective 2 August 2014.

Board committees

There are two standing committees that assist the Board in carrying out its responsibilities:

Governance, Finance & Audit Committee

Monitors and advises on matters relating to:

- Financial reporting, risk management, compliance, external audit, internal control, internal audit, policies, corporate governance, and matters that may significantly impact the financial condition or affairs of VICSES
- Work health and safety
- Oversees VICSES legal compliance
- Provides a forum for communication between the Board, management and both the internal and external auditors
- Provides a conduit to the Board for external advice on audit, risk management and compliance matters

Remuneration Committee

Monitors and advises on matters relating to:

- VICSES policy and practice for executive remuneration
- Performance and remuneration of the CEO and executive management team
- Succession planning for the CEO and senior management positions

-
- The Board appoints the members and the Chair of each Committee
 - Following each Committee meeting, the Board receives a report from that Committee on its deliberations, conclusions and recommendations

Membership as at 30 June 2015

- | | | |
|---|--|---|
| <ul style="list-style-type: none">• Barbara Yeoh (Chair)• Claire Higgins• Ev Duke | <ul style="list-style-type: none">• Peter Akers (Chair)• Bernie Cronin• Helen Dyson• Barbara Yeoh | <ul style="list-style-type: none">• Claire Higgins• Laurie Russell• Ev Duke |
|---|--|---|

ORGANISATIONAL CHARTS

VICSES organisational chart



Emergency services organisational chart



EMERGENCY MANAGEMENT CAPABILITIES

Key performance measures of VICSES for Budget Paper 3

Major Outputs / Deliverables Performance Measures	Unit of Measure	June YTD		
		Target	Actual	%Var
Output – Emergency Management Capability				
Quantity				
1. Permanent operational staff	number	57	57	0%
2. Permanent support staff	number	115	127	10%
3. Volunteers – operational	number	3,589	3,432	-4%
4. Volunteers support staff	number	570	626	10%
Quality				
4. Road crash rescue accredited brigades/units	number	102	102	0%
5. Level 3 Incident Controller trained staff and volunteers	number	8	8	0%
Timeliness				
6. Emergency response times meeting benchmarks – road accident rescue	per cent	90%	93%	3%
Emergency response times meeting benchmarks	number	N/A	695	
Total number of emergency responses	number	N/A	744	

Volunteer breakdown

Non Operational	Volunteers	Operational	Volunteers
Associate Member *	426	Controller	136
Junior Member	57	Deputy Controller	243
Probationary Member	578	Staff and Volunteer	2
Non-active volunteer *	364	Volunteer	2702
Volunteer on leave *	208	Unit Officer	328
OIMS Administrative Member	1		
Subtotal	1,634	Subtotal	3,411
Volunteer total			5,045

(*) not included in BP3*

STATE OPERATIONS

We have been working on a number of projects this year designed to continuously improve our operational capability.

Standard Operating Procedures

30 Standard Operating Procedures (SOP) were updated in 2014–15, representing 40 percent of the total number of current SOPs.

We were a significant contributor to the multi-agency common doctrine project led by EMV, which delivered a suite of doctrine from high-level principles based doctrine along with over 20 Joint Standard Operating Procedures for operational activities for which fire agencies and VICSES all provide a response. This has resulted in standardisation and increased interoperability between each of the agencies.

Incident management exercises

VICSES conducted incident management exercises in 12 Divisional Command Points and six Incident Control Centres (ICC) in 2014–15. This included a statewide exercise conducted at the Geelong Level 3 ICC and Sunshine Level 3 ICC.

These exercises have provided many volunteers and staff the opportunity to practice their incident management roles in controlled, learning environments, and were well supported with participants and role players from a range of agencies including DHHS, DELWP, CMAs, EMV, VICPOL, AV and the Fire Agencies.

Road rescue capability assessments

The Road Rescue Capability Assessment (RRCA) program continued in 2014–15, with 40 units being assessed as part of this rolling program.

90 percent of units assessed met the minimum requirements, while a small number of units were identified as requiring further support over the next 12 months. The operational performance team continues to work with regions and units to address any gaps identified.

Swift water rescue

We led a multi-agency project on behalf of the State Marine Search and Rescue Committee that now sees the state achieve a limited capability for land-based swift water rescue.

The project developed a common suite of operational doctrine, refined the response arrangements along with a new training package aligned to the national competency, culminating with a pilot program at Barwon Heads and Lake Eildon in November and December 2014.

A total of 70 participants from VICSES, CFA and Life Saving Victoria undertook the nationally accredited training, with the support of six South Australian SES in-water swift water rescue technicians.

Each VICSES region now has capability to respond to land-based swift water rescue; in-water swift water rescue remains a Victoria Police responsibility.

Emergency Response Activity Standards assessments and validation workshops

Finalisation of Emergency Response Activity Standards (ERAS) assessments was completed with each unit being endorsed for ERAS by the Chief Officer Operations based on their local risks and capacity to support across the region and state.

Throughout the year further enhancements have been made to the assessment tools to reflect new competencies. Ongoing work is being undertaken to improve data quality and accuracy of ERAS reports.

"Our unit is special because of everyone's sense of teamwork, fun and ability to get the job done."

– Evette, Chelsea Unit



OPERATIONS OF SIGNIFICANCE

VICSES has been fortunate that it did not have to contend with widespread large scale operations of significance within Victoria over the last year.

Severe weather – damaging winds

31 July 2014

A dynamic cold front crossed from the Southern Ocean across Victoria with gale force winds gusting above 110km/h across a number of centres, with peak gusts to 139km/h (Mt Hotham).

Over 2,160 requests for assistance (RFA) were received, predominantly in the Central and East regions, with the Australia Energy Market Operator advising that more than 44,500 customers lost power.

Severe weather

30 September – 1 October 2014

On the last day of September, a severe cold front passed across the metropolitan Melbourne area, resulting in wind gusts of up to 109km/h.

Over 1,200 RFAs were received in a short time frame, and at the peak, over 33,000 properties across the metropolitan Melbourne area were without power. This event saw an estimated 900 volunteers responding over a two day period.

Severe weather – storms

3 – 4 January 2015

A strong weather front on 3 January resulted in over 800 RFAs for VICSES, resulting in an estimated 900 volunteers responding to the event. The City of Greater Geelong and Mornington Peninsula Shire were the areas worst affected by the storm.

Severe weather – damaging winds

8 – 9 September 2014

In early September, a dynamic and cold front passed across the metropolitan Melbourne area, resulting in hail and heavy rainfall, particularly in the eastern and northern metropolitan Melbourne suburbs.

The event caused significant tree and building damage, and five flood rescues were conducted as a result of vehicles driving into flash flood water. This event saw an estimated 700 volunteers responding to over 900 RFAs across the state.

Fire support operations

2 – 6 January 2015

During early January, VICSES staff and volunteers provided support to fire agencies over a number of days when total fire bans were in place.

VICSES Chief Officer Operations Trevor White was appointed to the role of State Response Controller during this period, and the Mid-West Region provided significant support to the fire agencies associated with the fires in Little Desert and Moyston.

Severe weather – storms and heavy rainfall

7 – 12 January 2015

Whilst providing support to the fire agencies in early January, VICSES received a warning of a potential heavy rainfall event developing.

Readiness planning had been underway for several days when severe thunderstorms generated wind gusts of up to 100km/h and localised flash flooding across Metropolitan Melbourne. This event generated over 1,400 RFAs.

Severe weather – storms

28 February – 1 March 2015

Late in the evening on Saturday 28 February, a line of severe thunderstorms developed in the west of Victoria, and slowly intensified as it moved east.

The storm, classified as a 'Very Dangerous Thunderstorm' crossed parts of metropolitan Melbourne in the late evening, generating over 1,200 RFAs.

More than 600 volunteers responded to this event which included a number of incidents of trees crushing cars, trapping occupants inside.

Large scale missing person search at Lake Eildon

3 – 8 April 2015

On Good Friday of the Easter long weekend, VICSES received a request to assist Victoria Police in a search for a missing child in the Lake Eildon area in North East Victoria.

Thankfully, the child was found shortly before midday on Tuesday, alive and with minor injuries. Over 120 VICSES volunteers from 12 units participated in the four-day search through dense bushland.

Agency support – NSW storms

21 April – 7 May 2015

In late April, a record breaking east coast low hit New South Wales, resulting in extreme heavy rainfall, destructive winds, localised flash flooding and widespread storm damage.

Almost 22,000 RFAs were received and over 170 flood rescues were performed by NSW SES. A request was made from the NSW SES to EMV for assistance from VICSES to respond to the large amount of RFAs.

Over 16 days, a total of six taskforces were deployed to NSW to provide assistance. In total 341 personnel were deployed and the taskforces were made up of volunteers and staff from VICSES, CFA, DELWP, EMV and MFB.

VICSES responded to 22,678 incidents and a number of moderate operations of significance affecting parts of Victoria – as well as supporting other Victorian agencies and NSW SES.

STATE OPERATIONS DATA

Central Region
Mulgrave Office
Sunshine West Office

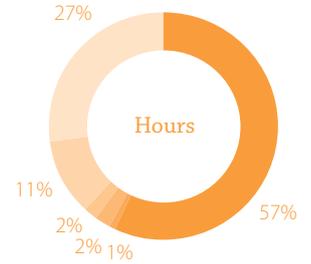
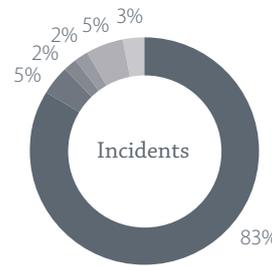


13,458

Total incident

133,552

Total hours



East Region
Moe Office
Bairnsdale Office

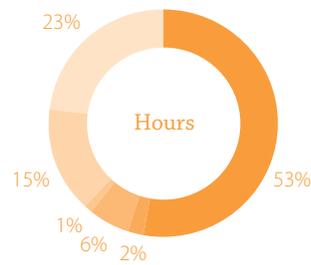
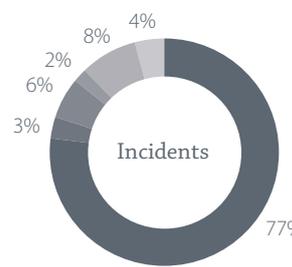


2,433

Total incident

24,626

Total hours



Mid West Region
Wendouree Office
Horsham Office

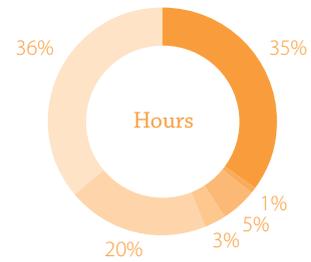
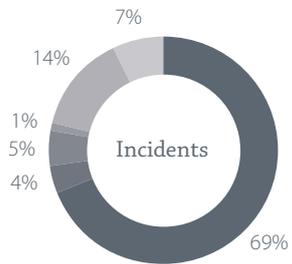


1,224

Total incident

21,133

Total hours



North East Region
Benalla Office

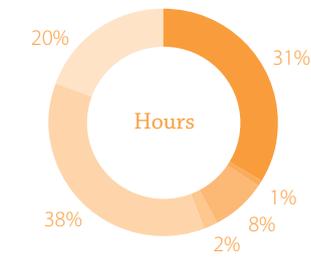
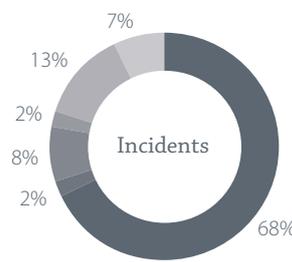


2,134

Total incident

28,960

Total hours



Key: Incidents

- Storm
- Rescue Other
- Flood
- Support Other Agency
- Road Rescue
- Non-Ops Tasks

Hours

- Storm
- Rescue Other
- Flood
- Support Other Agency
- Road Rescue
- Non-Ops Tasks

CL – Central Region

NE – North East Region

SW – South West Region

ET – East Region

NW – North West Region

VQ – Victorian Head Office

MW – Mid-West

Note: Earthquake incident and hours data too small to be represented graphically, see the table on p.21 of this report.

North West Region

Bendigo Office
Swan Hill Office

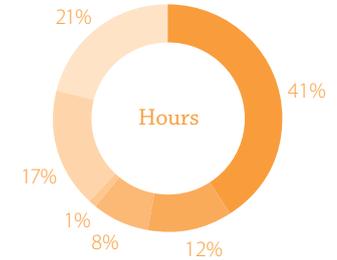


1,819

Total incident

22,329

Total hours



South West Region

Geelong Office
Hamilton Office

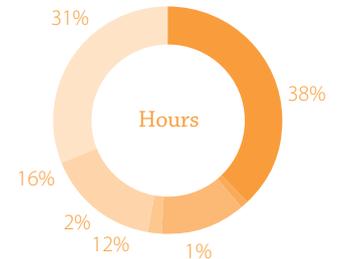


1,556

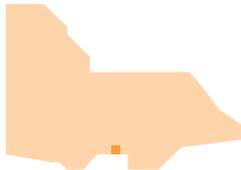
Total incident

21,023

Total hours



Victorian Head Office

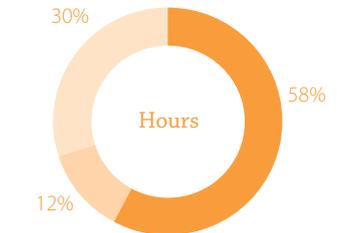
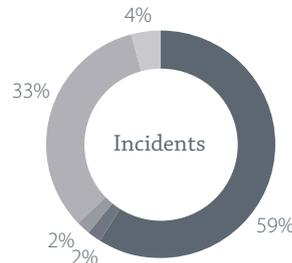


49

Total incident

3,302

Total hours



Actual Incidents / Estimated Hours

	CL	ET	MW	NE	NW	SW	VHO	Total
Storm	11,211 / 76,421	1,863 / 12,931	849 / 7,514	1,447 / 9,091	1,176 / 9,185	1,012 / 8,069	29 / 1,938	17,587 / 125,149
Flood	581 / 2,045	73 / 431	43 / 131	50 / 238	172 / 2,646	50 / 228	1 / 7	970 / 5,726
Earthquake	1 / 1	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0	1 / 1
Road Rescue	305 / 2,700	141 / 1,587	60 / 1,011	171 / 2,426	140 / 1,762	176 / 2,505	0 / 2	993 / 11,993
Rescue Other	298 / 875	52 / 274	17 / 568	44 / 456	48 / 298	50 / 354	1 / 1	510 / 2,826
Support								
Other Agency	662 / 15,321	197 / 3,596	168 / 4,358	268 / 10,935	164 / 3,676	152 / 3,367	16 / 383	1,627 / 41,636
Non-ops Task	400 / 36,189	107 / 5,807	87 / 7,551	154 / 5,814	119 / 4,762	116 / 6,500	2 / 971	985 / 67,594
Total	13,458 / 133,552	2,433 / 24,626	1,224 / 21,133	2,134 / 28,960	1,819 / 22,329	1,556 / 21,023	49 / 3,302	22,673 / 254,925

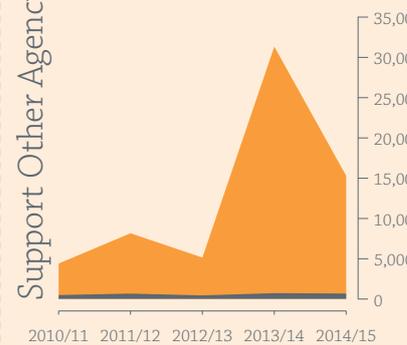
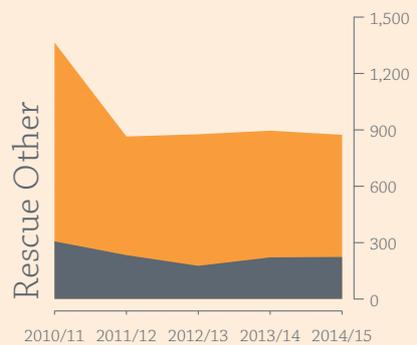
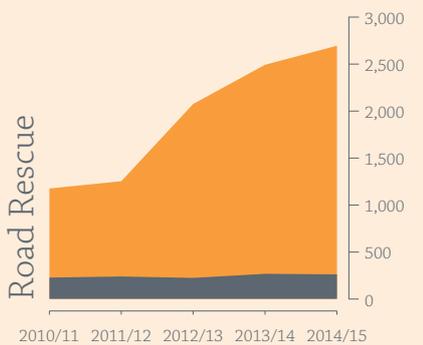
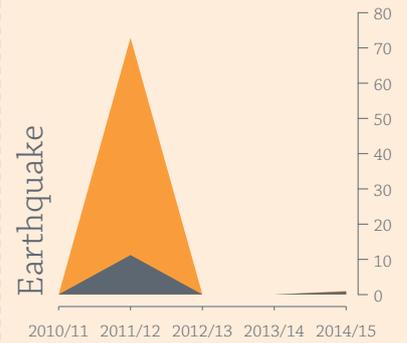
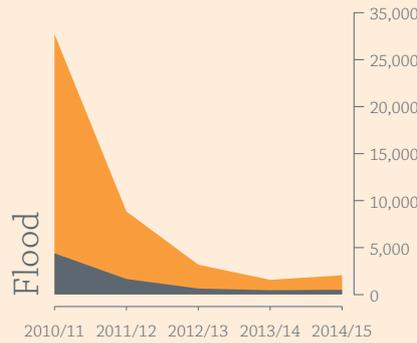
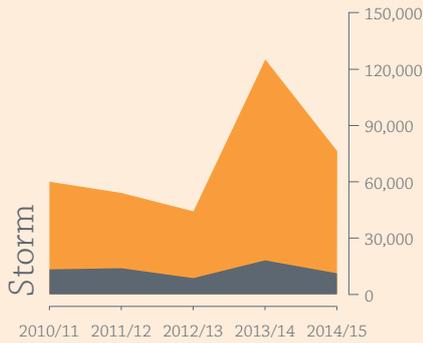
Total primary incidents reported per IRS / Actual incidents multiplied by average hours for region and incident type group



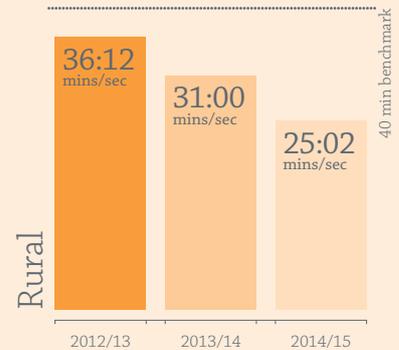
CENTRAL REGION TRENDING REPORT

Number of Incidents and Hours – 5 year trending (2010–11 – 2014–15)

Hours Worked Incidents



90th Percentile on Road Rescue Crew Response – 3 year trending (2012–13 – 2014–15)



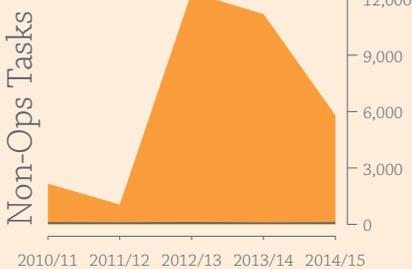
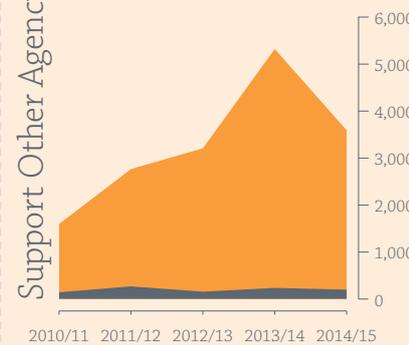
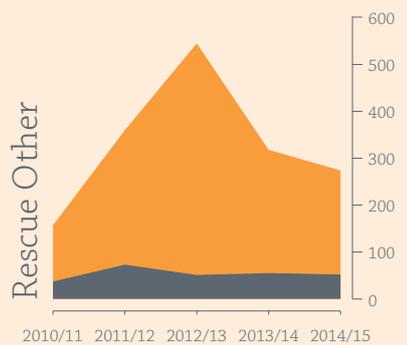
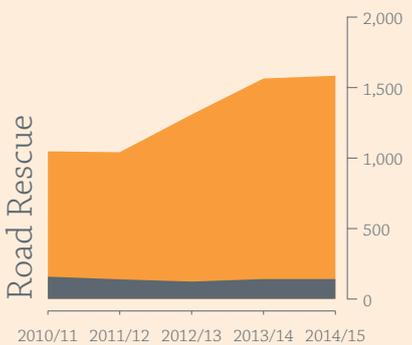
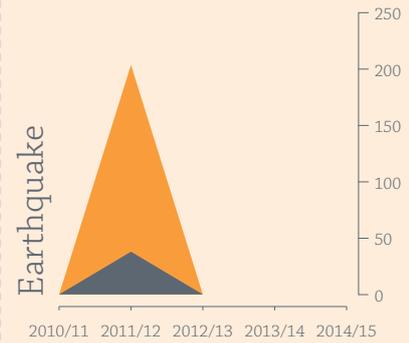
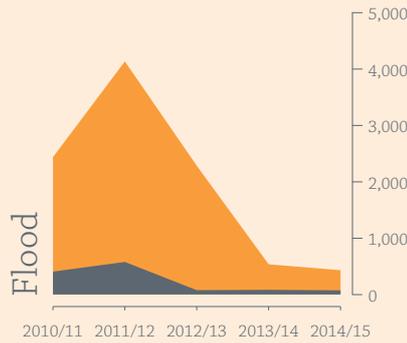
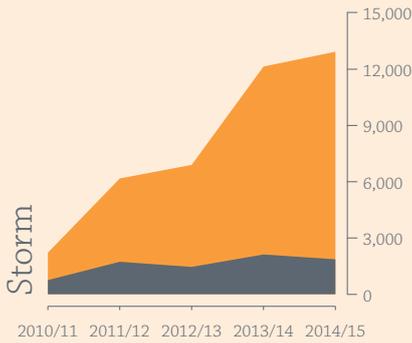
Urban Response: The Melbourne Statistical Division, plus the municipal districts of Greater Geelong, Greater Bendigo, Ballarat, La Trobe and Greater Shepparton.
Rural Response: All areas not included in the urban zone.



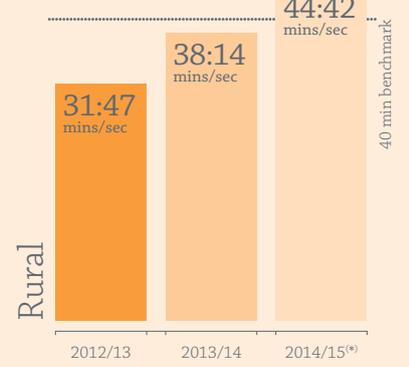
EAST REGION TRENDING REPORT

Number of Incidents and Hours – 5 year trending (2010–11 – 2014–15)

● Hours Worked ● Incidents



90th Percentile on Road Rescue Crew Response – 3 year trending (2012–13 – 2014–15)



*Seven incidents required travel outside of the unit's normal response area.

*Seven incidents required travel outside of the unit's normal response area.

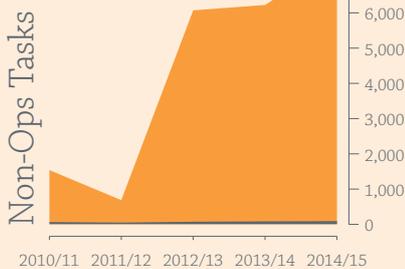
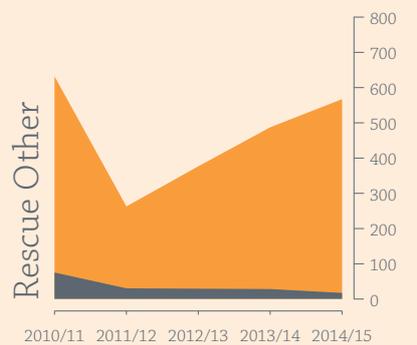
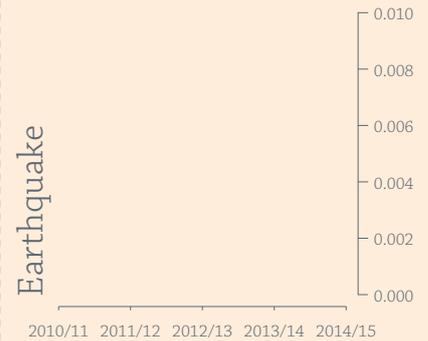
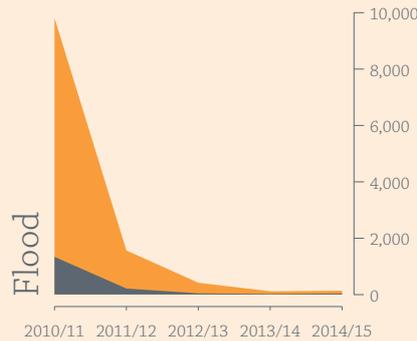
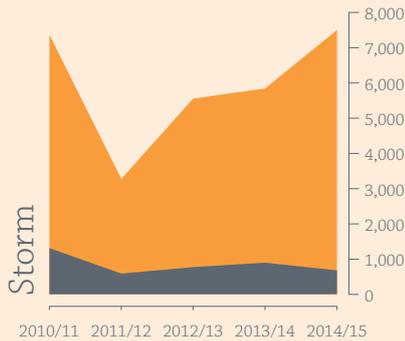
Urban Response: The Melbourne Statistical Division, plus the municipal districts of Greater Geelong, Greater Bendigo, Ballarat, La Trobe and Greater Shepparton.
Rural Response: All areas not included in the urban zone.



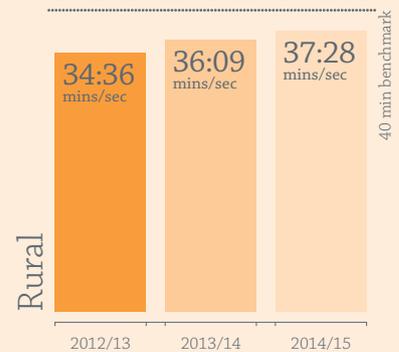
MID WEST REGION TRENDING REPORT

Number of Incidents and Hours – 5 year trending (2010–11 – 2014–15)

● Hours Worked ● Incidents



90th Percentile on Road Rescue Crew Response – 3 year trending (2012–13 – 2014–15)



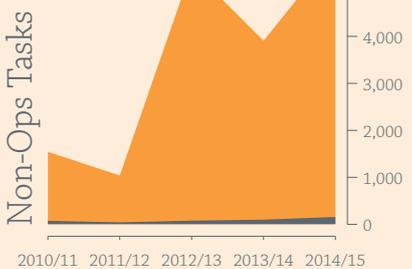
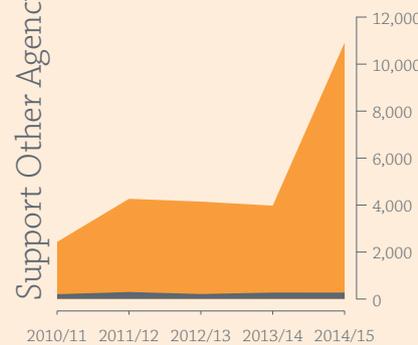
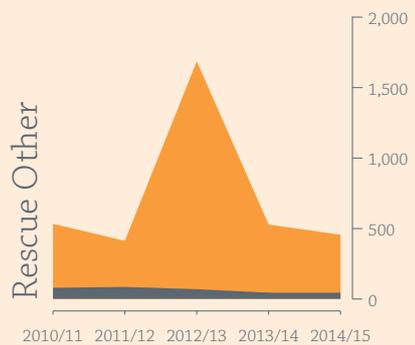
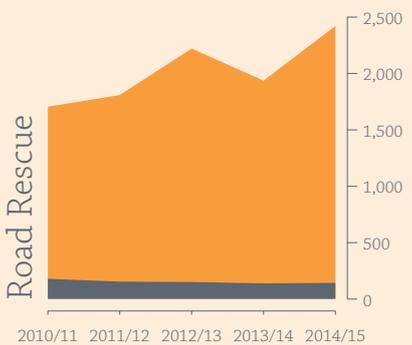
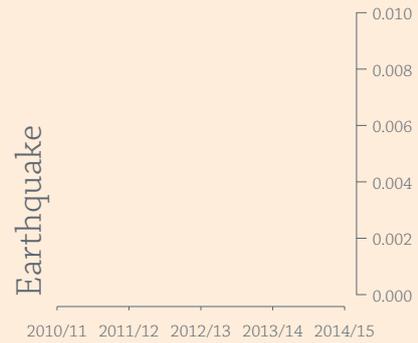
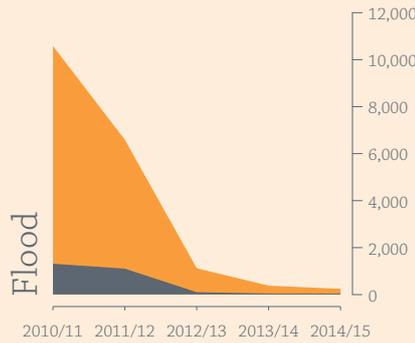
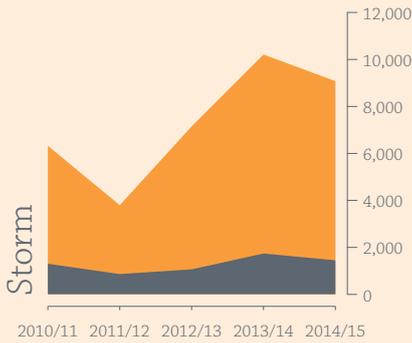
Urban Response: The Melbourne Statistical Division, plus the municipal districts of Greater Geelong, Greater Bendigo, Ballarat, La Trobe and Greater Shepparton.
Rural Response: All areas not included in the urban zone.



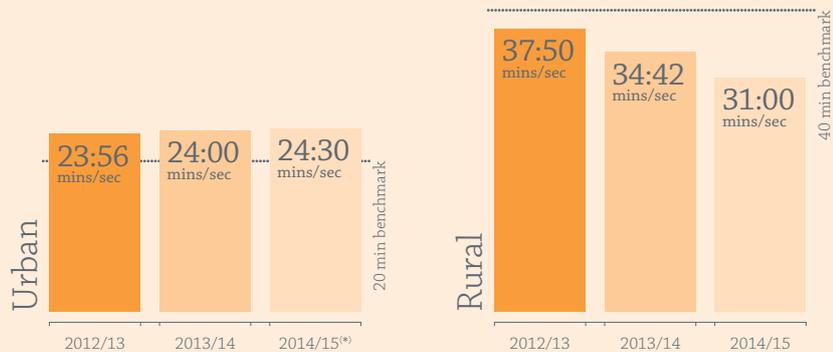
NORTH EAST REGION TRENDING REPORT

Number of Incidents and Hours – 5 year trending (2010–11 – 2014–15)

● Hours Worked ● Incidents



90th Percentile on Road Rescue Crew Response – 3 year trending (2012–13 – 2014–15)



*Three incidents required travel outside of the unit's normal response area.

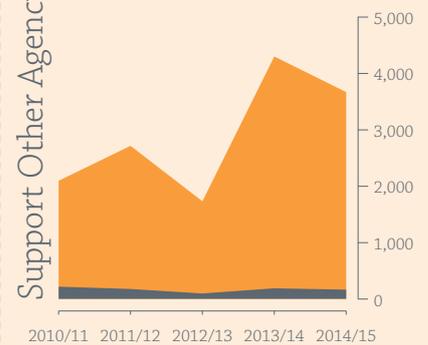
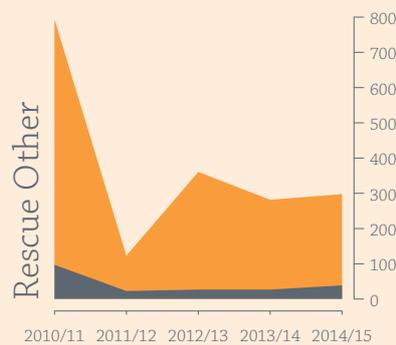
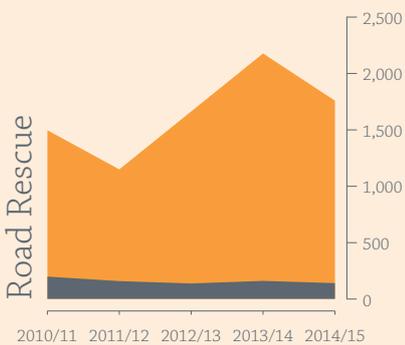
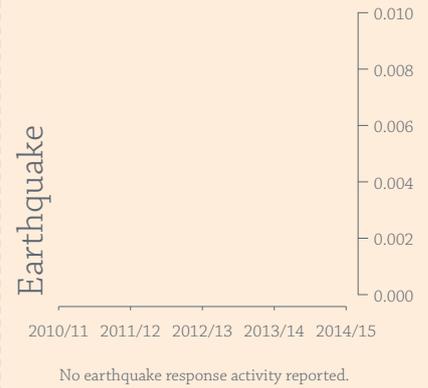
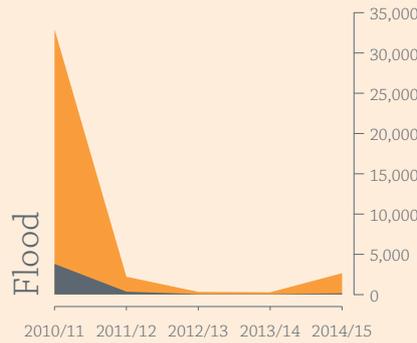
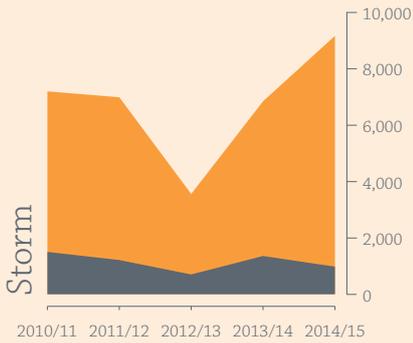
Urban Response: The Melbourne Statistical Division, plus the municipal districts of Greater Geelong, Greater Bendigo, Ballarat, La Trobe and Greater Shepparton.
Rural Response: All areas not included in the urban zone.



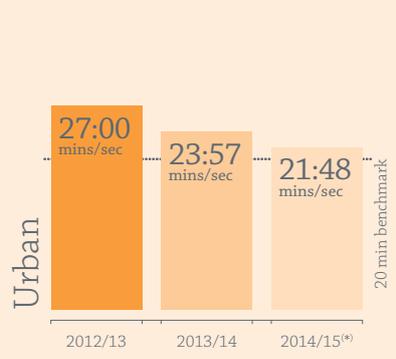
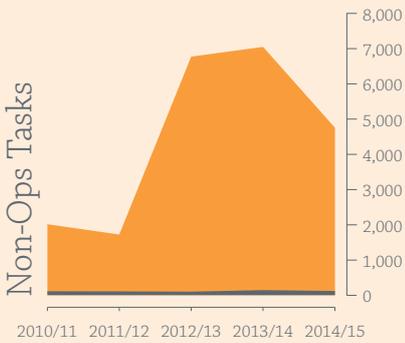
NORTH WEST REGION TRENDING REPORT

Number of Incidents and Hours – 5 year trending (2010–11 – 2014–15)

● Hours Worked ● Incidents



90th Percentile on Road Rescue Crew Response – 3 year trending (2012–13 – 2014–15)



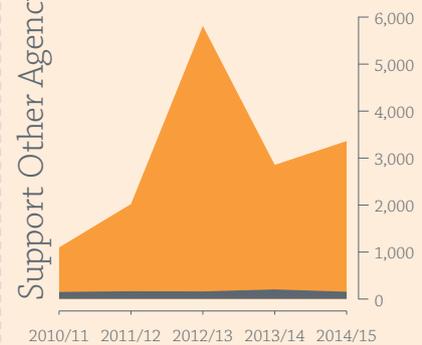
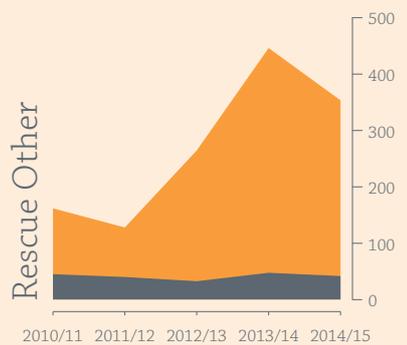
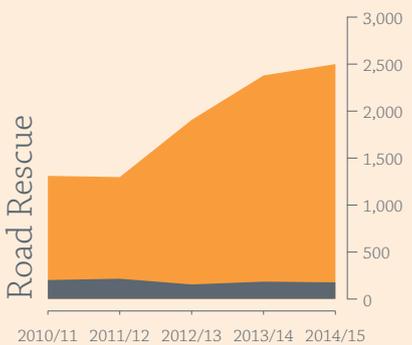
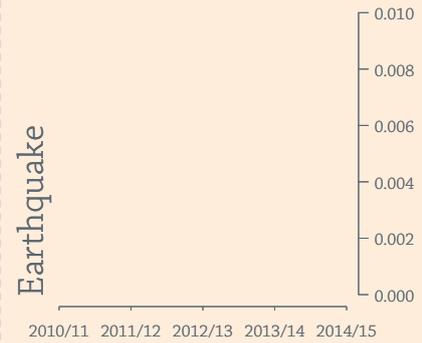
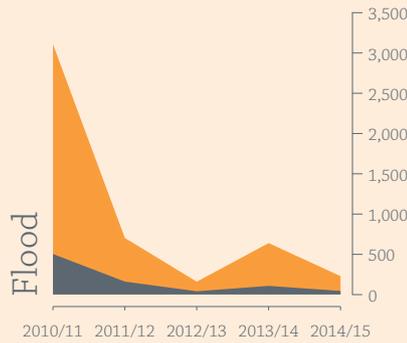
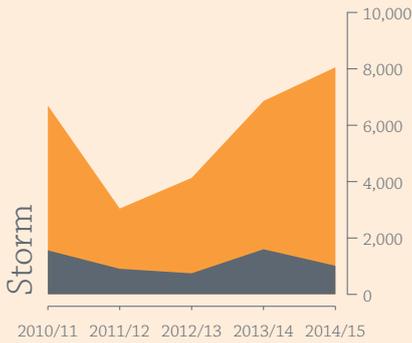
*Five incidents required travel outside of the unit's normal response area



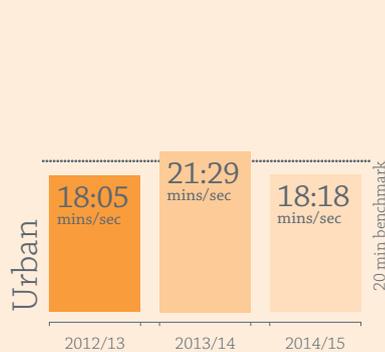
SOUTH WEST REGION TRENDING REPORT

Number of Incidents and Hours – 5 year trending (2010–11 – 2014–15)

● Hours Worked ● Incidents



90th Percentile on Road Rescue Crew Response – 3 year trending (2012–13 – 2014–15)



Urban Response: The Melbourne Statistical Division, plus the municipal districts of Greater Geelong, Greater Bendigo, Ballarat, La Trobe and Greater Shepparton.
Rural Response: All areas not included in the urban zone.

State wide trending report (Actual Incidents / Estimated Hours)

	2010-11	2011-12	2012-13	2013-14	2014-15
Storm	20,355 / 90,003	19,628 / 77,455	13,697 / 71,650	26,349 / 168,041	17,587 / 125,149
Flood	13,688 / 86,745	4,734 / 25,994	1,072 / 7,475	851 / 3,486	970 / 5,726
Earthquake	0 / 0	53 / 319	0 / 0	0 / 0	1 / 1
Road Rescue	1,110 / 7,291	1,026 / 6,984	909 / 9,839	1,032 / 11,889	993 / 11,993
Rescue Other	776 / 3,653	575 / 2,153	456 / 4,116	512 / 2,962	510 / 2,826
Support Other Agency	1,305 / 12,922	1,702 / 22,353	1,153 / 22,434	1,769 / 52,512	1,627 / 41,636
Non-ops Task	723 / 17,124	622 / 10,855	746 / 59,799	857 / 55,588	985 / 67,594
Total	39,115 / 223,798	28,340 / 146,113	18,033 / 175,313	31,370 / 294,478	22,673 / 254,925



WORK, HEALTH AND SAFETY

Health and wellbeing

We spent the 2014–15 year delivering programs designed to enable volunteers to look after themselves, so they can increase their ability to look after their local communities.

Our Healthwatch program has been the flagship program that we've aligned all of our programs under, encouraging volunteers to act on their health test results by enrolling in further activities.

This has seen the greatest uptake in wellbeing initiatives to date. With 63 units participating in at least one initiative compared to 35 in the previous year.

80 percent of all units have now had at least one health check since the program started in 2011.

Additionally, in partnership with Diabetes Australia Victoria, we've incorporated the Australian Type 2 Diabetes risk assessment into our Healthwatch assessments.

62 volunteers at a high risk of diabetes were referred to Diabetes Australia Victoria's Life! program, which resulted in 29 of them enrolling in the program, a 47 percent conversion rate.

Other popular programs have been:

- Step It Up! a five week pedometer-based competition, where teams from units compete to achieve high step counts and participation rates
- Building the team for resilience training was presented to 11 units this year. The training aims to increase members' capacity to deal with stressful events and build a positive orientation to life's issues. 98 percent of participants said that the workshop increased their understanding of resilience and why it is important

This year we also strengthened our partnerships with Diabetes Australia Victoria, VicHealth, Australian Red Cross Blood Service, YMCA, Healthy Work Achievement program and the Victoria Police and Emergency Services Games.

Safety

We continued to build a proactive approach to managing workplace health and safety (WHS), with introduction of early intervention programs, an injury prevention strategy, WHS risk assessments to support procurement decisions, ergonomic reviews of staff offices, WHS reporting available at region and business units as well as the concept of local safety plans.

To support this VICSES also revised WHS lead indicators to include a range of health, safety and wellbeing targets to drive continued improvement across the organisation.

At the end of 2014 the external audit of the VICSES Play Your Part manual was undertaken. The key findings identified that overall the Play your Part manual provides a workable tool to help VICSES protect people and comply with the law. Management continue to implement the recommendations for improvement.

State wide report

Year	2011–12	2012–13	2013–14	2014–15
Number of Incidents and hazards*	251	261	374	314
Hazard reporting **	35%	40%	24%	27%
Number of standard claims***	22	18	41	29
Number of lost time claims	5	10	26	18
Average cost per standard claim****	1712	5779	6451	1842
Fatality claims	0	0	0	0
Volunteers and staff who received training				
Staff	11	13	8	39
Volunteer	547	427	438	369

* 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

EMERGENCY MANAGEMENT PLANNING

Community education

Community education facilitators

The Community Education Facilitators (CEF) course provides volunteers with the skills to plan, conduct and evaluate community education activities at a local level.

For the 2014–15 year, seven CEF courses were conducted, training more than 60 participants.

Additionally 23 Community Education awareness sessions were held for nearly 300 participants.

Culturally and Linguistically Diverse program

The VICSES Culturally and Linguistically Diverse (CALD) Program has been developed in consultation with volunteers and key partners to support local community connections.

This year we began the process of joining our CALD approach with CFA. This will facilitate the development of practical tools and techniques for engaging with local communities.

FloodSafe

We were successful in receiving a third year of funding from the Natural Disaster Resilience Grants Scheme (NDRGS) to continue to build on the great work of the FloodSafe programs in the East, 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.

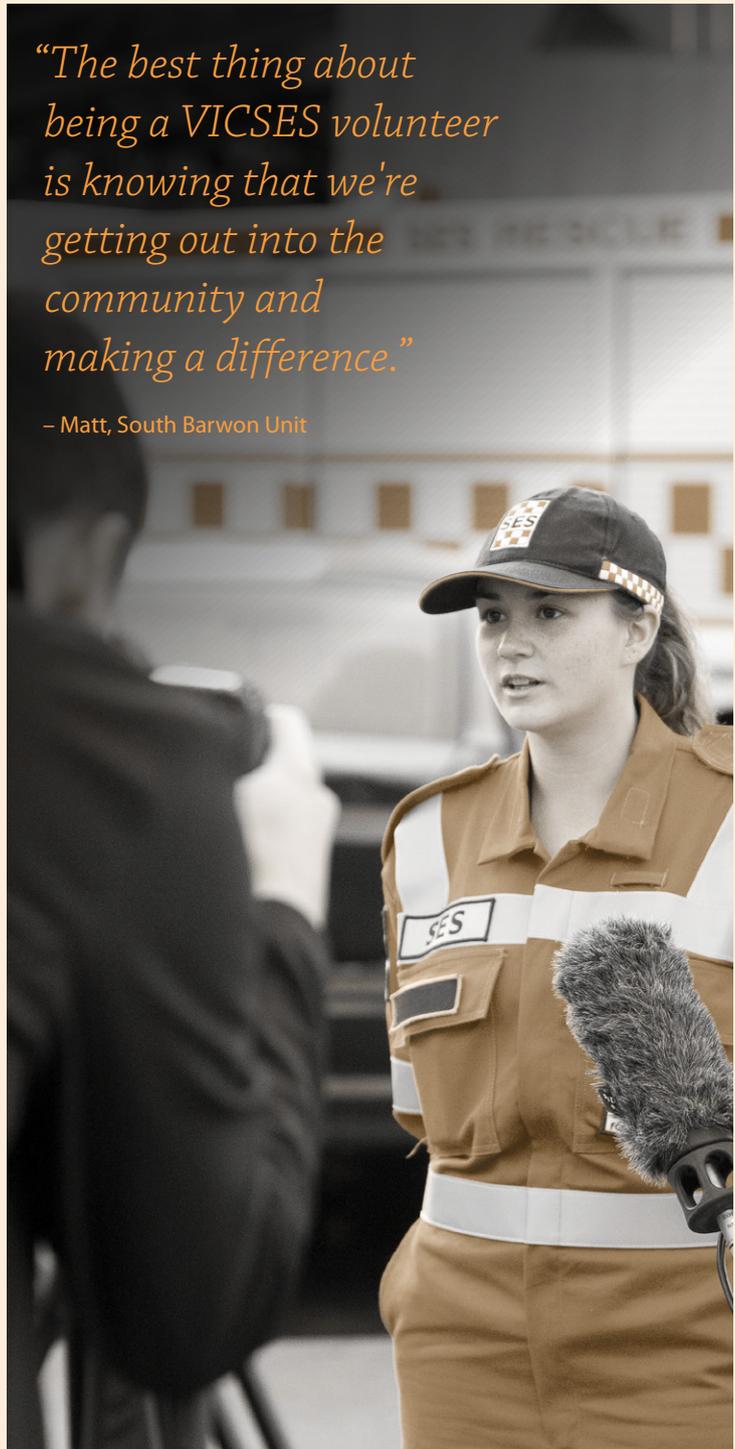
This includes continued development of Local Flood Guides for residents and business owners and emergency plans for municipalities to explain local flood risks for communities at risk and advise on how to prepare for and respond to flood events.

Formative research of the FloodSafe program was undertaken showing the effectiveness of the current roll out of the regional FloodSafe program.

Research about public perceptions of VICSES' mapping products was undertaken to help inform future mapping outputs.

“The best thing about being a VICSES volunteer is knowing that we're getting out into the community and making a difference.”

– Matt, South Barwon Unit



Children and youth resources

A range of resources were developed in 2014 with assistance from VICSES volunteers – in particular a kit that has activity plans in line with our community education programs for school groups from prep to year 6. The kit is designed to have everything you need to run a session with school children.

Additionally, we were successful in obtaining NDRGS funding for a joint CFA and VICSES School Curriculum Project to be developed in 2015–16.

Emergency management planning and risk

Community Emergency Risk Assessment

The Community Emergency Risk Assessment (CERA) process has enabled a better evidenced based planning environment due to an improved understanding of risk vulnerabilities, assets and values of local communities at the municipal level.

Our partnership approach with other emergency service organisations shapes a more collaborative and sector-wide approach for localised emergency risk assessment in Victoria.

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 in collaboration with Municipal Emergency Management Planning Committees (MEMPCs).

We are working closely with DELWP, catchment management authorities and flood specialists to better prepare communities, government, business and agencies in preparing for, responding to and recovering from floods.

A flood evacuation arrangements project is being piloted in eight communities thanks to ongoing funding from NDRGS.

Communities will be provided greater understanding of the risk of flood in a particular area, and be empowered to make evacuation decisions based on comprehensive flood risk information, and this will be shared across national jurisdictions to develop a comprehensive, sustainable approach to flood evacuation planning.

In 2015–16 we will be piloting the integration of severe weather arrangements into plans including storms and flash flooding.

We are working closely with DELWP on the development of FloodZoom as a web-based flood intelligence platform to deliver an authoritative source of flood intelligence before, during and after floods.

Melbourne Water

Our partnership with Melbourne Water completed its sixth year in 2014–15. Overall, the partnership ensures an all-hazards approach is being adopted to develop better outcomes when engaging with community members, businesses and industry of the risks and impacts of emergencies.

Highlights for this year include:

- A second generation of the Municipal Flood Emergency Plans for 38 local government areas
- Delivery of local flood guide production for high to very high risk communities
- Engagement with local businesses on business continuity planning and emergencies
- Ongoing involvement with the 52 high to very high risk communities for flooding within Melbourne
- More than 2,000 engagement activities undertaken to build awareness of flood risks with each of the local governments in metropolitan Melbourne

Introduction to Emergency Management training

We conducted 19 courses in 2014–15 involving more than 367 participants.

The aim of the program is to provide participants with the knowledge and skills of the emergency management roles and responsibilities of relevant Government and community agencies in Victoria. The program also assists in familiarisation with the general concepts and structure of emergency management.

Auditing of Municipal Emergency Management Plans

Under current legislation (s.21A of the *Emergency Management Act 1986*) the VICSES Chief Officer Operations must audit a municipal emergency management plan (MEMP), at least once every three years, to assess whether the plan complies with guidelines issued by the Minister.

In 2014–15, a total of 48 MEMPS were audited.

The key focus for 2015–16 will be developing a range of considerations on the future service delivery of MEMP Audits to align to any proposed changes to emergency management legislation and arrangements.

EMERGENCY MANAGEMENT COMMUNICATIONS

Campaign redevelopment

Over the last year, the business unit has considered the need to re-evaluate the approach to what and how we communicate our awareness campaigns, in order to ensure that we are able to efficiently educate on the importance of emergency preparation.

For the 2014–15 year, extensive research was undertaken to understand the techniques used by a variety of emergency service organisations across Australia and overseas, followed by Victoria-based market research to understand what community members already understand of emergency preparation.

This creates the basis of a new campaign approach that will consolidate efforts and come into effect in the 2015–16 year.

Media liaison officers

During the 2014–15 year, a total of 57 VICSES volunteers across all six regions undertook the Media Liaison course run by the Emergency Management Communications team.

The aim of the training is to provide volunteers with knowledge and confidence to deliver valuable, professional and focused messages to the community through all forms of media. A suite of tools and learning guides were developed and sent out as part of this to support those who had completed the course.

In addition to this, spokesperson training was held as a refresher for members of staff wishing to get more practise speaking to the media.

Public information

We've worked closely with EMV to ensure the continuous improvement and training of Public Information officers within the service, as well as contributing to multi-hazard training for other agencies as well.

A Public Information workshop was set up to facilitate statewide information sharing by all VICSES Public Information officers and make sure that we're prepared in incident management roles from an incident level to a state level.

Corporate communications

2014–15 saw the development of a suite of strategic documents created to help guide the direction of the Emergency Management Communications team, including the internal communications strategy and the organisation-wide corporate communications strategy.

The work done on these high-level documents outlines the vision the team have for best-practise communications within the organisation for the coming years.



FUNDING AND SPONSORSHIPS

Sponsorship and Partnership Contributions 2014-15

Contributor	Area of support	Amount
AAMI	Equipment and Community Education	\$520,000.00
Transport Accident Commission	Road rescue funding and Driver Reviver	\$3,287,000.00
Country Fire Authority	AAIMS Training	\$399,000.00
Melbourne Water	Community Education	\$350,000.00
Woolworths	Volunteer Units	\$21,508.00
Commercial Travellers Association VIC	Volunteer Units & International Rescue Challenge	\$60,000.00
Jemena	Craigieburn Unit Trailer	\$34,085.00

VICSES is extremely grateful for the support received from government, business and local communities across Victoria in 2014–15.

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 local units through funding, equipment, unit accommodation and all other forms of support.

"The best thing about being a volunteer is the satisfaction, the happy vibe that only comes from doing something for others without the expectation of something in return."

– Robin, Marong Unit



OUR PEOPLE

This year we have focused on the continuing development for VICSES volunteers and staff.

Managing emergency service volunteers

Last financial year the Victorian Auditor General undertook an audit of CFA and VICSES to assess whether the agencies effectively and efficiently manage emergency service volunteers.

The report from that audit identified deficiencies in workforce planning with both agencies. Addressing this issue continued to be a focus this year, to improve the outcomes for the VICSES volunteer workforce. As a result, the following projects have been implemented in the last financial year:

- Enhancements to the ERAS business intelligence system to increase awareness of actual and required volunteer numbers as well as gaps and risks around volunteer capability and capacity. Gaps identified as being addressed through business planning for each unit
- A newly developed recruitment and retention strategy for volunteers will inform regional and unit level recruitment and retention activity. There have also been significant improvements to the onboarding of new volunteers to lessen the administrative workload for volunteer units
- A robust corporate risk management system to incorporate risk management into the region and volunteer unit business planning process to assist in understanding and managing local risk
- Role and training pathways for volunteers are being improved, and once completed will assist volunteers in matching their goals with their availability within the organisation and in line with the needs of their community

Several projects have been created for VICSES staff members in order for them to continue to effectively support volunteers. These include

- Commencing a workforce planning system featuring automated performance planning and development
- Further development for staff for complex incident management capability, the next phase of which will support the development of volunteers into incident management roles

Professional development

In recognition of the significant change within the emergency management sector with the establishment of EMV, resilience training was delivered to all employees.

This training was designed to equip our people with the ability to respond flexibly to change and contribute to building resilient teams.

In response to the reporting of psychological injuries at VICSES, all senior managers participated in Managing Occupational Stress and Psychological Injuries training to provide managers with more in depth understanding of stress and common psychological illness in the workplace, tips to prevent and manage as well as an overview of their role and responsibility in managing stress.

Examples of other development programs attended by VICSES staff include:

- Executive Consequence Management Program
- Working Safely at VICSES for Leaders
- Flood Forum
- Health and Safety Representative training
- EMV Media Spokesperson Training
- National Emergency Services Training Officers Conference (TAS)
- AFAC and Bushfire and Natural Hazards CRC Conference 2014, Wellington, New Zealand
- Australia and New Zealand Search and Rescue Conference

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 2015	164	152	12	159.3	32.4	

		June 2015			June 2014		
		Ongoing		Fixed Term & Casual Employees	Ongoing		Fixed Term & Casual Employees
		Employees (Headcount)	FTE	FTE	Employees (Headcount)	FTE	FTE
Gender	Male	105	104.1	14.8	106	105.6	9.7
	Female	59	55.2	17.6	61	58.8	11.8
Age	Under 25	0	0	1.7	2	2	1
	25-34	32	31	10.9	32	32	4.3
	35-44	37	35.2	10.9	39	37.4	12.3
	45-54	59	58.1	7.1	58	57.6	2.8
	55-64	34	33.4	1.8	34	33.8	1.1
	Over 64	2	1.6	0	2	1.6	0
	Classification	VPS 1	0	0	0	0	0
VPS 2		18	17	6.1	17	15.8	6.6
VPS 3		34	32.1	9.9	37	36.2	2.2
VPS 4		56	54.8	11	60	59.8	7.9
VPS 5		36	36	3.4	34	34	4
VPS 6		15	14.4	2.0	14	13.6	0.8
STS		0	0	0	0	0	0
Executives		5	5	0	5	5	0
Other		0	0	0	0	0	0

TRAINING

Registered training organisation

VICSES is a Registered Training Organisation (RTO) and is committed to meeting the requirements of the Australian Qualifications Training Framework (AQTF) standards for RTOs.

The AQTF is the national set of standards which assures nationally consistent, quality training and assessment in the vocational education and training system.

VICSES was audited this year by the Victorian Registration and Qualifications Authority and our registration as an RTO was extended for five years.

Delivery – volunteer training

VICSES members 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 11,801 nationally recognised statements of attainment issued to members for rescue skills, incident management and non-operational skills in the 2014–15 year. The most popular programs were:

- First Aid Refresher – 1,750
- Emergency Vehicle Alert Briefing – 1,467
- Working Safely at CFA Incident – 1,053
- Working Safely at a Flood and Storm – 849
- Peer Support Awareness – 731
- First Aid (Full Course)* – 490
- General Rescue Skills – 415
- Work Health and Safety Essentials* – 358

*denotes a nationally recognised program

Incident management capability development

VICSES partnered with CFA to deliver Incident Management Team training. These courses are part of a multi-agency approach to building operational leadership capability across Victoria.

During the year 394 members achieved competency in a range of nationally recognised incident management training delivered across Victoria.

Trainer and assessor workforce development

Register of trainers and assessors

VICSES developed a new register of trainers and assessors across the organisation. It lists members who are endorsed to deliver nationally accredited training across the organisation.

This register is an important quality assurance tool for monitoring and developing the trainer and assessor workforce within VICSES, giving visibility to training credentials and providing a clear target audience for ongoing trainer professional development. Currently, we have 186 registered trainers and assessors.

VICSES maintains a capacity to deliver first aid training internally. This supplements the training delivered by private training providers.

Training materials were updated to keep pace with national competency changes and workshops were held with volunteers who have been approved by regions to deliver training to their unit or neighbouring units.

55 members upgraded their training qualifications to the new Certificate IV TAE in Training and Assessment to meet the new national standards for Registered Training Organisations.

Flexible Learning tools

Creation of flexible learning tools for use on mobile devices was a focus for this business unit this financial year.

Following initial positive reaction to the first generation of tools, the next step was to allow members to use these training tools outside a classroom environment.

By enabling the tools to be used on mobile phones and tablets, members can have ready access to training anywhere.

This supports the hands on approach to practical skills training that best supports the types of skills VICSES members need to train in.

First Aid and Safety Training

During the year 490 members received the full first aid training in the full first aid course and 1,750 members attended a first aid update.

358 members successfully completed the nationally recognised VICSES Work Health and Safety Essentials program.

During the year 394 members achieved competency in a range of nationally recognised incident management training delivered across Victoria.

Partnerships

In line with closer working relationships within the emergency management sector, VICSES joined CFA and MFB in a joint tender for the supply of first aid and a student management and learning management system (SMS/LMS).

The outcomes from both tender processes will see opportunities for cross agency sharing of resources and training that will respond to Emergency Management Victoria's strategic direction for inter-agency collaboration. In particular, the SMS/LMS will allow agencies to share online training resources where content is relevant such as incident management skills.

Members also accessed training provided by Regional TAFEs and private providers for skills in chainsaw operations, four-wheel driving, managing traffic at emergencies, workplace safety as well as qualifications in training and assessment. This training was customised for working in the VICSES environment.

CFA delivered training to 1,032 members to prepare them to work at fire grounds in a support capacity at major fires.

VICSES is a member of Australasian Fire and Emergency Service Authorities Council (AFAC). AFAC, as the peak body for fire, emergency service and land management contributed to the national VET Reform Taskforce consultations.

In April 2015, the Commonwealth government, announced changes to the national arrangements for vocational training. The current Industry Skills Councils are being replaced by industry reference committees which will be overseen by the industry-led Australian Industry and Skills Committee.

These arrangements manage all qualifications, including the VICSES national qualifications in rescue.



CORPORATE SERVICES

Corporate Services have been busy this past year working on many projects designed to improve business continuity and performance.



Projects, Planning and Risk

Financial Procedures during declared operations

Following the Floods of 2011, reviews by Neil Comrie (Comrie Review) and Noetic Consulting (Noetic Review) identified inefficiencies in VICSES financial procedures. VICSES also conducted an internal review in 2014.

All reviews clearly highlighted that the normal VICSES procurement and financial procedures did not provide adequate control and management during major storm and flood events and in fact hindered the procurement function during emergency events. There was also an appetite in the Victorian emergency services sector to move to a more interoperable approach in managing emergencies.

A project team was established and has developed and implemented the following tools and processes:

- Developed VICSES financial delegations for use during VICSES lead operations allowing officers from other agencies to sign off purchases when acting on behalf of VICSES
- Worked with DEWLP and CFA to develop online multi-agency financial delegations training which means any agency can perform roles and have financial delegations regardless of which agency is leading the emergency event
- Developed a suite of forms and supporting documentation to assist the logistics and finance roles during declared operations
- Trained key personnel in the new processes and procedures
- Developed and implemented multi-agency friendly processes and procedures for use during declared operations

Enterprise risk management

In 2014–15 VICSES undertook a project to update the enterprise risk management framework policy and procedures to strengthen the alignment with Australian/New Zealand (AS/NZ) ISO 31000:2009 Risk Management – Principles and Guidelines and the Victorian Government Risk Management Framework.

The key achievements of the project to date are:

- Updated and integrated the risk methodologies and framework across the organisation in line with best practice
- Undertook risk workshops with business units to capture key risks, identify controls and establish treatment plans to reduce risks

Measures, definitions and standards

The measures, definitions and standards project was identified as a critical piece of work in January 2015, supporting key strategic projects, by consolidating and validating key reporting measures, associated definitions and data lineage. The following was achieved in 2015:

- Agreed definitions for a large number of organisational reporting measures
- Developed a Data Dictionary, available on the VICSES intranet, documenting known definitions and business rules
- Raised awareness of potential inconsistency in commonly produced reports
- Developed a common set of templates to document the sources and criteria for datasets supplied to external entities
- Instituted a central point of contact and advice for handling requests for data (both internal and external)

Data integrity

The data integrity project was established to implement some improvements to VICSES systems, process, governance, business rules, training and documentation to enhance VICSES data quality and accuracy.

The key achievements to date are:

- Staff and volunteer data cleansing carried out in September 2014
- Developed a tool to assist regional staff members to monitor and correct volunteer data anomalies
- Produced detailed business requirements for a volunteer membership portal, with development by CFA to commence next financial year
- Revisited VICSES OIMS security matrix and access business rules, with an implementation of the agreed changes by CFA to commence next financial year

Emergency response activity standards – Improved

The automated emergency response activity standards (ERAS) assessment solution released in November 2011 is a tool that allows Regional Managers to complete unit and regional assessments based on local risks and established capacity requirements.

The application tool allows for capability and capacity gaps to be displayed at unit, region and state levels. In February 2014, the Victorian Auditor-General's Report put forward recommendations arising out of the Performance Audit to address the Management of Emergency Services Volunteers. The ERAS-I project was established to address some of these recommendations and to improve VICSES' existing ERAS system.

The project team has achieved the below to date:

- Provisioned the ERAS solution with the generation of new baselines corresponding to corporate cycles
- Delivered a proof-of-concept to demonstrate the fit for purpose of new software upgrade capabilities
- Introduced mapping elements to reports to aid ease of interrogation and reporting
- Documented the technical layer to support maintainability and extensibility of the tool
- Reviewed and refreshed the Emergency Activity Practices

CORPORATE SERVICES

This year the Application Support area in Information Services oversaw a number of changes and enhancements to improve and maintain the organisation's applications and systems.

Information Services

Information Services (IS) staff have been working with other emergency service sector agencies to develop a sector-wide record Retention and Disposal Authority.

This document will facilitate the lawful disposal of records for the entire emergency service sector and is likely to enable the destruction of a large amount of VICSES records currently held in local or secondary storage facilities.

In accordance with a State Government Chief Information Officers Council requirement, VICSES now has a dedicated committee to deal with information management matters. Specifically, this body ensures VICSES is able to provide a coordinated, strategic approach to dealing with information and data management issues including Freedom of Information, records management, data retention, data accuracy, privacy and information security.

TRIM

TRIM is VICSES' dedicated Electronic Document and Records Management System (EDRMS). It is designed to manage VICSES' records in a manner that complies with the *Public Records Act 1973 (Vic)* and the various record keeping standards of the Public Record Office Victoria (PROV). Following continued efforts in training and configuration improvements, TRIM use grew by 14.7 percent from the previous financial period.

Freedom of information

VICSES is subject to the *Freedom of Information Act 1982 (Vic)* (FOI Act). During the 2014 – 2015 financial period VICSES received 25 Freedom of Information (FOI) applications.

In keeping with the spirit of the FOI Act, VICSES endeavours, where possible, to satisfy requests for information outside of the FOI process. This year we received in excess of 40 such requests.

Subpoenas

During the last financial year, VICSES assisted with five subpoenas.

Privacy

As a Victorian statutory authority, VICSES collects, uses and discloses personal information in accordance with the *Privacy and Data Protection Act 2014 (Vic)*.

VICSES runs regular privacy training and awareness initiatives as well as providing advice and assistance to ensure members are aware of their obligations.

Compliance with DataVic Access Policy

Consistent with the DataVic Access Policy issued by the State Government in 2012, the following datasets have been made available at www.data.vic.gov.au in machine readable format:

- Annual key course training numbers
- Victoria road rescue incidents attended per region by month
- Control agency incident responses, 2013–14
- Assist other agency incident responses, 2013–14
- Authorised activity responses, 2013–14
- Average volunteer tenure
- Incident responses (including control agency, assist agency and authorised activity per month, 2013–14)
- Incident responses per region, 2013–14
- Volunteer age per region



Application support and management

The applications support area provides technical support for the 47 business applications and systems operated by VICSES. A key function is to manage vendors and software providers so that they provide a service that meets the business' expectations in terms of performance, access and availability.

This year the Application Support area in Information Services oversaw a number of changes and enhancements to improve and maintain the organisation's applications and systems. Below is a breakdown of the work managed by Application Support:

- Changes (including system upgrades and enhancements) to applications – 60
- Number of escalated incidents and problems resolved across all applications – 795
- Reviewed the change management process including the preparation of a schedule of changes to better manage enhancements for all 47 applications

Service delivery

The Service Delivery area encompasses the service desk function as well as desktop and network support.

A key function is managing our service providers to ensure the Information Communication Technology environment and network provides the necessary environment for staff and volunteers to go about their business with minimal disruption.

Below is a snapshot of the year's work undertaken by the Service Delivery team:

- No. of resolved requests for the year – 12,392
- No. of visits for the year to resolve issues on site – 126

Information Communication Technology projects

This year the team managed a number of key infrastructure projects in order to improve services and better support to volunteers and staff. In particular:

- We moved the remaining infrastructure housed at VHO to a dedicated fit for purpose data centre
- Replaced and upgraded routers and switches across the state to improve network performance
- Provided extensive support to the completion and fit out of the Field Operational Vehicles, Mobile Command Vehicles as well as supporting operational exercises
- Drove the implementation of the Geelong ICC into a multi-agency facility so that other emergency agencies could use this Level 3 ICC
- Contributed significantly to the relocation and establishment of new sites such as Waurm Ponds, Buchan, Woomelang, Edenhope and Marong

CORPORATE GOVERNANCE

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

Responsible minister

The responsible Minister is the Minister for Emergency Services.

Statutory Authority

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

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

These regulations address the management of issues detailed in the VICSES Act, 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 VICSES 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 VICSES 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.

Protected Disclosure Act

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 Independent Broad-Based Anti-Corruption Commission 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.

Remuneration

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

Victorian Industry Participation Policy

In accordance with the requirement of the *Victorian Industry Participation Policy Act 2003* (VIPPP), government agencies are required to include a statement summarising their implementation of the VIPPP in their annual reports. Financial Reporting Decision 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 2014–15.

Freedom of information

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.

Risk management framework and processes

I, Stephen Griffin, Chief Executive Officer, certify that Victoria State Emergency Service has complied with Ministerial Direction 4.5.5 – Risk Management Framework and Processes.

Consultancies

Service	Fees Approved	Amount Expended 2014–15	Future Commitments	
Under \$10,000				
Eight consultancies totalling	62,614.50	62,614.50		
Over \$10,000				
Colmar Brunton	Evaluation of Mapping Products	24,890.00	24,890.00	-
Colmar Brunton	FloodSafe Program Research	37,325.00	37,325.00	-
The Recovre Group	Work Task Analysis	13,200.00	13,200.00	-
Ernst & Young	BERC Business Systems Project Evaluation	24,750.00	24,750.00	-
The CKI Corporation	Development of a Business Case for Lync	15,600.00	15,600.00	-
Ernst & Young	ERAS-I Tools Options Assessment	30,000.00	30,000.00	-
Bushfire Risk Management Services	Flood Emergency Management Plans	28,051.36	28,051.36	-
Paladin Risk Management Services	Enterprise Risk Management Framework	31,386.50	31,386.50	-
Mingara Australasia	Communication Plan Maps	42,956.00	42,956.00	-
Solve Consulting International	Operational Communication Maintenance Services as a Panel Agreement	15,000.00	15,000.00	-
Boolean Pty Ltd	OIMS Lite Options Analysis	13,200.00	13,200.00	-
Solve Consulting International	PPE Management within VICSES	10,127.05	10,127.05	-
Subtotal		286,485.91	286,485.91	

National competition policy

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

Legal advice

VICSES is assisted in aspects of its operations with external legal advice. Maddocks and McKean Park Lawyers were the main providers of legal services during 2014–15.

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.

FINANCIAL SUMMARY

Five year financial summary

	2014–2015	2013–2014	2012–2013	2011–2012	2010–2011
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Appropriation from Government (i)					
Output and special appropriation	44,701	44,055	45,042	36,807	46,351
Capital appropriation	0	400	1,102	6,250	3,873
Total Appropriation from Government	44,701	44,455	46,144	43,057	50,224
Comprehensive Operating Statement					
Total income from transactions	54,680	53,705	57,024	51,247	56,005
Total expenses from transactions	(49,124)	(49,445)	(50,081)	(48,940)	(46,677)
Net result from transactions for the period	5,556	4,260	6,943	2,307	9,328
Other economic flows	400	494	43	(44)	(369)
Net result	5,956	4,754	6,986	2,263	8,959
Other economic flows not in the net result (ii)	0	0	0	0	6,760
Comprehensive result	5,956	4,754	6,986	2,263	15,719
Balance Sheet					
Total assets	119,014	112,775	107,866	100,323	91,134
Total liabilities	(12,801)	(12,518)	(12,763)	(13,308)	(12,632)
Net Assets	106,213	100,257	95,103	87,015	78,502
Cashflow Statement					
Net increase/(decrease) in cash and cash equivalents	5,113	(285)	4,363	257	13,856
Cash and cash equivalents at 30 June	46,579	41,466	41,751	37,388	37,131

Notes:

- (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 2015 the Authority achieved a Net surplus result of \$5.956 million, \$1.202 million more than in 2013–2014.

The key items impacting the 2014–2015 Net result are:

- An increase of \$0.975 million in income from transactions to \$54.680 million resulting primarily from:
 - › An increase in Special Appropriation of \$0.246 million as reimbursement for Volunteer WorkCover.
 - › An increase in Volunteer Unit bank balances movement of \$0.181 million.
 - › Other income of \$0.211 for support of declared operations in Canada and NSW.
- A decrease of \$0.321 in expenses due to reduced project expenditure.

Balance Sheet

Net assets increased by \$5.956 million in 2014–2015 to \$106.213 million. The major reason for the change is an increase of \$5.113 million in cash and deposits including, increase in Volunteer Unit cash holdings of \$1.534 million.

Cash flow Statement

VICSES hold cash and cash equivalents of \$46.579 million. \$15.307 million is held by Volunteer Units and \$31.272 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 major changes in cashflow from last year were:

- An increase in income from transactions and a decrease in expenses from transactions as detailed in the commentary above on key changes to the Comprehensive Operating Statements from last year;
- A decrease in capital expenditure.
- An increase in Volunteer Unit funds of \$1.534 million (2013–2014: \$1.495 million).

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 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 2015

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INDEPENDENT AUDITOR'S REPORT

To the Board Members, Victoria State Emergency Services Authority

The Financial Report

The accompanying financial report for the year ended 30 June 2015 of the Victoria State Emergency Services Authority which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the chairperson, 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 Services 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.

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 Services Authority as at 30 June 2015 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
22 September 2015

T. D.H.
for John Doyle
Auditor-General

Chairperson's, Accountable Officer's 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 2015 and financial position of the Authority at 30 June 2015.

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 22 September 2015.



Peter Akers

Chairperson

Victoria State Emergency
Service Authority

Melbourne
22 September 2015

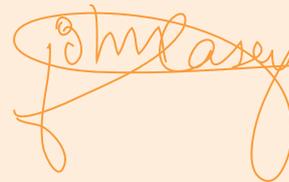


Stephen Griffin

Chief Executive Officer

Victoria State Emergency
Service Authority

Melbourne
22 September 2015



John Casey

**Director of Corporate Services
Chief Finance and Accounting Officer**

Victoria State Emergency
Service Authority

Melbourne
22 September 2015

Comprehensive operating statement for the financial year ended 30 June 2015

		2015	2014
	Notes	\$'000	\$'000
Income from transactions			
Grants	3(a)	50,828	50,805
Sale of services	3(b)	53	41
Interest income	3(c)	786	803
Other income	3(d)	3,013	2,056
Total income from transactions		54,680	53,705
Expenses from transactions			
Employee expenses	4(a)	(20,496)	(19,794)
Depreciation	4(b)	(6,382)	(5,814)
Grants	4(c)	0	0
Interest expense	4(d)	(284)	(326)
Other operating expenses	4(e)	(21,962)	(23,511)
Total expenses from transactions		(49,124)	(49,445)
Net result from transactions		5,556	4,260
Other economic flows included in net result			
Net gain on non-financial assets	5(a)	453	510
Other gains/(losses) from other economic flows	5(b)	(53)	(16)
		400	494
Net result		5,956	4,754
Total other economic flows – other comprehensive income		0	0
Comprehensive result		5,956	4,754

The above comprehensive operating statement should be read in conjunction with the accompanying notes on pages 54 to 93.

Balance sheet as at 30 June 2015

	Notes	2015 \$'000	2014 \$'000
Assets			
Financial assets			
Cash and deposits	18(a)	46,579	41,466
Receivables	6	1,058	806
Total financial assets		47,637	42,272
Non-financial assets			
Non-financial physical assets classified as held for sale	8	478	0
Property, plant and equipment	9	70,128	69,707
Other non-financial assets	7	771	796
Total non-financial assets		71,377	70,503
Total assets		119,014	112,775
Liabilities			
Payables	10	3,719	4,196
Borrowings	11	4,157	4,121
Provisions	12	4,925	4,201
Total liabilities		12,801	12,518
Net assets		106,213	100,257
Equity			
Accumulated surplus		56,798	50,842
Physical asset revaluation reserve surplus	19	6,760	6,760
Contributed capital		42,655	42,655
Net worth		106,213	100,257
Commitments for expenditure	15		
Contingent assets and contingent liabilities	16		

The above balance sheet should be read in conjunction with the accompanying notes included on pages 54 to 93.

Statement of changes in equity for the financial year ended 30 June 2015

	Notes	Physical asset revaluation reserve surplus	Accumulated surplus	Contributed capital	Total
		\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2013		6,760	46,088	42,255	95,103
Net result for the year		0	4,754	0	4,754
Capital appropriations		0	0	400	400
Balance at 30 June 2014		6,760	50,842	42,655	100,257
Net result for the year		0	5,956	0	5,956
Capital appropriations		0	0	0	0
Balance at 30 June 2015		6,760	56,798	42,655	106,213

The statement of changes in equity should be read in conjunction with the accompanying notes on pages 54 to 93.

Cash flow statement for the financial year ended 30 June 2015

		2015	2014
	Notes	\$'000	\$'000
Cash flows from operating activities			
Receipts			
Receipts from government		46,799	46,906
Receipts from other entities		6,418	6,309
Goods and Services Tax recovered from the ATO		2,289	2,807
Interest received		713	785
Other receipts (unit cash)		1,259	747
Total receipts		57,478	57,554
Payments			
Payments of grants		0	0
Payments to suppliers and employees		(45,196)	(47,440)
Interest and other costs of finance paid		(289)	(335)
Other payments		(89)	(122)
Total payments		(45,574)	(47,897)
Net cash flow from / (used in) operating activities	18(b)	11,904	9,657
Cash flows from investing activities			
Purchases of non-financial assets		(7,348)	(10,624)
Sales of non-financial assets		1,447	1,285
Net cash flows from/(used in) investing activities		(5,901)	(9,339)
Cash flows from financing activities			
Owner contributions by State Government		0	400
Repayment of finance leases		(890)	(1,003)
Net cash flows from/(used in) financing activities		(890)	(603)
Net increase/(decrease) in cash and cash equivalents		5,113	(285)
Cash and cash equivalents at the beginning of the financial year		41,466	41,751
Cash and cash equivalents at the end of the financial year	18(a)	46,579	41,466

The above cash flow statement should be read in conjunction with the accompanying notes included on pages 54 to 93.

Notes to the financial statements for the financial year ended 30 June 2015

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 2015. 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 25.

The annual financial statements were authorised for issue by the Board of the Victoria State Emergency Service Authority on 22 September 2015.

(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 & equipment (refer to Note 1(k));
- superannuation expense (refer to Note 1(g)); and
- 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)).

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 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 and Regulation. 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, 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 25 for a style convention for explanations of minor discrepancies resulting from rounding.

(e) Changes in accounting policies

Volunteer Unit cash and deposit balances

Volunteer Unit cash and deposits are included as actuals in the balance sheet at 30 June 2015. For further details on the new policy refer to (Note 1(f) *Net Result of VICSES Volunteer Units*) and (Note 1(j) *Volunteer Unit cash and deposit balances*). The policy is more in accordance with accepted practice.

In prior years due to the logistical difficulties in collecting evidence for actual balances at 30 June, Volunteer Unit cash and deposits were determined by obtaining actual balances at 31 March and adjusting for the estimated movement for income and expenditure between 31 March and 30 June. The adjustment was based on historical movement in balances.

The impact of the change in accounting policy is an increase of \$148,000 in Volunteer Unit cash and deposits as at 30 June 2015. The change in accounting policy has been applied retrospectively from 1 July 2011; the impact to comparatives at 30 June 2014 is an increase in Volunteer Unit cash and deposit balance of \$71,000. It has been determined that it is impractical to apply this policy prior to 1 July 2011 due to the inability to obtain appropriate data. Refer to Note 2 for further details.

(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.

Interest income includes interest received on bank term deposits and other investments and the unwinding over time of the discount on financial assets. Interest income is recognised using the effective interest method which allocates the interest over the relevant period.

Other income

Sponsorship

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

Donations

Donation income is recognised by the Authority on receipt.

Special Appropriation Volunteer WorkCover

Special Appropriation Volunteer WorkCover is recognised by the Authority on an accrual basis.

Other income

Other income received by the Authority is recognised on receipt and accrual basis.

Net Result of VICSES Volunteer Units

The net result of VICSES Volunteer Units is calculated by determining the movement in cash balances and eliminating transactions between the VICSES Authority and Volunteer Units (refer to Note 1(j)). Comparatives for 2013–14 have been restated where necessary (refer to Note 2).

(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 Department of Treasury and Finance (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 2014 and 2015 except for Leased vehicles (3 – 5 years in 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 – 10 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 25.

Interest expense

Interest expense is recognised in the period in which it is incurred. Refer to *Glossary of terms and style conventions* in Note 25 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

Loans and 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 interest bearing liability, using the effective interest rate method (refer to Note 25).

Financial instrument liabilities measured at amortised cost include all contractual payables, deposits held and advances received, and interest bearing 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 2015, as part of the ongoing incorporation of Volunteer Units' activities within the Authority's financial activities.

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 non financial 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 8 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.

(l) Liabilities

Payables

Payables consist of:

- contractual payables, such as accounts payable. 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

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 15) 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 16) 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 2015 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 2015, the following standards and interpretations (applicable to Authority) had been issued but were not yet effective for the financial year ending 30 June 2015. 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 <i>Financial Instruments</i>	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 Jan 2018	The assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss. While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.

Note 2. Restatement of financial information

In 2014–15 the Authority has made the following changes which require the restatement of prior year comparatives:

1. Change of the method for recognising Volunteer Unit financial transactions to more accurately reflect the consolidation of Volunteer Units, including the elimination of transactions between the VICSES Authority and Volunteer Units. This has the effect of decreasing the net result and accumulated surplus by \$183,000 for 2013–14; and
2. Recognised Volunteer Unit cash and deposit balances as actuals (refer to Note 1(e)) which has the effect of increasing net results, cash and deposits and the accumulated surplus by \$71,000 for 2013–14.
3. The impact of the various adjustments has resulted in the overall decrease in the net result and accumulated surplus of \$112,000.

Comprehensive operating statement	Notes	Re-stated 2014	2014	Change
		\$'000	\$'000	\$'000
Income from transactions				
Other income	3(d)	2,056	3,941	(1,885)
Expenses from transactions				
Grants	4(c)	0	(1,773)	1,773
Net result		4,754	4,866	(112)

Balance sheet	Notes	Re-stated 2014	2014	Change
		\$'000	\$'000	\$'000
Assets				
Financial assets				
Cash and deposits	18(a)	41,466	41,395	71
Receivables	6	806	1,045	(239)
Liabilities				
Payables	10	4,196	4,252	(56)
Equity				
Accumulated surplus		50,842	50,954	(112)

Statement of changes in equity	Notes	Re-stated 2014	2014	Change
		Accumulated surplus \$'000	Accumulated surplus \$'000	\$'000
Balance at 1 July 2013		46,088	46,088	
Net result for the year		4,754	4,866	(112)
Balance at 30 June 2014		50,842	50,954	(112)

Cash flow statement	Notes	Re-stated 2014	2014	Change
		\$'000	\$'000	\$'000
Cash flows from operating activities				
Receipts				
Receipts from other entities		6,309	7,334	(1,025)
Other receipts (unit cash)		747	1,424	(677)
Total change				(1,702)
Payments				
Payments of grants		0	(1,773)	1,773
Net cash flow from/(used in) operating activities		9,657	9,586	71

Note 3. Income from transactions

	2015	2014
	\$'000	\$'000
(a) Grants		
Department of Justice and Regulation		
- Operating grant income	44,272	43,905
- Volunteer and other grants	2,894	2,613
- Major incident funding	0	458
Other State Government entities/agencies		
- Melbourne Water	350	350
- Transport Accident Commission	3,287	3,187
- Other	25	135
Commonwealth Departments	0	64
Other	0	93
Total grants	50,828	50,805
(b) Sale of services		
Provision of services	53	41
Total sale of services	53	41
(c) Interest		
Interest from financial assets not at fair value through P/L:		
- Interest on bank and term deposits	786	803
Total interest income	786	803
(d) Other income		
Sponsorship	564	531
Donations	108	30
Unit Contributions for assets and equipment (i)	0	0
Special Appropriation Volunteer WorkCover	429	150
Other income	811	418
Net result of VICSES Volunteer units (i)	1,101	927
Total other income	3,013	2,056

Note:

(i) Comparatives for 2013–14 have been restated, refer note 2.

Note 4. Expenses from transactions

	Notes	2015 \$'000	2014 \$'000
(a) Employee expenses			
Post-employment benefits:			
- Defined contribution superannuation plans	13	(1,436)	(1,383)
- Defined benefit superannuation expense	13	(89)	(96)
Termination benefits		(30)	(10)
Salaries, wages and long service leave		(18,941)	(18,305)
Total employee expenses		(20,496)	(19,794)
(b) Depreciation			
Depreciation of property, plant, equipment and vehicles			
- Buildings & leasehold improvement		(931)	(861)
- Plant, equipment and vehicles		(4,433)	(3,845)
- Leased vehicles		(1,018)	(1,108)
Total depreciation expense		(6,382)	(5,814)
(c) Grants			
Grants to municipalities for Volunteer Units (i)		0	0
Total grants		0	0
(d) Interest expense			
Interest on finance leases		(284)	(326)
Total interest expense		(284)	(326)
(e) Other operating expenses			
Supplies and services:			
- Contractors and professional services		(2,217)	(2,821)
- Building service and maintenance expenses		(2,187)	(2,105)
- Travel and associated costs		(538)	(462)
- Printing, stationery and other office expenses		(633)	(771)
- Postage and communication expenses		(5,032)	(5,225)
- Vehicle expenses		(1,306)	(1,602)
- Technology services costs		(4,725)	(4,985)
- Protective clothing		(878)	(920)
- Emergency rescue equipment		(1,632)	(1,615)
- Training (volunteers and staff)		(1,891)	(2,086)
- Other		(834)	(797)
Total supplies and services		(21,873)	(23,389)
Operating lease rental expenses			
- Lease payments		(89)	(122)
Total operating lease rental expenses		(89)	(122)
Total other operating expenses		(21,962)	(23,511)

Note:

(i) Comparatives for 2013-14 have been restated, refer note 2.

Note 5. Other economic flows included in net results

	2015	2014
	\$'000	\$'000
(a) Net gain on non-financial assets		
Net gain on disposal of physical assets	623	510
Impairment of property plant and equipment	(170)	0
Total net gain on non-financial assets	453	510
(b) Other gains/(losses) from other economic flows		
Net gain/(loss) from revaluation of long service leave liability (i)	(53)	(16)
Total other gain from other economic flows	(53)	(16)

Note:

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

Note 6. Receivables

	2015	2014
	\$'000	\$'000
Current receivables		
Contractual		
Accrued interest income	38	47
Other receivables (i)/(ii)	624	306
	662	353
Statutory		
GST recoverable (net)	396	453
Other receivables	0	0
	396	453
Total current receivables	1,058	806
Total receivables	1,058	806

Notes:

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

(ii) Comparatives for 2013–14 have been restated, refer note 2.

(a) Ageing analysis of contractual receivables

Please refer to Table 17.4 in Note 17 for the ageing analysis of contractual receivables.

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

Please refer to Note 17(b) for the nature and extent of credit risk arising from contractual receivables.

Note 7. Other non-financial assets

	2015	2014
	\$'000	\$'000
Current other non-financial assets		
Prepayments	771	796
Total current other non-financial assets	771	796
Total other non-financial assets	771	796

Note 8. Non-financial physical assets classified as held for sale

	2015	2014
	\$'000	\$'000
Non-current assets		
Crown land at fair value	370	0
Buildings and leasehold improvements at fair value	108	0
Total non-financial physical assets classified as held for sale	478	0

Note 9. Property, plant and equipment

Table 9.1 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	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Nature based classification						
Crown land at fair value	8,800	9,170	0	0	8,800	9,170
Buildings and leasehold improvements at fair value	21,926	19,744	(4,008)	(3,118)	17,918	16,626
Plant, equipment and vehicles at fair value	56,618	49,293	(19,307)	(15,603)	37,311	33,690
Leased vehicles at fair value	6,537	6,564	(2,767)	(2,886)	3,770	3,678
Assets under construction	2,329	6,543	0	0	2,329	6,543
Total property, plant and equipment	96,210	91,314	(26,082)	(21,607)	70,128	69,707

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 9.2 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 (iii)	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
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)
Impairment of assets	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
Additions	0	0	0	1,621	6,652	8,273
Transfers in/(out) of assets under construction	0	2,501	8,365	0	(10,866)	0
Disposals	0	0	(312)	(510)	0	(822)
Impairment of assets	0	(170)	0	0	0	(170)
Transfer to disposal group held for sale	(370)	(108)	0	0	0	(478)
Depreciation expense	0	(931)	(4,432)	(1,019)	0	(6,382)
Balance at 30 June 2015	8,800	17,918	37,311	3,770	2,329	70,128

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) 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 4 *Expenses from transactions*.

Table 9.3 Fair value measurement hierarchy for assets as at 30 June 2015

	Carry amount as at 30 June 2015	Carry amount as at 30 June 2014	Fair value at the end of the reporting period using:					
			Level 1(i) 2015	Level 1(i) 2014	Level 2 (i) 2015	Level 2(i) 2014	Level 3(i) 2015	Level 3(i) 2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Crown land at fair value								
Non-specialised land	8,800	9,170	0	0	8,800	9,170	0	0
Total of land at fair value	8,800	9,170	0	0	8,800	9,170	0	0
Buildings and leasehold improvements at fair value								
Non-specialised buildings	17,918	16,626	0	0	17,918	16,626	0	0
Total of buildings at fair value	17,918	16,626	0	0	17,918	16,626	0	0
Plant, equipment and vehicles at fair value								
Vehicles	33,943	30,235	0	0	0	0	33,943	30,235
Plant and equipment	7,138	7,133	0	0	0	0	7,138	7,133
Total of plant, equipment and vehicles at fair value	41,081	37,368	0	0	0	0	41,081	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 2015.

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

Table 9.4 Reconciliation of Level 3 fair value

	Vehicles	Plant and equipment
	\$'000	\$'000
Balance at 30 June 2013	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
Balance at 30 June 2014	30,235	7,133
Purchases (sales)	7,981	1,183
Transfers in (out) of Level 3	0	0
Gains or losses recognised in net result	0	0
Depreciation	(4,273)	(1,178)
Impairment loss	0	0
Balance at 30 June 2015	33,943	7,138

Table 9.5 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–\$727,000 per unit (\$116,000 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	3–15 years (11.67 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–\$223,000 per unit (\$26,000 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 (10.02 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 10. Payables

	2015	2014
	\$'000	\$'000
Current payables		
Contractual		
Supplies and services (i)	3,636	4,119
	3,636	4,119
Statutory		
Other taxes payable	83	77
Total current payables	3,719	4,196
Total payables	3,719	4,196

Note:

(i) Comparatives for 2013-14 have been restated, refer note 2.

(a) Maturity analysis of contractual payables

Please refer to Table 17.5 in Note 17 for maturity analysis of contractual payables.

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

Please refer to Note 17 for the nature and extent of risk arising from contractual payables.

Note 11. Borrowings

		2015	2014
	Notes	\$'000	\$'000
Current borrowings			
Finance lease liabilities (i)	14	1,769	2,282
Total current borrowings		1,769	2,282
Non-current borrowings			
Finance lease liabilities (i)	14	2,388	1,839
Total non-current borrowings		2,388	1,839
Total borrowings		4,157	4,121

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 17.5 for maturity analysis of borrowings.

(b) Nature and extent of risk arising from borrowings

Please refer to Note 17 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 12. Provisions

	Notes	2015 \$'000	2014 \$'000
Current provisions			
Employee benefits (i) – annual leave (iv)	12(a)		
Unconditional and expected to settle within 12 months (ii)		1,681	1,415
Unconditional and expected to settle after 12 months (iii)		314	201
Employee benefits (i) – long service leave	12(a)		
Unconditional and expected to settle within 12 months (ii)		944	494
Unconditional an expected to settle after 12 months (iii)		742	845
		3,681	2,955
Provisions related to employee benefit on-costs	12(a)		
Unconditional and expected to settle within 12 months (ii)		430	325
Unconditional an expected to settle after 12 months (ii)		176	174
		606	499
Total current provisions		4,287	3,454
Non-Current provisions			
Employee benefits (i) (iii)	12(a)	545	641
On-costs (ii)	12(a)	93	106
Total non-current provisions		638	747
Total provision		4,925	4,201

(a) Employee benefits and related on-costs

Current employee benefits

Annual leave (iv)		1,995	1,616
Long service leave		1,686	1,339
		3,681	2,955

Non-current employee benefits

Long service leave		545	641
Total employee benefits		4,226	3,596

Current on-costs	12(b)	606	499
Non-current on-costs	12(b)	93	106
Total on-costs		699	605

Total employee benefits and related on-costs		4,925	4,201
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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 nominal amounts.

(iii) The amounts disclosed are discounted to present values.

(iv) Annual leave includes annual leave and time-in-lieu entitlements.

(b) Movement in Provisions

	On-costs	On-costs
	2015	2014
	\$'000	\$'000
Opening balance	606	586
Additional provisions recognised	325	304
Reductions arising from payments / other sacrifices of future economic benefits	(232)	(285)
Closing balance	699	605
Current	606	499
Non-current	93	106
Total movement in provision	699	605

Note 13. 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	
	2015	2014
	\$'000	\$'000
Defined benefits plan:		
State Superannuation Fund - Revised and New (i)	89	96
Defined contribution plans:		
VicSuper	908	905
Other	528	478
Total	1,525	1,479

Notes:

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

(ii) There are no outstanding contributions at year end.

Note 14. 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	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Finance lease liabilities payable					
Not longer than 1 year		1,964	2,479	1,769	2,282
Longer than 1 year and not longer than 5 years		2,547	1,973	2,388	1,839
Minimum future lease payments (i)		4,511	4,452	4,157	4,121
Less future finance charges		(354)	(331)	0	0
Present value of minimum lease payments		4,157	4,121	4,157	4,121
Included in the financial statements as					
Current borrowings lease liabilities	11			1,769	2,282
Non-current borrowing lease liabilities	11			2,388	1,839
				4,157	4,121

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 15.

Note 15. Commitments for expenditure

	2015	2014
	\$'000	\$'000
(a) Commitments		
Capital expenditure commitments		
Plant and equipment	1,483	2,950
Total capital expenditure commitments	1,483	2,950
Operating lease commitments		
Leasing of office and logistics facilities	3,352	3,515
Total operating and lease commitments	3,352	3,515
Other commitments		
Outsourcing		
– Information Technology & Communications	476	1,012
– Other	1,527	1,922
Total other commitments	2,003	2,934
(b) Commitments payable		
Capital expenditure commitments payable		
Less than 1 year	1,483	2,950
Longer than 1 year and not longer than 5 years	0	0
5 years or more	0	0
Total capital expenditure commitments	1,483	2,950
Operating lease commitments payable		
Less than 1 year	1,181	926
Longer than 1 year and not longer than 5 years	1,907	2,136
5 years or more	264	453
Total operating and lease commitments	3,352	3,515
Other commitments payable		
Less than 1 year	820	1,381
Longer than 1 year and not longer than 5 years	1,018	1,223
5 years or more	165	330
Total other commitments	2,003	2,934
Total commitments for expenditure (inclusive of GST) (i)	6,838	9,399
Less GST recoverable from the Australian Taxation Office	(622)	(854)
Total commitments for expenditure (exclusive of GST)	6,216	8,545

Note:

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

Note 16. Contingent assets and contingent liabilities

(a) Contingent assets

There were no contingent assets at balance date 30th June 2015 (nil: 2014).

(b) Contingent liabilities

There were no contingent liabilities at balance date 30th June 2015 (nil: 2014).

Note 17. 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 17.1 below.

Table 17.1 Categorisation of financial instruments (i)

	Contractual financial assets – loans and receivables		Contractual financial liabilities at amortised cost		Total	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Contractual financial assets						
Cash and deposits (i)	46,579	41,466	0	0	46,579	41,466
Receivables (i) (ii)						
- Accrued interest income	38	47	0	0	38	47
- Other receivables	624	306	0	0	624	306
Total contractual financial assets	47,241	41,819	0	0	47,241	41,819
Contractual financial liabilities						
Payables (i) (ii)						
- Supplies and services	0	0	3,636	4,119	3,636	4,119
Borrowings						
- Lease liabilities	0	0	4,157	4,121	4,157	4,121
Total contractual financial liabilities	0	0	7,793	8,240	7,793	8,240

Notes:

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

(ii) Comparatives for 2013-14 have been restated, refer note 2.

Table 17.2 Net holding gain/(loss) on financial instruments by category (i)

	Total interest income / (expense)	Impairment loss	Total
	\$'000	\$'000	\$'000
2015			
Contractual financial assets			
Financial assets – cash and deposits	786	0	786
Total contractual financial assets	786	0	786
Contractual financial liabilities			
Financial liabilities at amortised cost	284	0	284
Total contractual financial liabilities	284	0	284
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

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 17.3 Credit quality of contractual financial assets that are neither past due nor impaired (i)

	Government agencies (AAA credit rating)	Other (min BBB credit rating)	Total
	\$'000	\$'000	\$'000
2015			
Contractual financial assets			
Cash and deposits	20,000	26,579	46,579
Receivables (i)			
Accrued interest income	21	17	38
Other receivables	402	222	624
Total contractual financial assets	20,423	26,818	47,241
2014			
Contractual financial assets			
Cash and deposits	20,000	21,466	41,466
Receivables (i) (ii)			
Accrued interest income	30	17	47
Other receivables	303	3	306
Total contractual financial assets	20,333	21,486	41,819

Notes:

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

(ii) Comparatives for 2013–14 have been restated, refer note 2.

Table 17.4 Ageing analysis of contractual financial assets

	Carrying amount	Not past due and not impaired	Past due but not impaired			
			Less than 1 month	1-3 months	3 months - 1 year	1-5 Years
			\$'000	\$'000	\$'000	\$'000
2015						
Receivables (i)						
- Accrued interest income	38	38	0	0	0	0
- Other receivables	624	615	1	5	3	0
Total	662	653	1	5	3	0
2014						
Receivables (i) (ii)						
- Accrued interest income	47	47	0	0	0	0
- Other receivables	306	306	0	0	0	0
Total	353	353	0	0	0	0

Notes:

- (i) Ageing analysis of financial assets excludes statutory financial assets (e.g. amounts owing from Victorian Government and GST input tax credit recoverable).
- (ii) Comparatives for 2013-14 have been restated, refer note 2.

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 17.5 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
2015						
Payables (ii)						
- Supplies and services	3,636	3,636	3,627	9	0	0
Borrowings						
- Finance lease liabilities	4,157	4,511	341	577	1,046	2,547
Total	7,793	8,147	3,968	586	1,046	2,547
2014						
Payables (ii) (iii)						
- Supplies and services	4,119	4,119	4,119	0	0	0
Borrowings						
- Finance lease liabilities	4,121	4,452	422	781	1,276	1,973
Total	8,240	8,571	4,541	781	1,276	1,973

Notes:

- (i) Maturity analysis is presented using the contractual undiscounted cash flows.
- (ii) The carrying amounts disclosed exclude statutory amounts (e.g. GST payables).
- (iii) Comparatives for 2013-14 have been restated, refer note 2.

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 17.6.

Table 17.6 Interest rate exposure of financial instruments

	Interest Rate Exposure				
	Weighted Average Effective Interest Rate	Carrying Amount	Fixed Interest Rate	Variable Interest Rate	Non-Interest Bearing
	%	\$'000	\$'000	\$'000	\$'000
2015					
Financial assets					
Cash and deposits	2.34%	46,579	27,857	18,719	3
Receivables (i)					
- Accrued interest income		38	0	0	38
- Other receivables		624	0	0	624
Total financial assets		47,241	27,857	18,719	665
Financial liabilities					
Payables (i)					
- Supplies and services		3,636	0	0	3,636
Borrowings					
- Finance lease liabilities	7.12%	4,157	4,157	0	0
Total financial liabilities		7,793	4,157	0	3,636
2014					
Financial assets					
Cash and deposits (ii)	2.64%	41,466	22,009	19,454	3
Receivables (i) (ii)					
- Accrued interest income		47	0	0	47
- Other receivables		306	0	0	306
Total financial assets		41,819	22,009	19,454	356
Financial liabilities					
Payables (i) (ii)					
- Supplies and services		4,119	0	0	4,119
Borrowings					
- Finance lease liabilities	8.62%	4,121	4,121	0	0
Total financial liabilities		8,240	4,121	0	4,119

Notes:

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

(ii) Comparatives for 2013-2014 have been restated, except for the allocation of cash and deposits between fixed and variable interest rate exposure, as the Authority has determined that it is not practical to restate this due to the availability of data. Refer to note 2.

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 (2014: 100 basis points up and down).

Table 17.7 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 17.7 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
2015			
Contractual financial assets			
Cash and deposits (i)	46,579	(188)	188
Total impact	46,579	(188)	188
Contractual financial liabilities			
Borrowings (ii)	4,157	0	0
Total impact	4,157	0	0
2014			
Contractual financial assets			
Cash and deposits (i) (iii)	41,466	(194)	194
Total impact	41,466	(194)	194
Contractual financial liabilities			
Borrowings (iii)	4,121	0	0
Total impact	4,121	0	0

Notes:

(i) Cash and deposits includes \$18,719 thousand (2014: \$19,454 thousand) that is exposed to floating rate movements. Sensitivities to these movements are as follows:

- 2015: \$18,719 thousand x -0.01 = -\$188 thousand; and \$18,719 thousand x 0.01 = \$188 thousand; and
- 2014: \$19,454 thousand x -0.01 = -\$194 thousand; and \$19,454 thousand x 0.01 = \$194 thousand

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

(iii) Comparatives for 2013–14 have been restated, refer note 2.

(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 18. Cash flow information

(a) Reconciliation of cash and cash equivalents

	2015	2014
	\$'000	\$'000
Total cash and deposits disclosed in the balance sheet held by the authority	31,272	27,693
Total cash and deposits disclosed in the balance sheet held by volunteer units (i)	15,307	13,773
Balance as per cash flow statement	46,579	41,466

Note:

(i) Comparatives for 2013–14 have been restated, refer note 2.

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

	2015	2014
	\$'000	\$'000
Net result for the period (i)	5,956	4,754
Non-cash movements		
- (Gain)/loss on sale or disposal of non-current assets	(623)	(510)
- Depreciation of non-current assets	6,382	5,814
- Impairment of non current assets	170	0
Movements in assets and liabilities		
- (Increase)/decrease in receivables	(253)	199
- (Increase)/decrease in other non-financial assets	25	(62)
- Increase/(decrease) in payables	(478)	(749)
- Increase/(decrease) in provisions	725	211
Net cash flows from/(used in) operating activities	11,904	9,657

Note:

(i) Comparatives for 2013–14 have been restated, refer note 2.

Note 19. Reserves

	2015	2014
	\$'000	\$'000
Physical asset revaluation reserve surplus (i)		
Balance at beginning of financial year	6,760	6,760
Revaluation increments/(decrements)	0	0
Disposal or transferred out	0	0
Balance at end of financial year	6,760	6,760
Net changes in reserves	6,760	6,760

Note:

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

Note 20. Ex gratia expenses (i)

	2015	2014
	\$'000	\$'000
Compensation for economic loss	0	8
Total ex gratia expenses	0	8

Note:

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

Note 20. Responsible persons

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

Names

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

Minister for Emergency Services

The Hon. Jane Garrett, MP	4 December 2014 to 30 June 2015
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Minister for Police and Emergency Services

The Hon. Kim Wells, MP	1 July 2014 to 3 December 2014
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Board Members

Peter Akers, Chairperson	1 July 2014 to 30 June 2015
Roger Jones	1 July 2014 to 2 August 2014
Claire Higgins	1 July 2014 to 30 June 2015
Lawrence Russell	1 July 2014 to 30 June 2015
Barbara Yeoh	1 July 2014 to 30 June 2015
Helen Dyson	1 July 2014 to 30 June 2015
Ev Duke	1 July 2014 to 30 June 2015
Bernie Cronin	7 October 2014 to 30 June 2015

Accountable Officer of the Victoria State Emergency Service Authority

Stephen Griffin, Chief Executive Officer	1 July 2014 to 30 June 2015
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Remuneration

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

	2015	2014
	No.	No.
Remuneration band		
\$0 - \$9,999	1	0
\$10,000 - \$19,999	6	6
\$30,000 - \$39,999	0	2
\$40,000 - \$49,999	1	0
\$210,000 - \$219,999	0	1
\$260,000 - \$269,999	1	0
Total numbers	9	9
Total amount	398,102	366,491

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 was a director of Ambulance Victoria from 1 July 2014 to 5 December 2014. 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 22. 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	
	2015	2014	2015	2014
Income band	No.	No.	No.	No.
\$160,000 - \$169,999	0	1	0	2
\$170,000 - \$179,999	0	1	2	0
\$180,000 - \$189,999	2	0	0	0
\$190,000 - \$199,999	0	1	2	2
\$200,000 - \$209,999	2	1	0	0
Total numbers	4	4	4	4
Total annualised employee equivalents (i)	4	4	4	4
Total amount	778,159	744,383	735,553	723,213

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 (2014: nil).

Note 23. Remuneration of auditors

	2015	2014
	\$'000	\$'000
Victorian Auditor General's Office		
- Audit of the financial statements	62	61
	62	61

Note 24. 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 25. 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.

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 non cancellable contractual or statutory sources.

Depreciation

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

Effective interest method

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

Employee benefits expenses

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

Ex gratia 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 non derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial instrument

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

Financial liability

A financial liability is any liability that is:

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

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 non reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods or services, to particular taxpayers in return for their taxes.

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

General government sector

The general government sector comprises all government departments, offices and other bodies engaged in providing services free of charge or at prices significantly below their cost of production. General government services include those which are mainly non-market in nature, 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 short term and long term borrowings, amortisation of discounts or premiums relating to borrowings, interest component of finance leases repayments, and the increase in financial liabilities and non employee provisions due to the unwinding of discounts to reflect the passage of time.

Interest income

Interest income includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

Net 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

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

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 non produced assets such as land. User charges includes sale of goods and services income.

Supplies and services

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

Transactions

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

Style conventions

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

The notation used in the tables is as follows:

.. zero, or rounded to zero

(xxx.x) negative numbers

201x year period

201x-1x year period

The financial statements and notes are presented based on the illustration for a government department in the 2014 – 15 *Model Report for Victorian Government departments*. The presentation of other disclosures is generally consistent with the other disclosures made in earlier publications of the Authority's annual reports.

DISCLOSURE INDEX

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

Legislation	Requirement	Page Reference
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Ministerial Directions

Report of Operations – FRD Guidance

Charter and purpose

FRD 22E	Manner of establishment and the relevant Ministers	42
FRD 22E	Objectives, functions, powers and duties	4
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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.
AV	Ambulance Victoria	Provides emergency medical response, pre-hospital care and medical transport to Victorians.
CFA	Country Fire Authority	A volunteer and community based fire and emergency services organisation.
CMA	Catchment Management Authority	Hold regional waterway, floodplain, drainage and environmental water reserve management powers under the <i>Water Act 1989</i> .
DELWP	Department of Environment, Land, Water and Planning	Provides an efficient management approach for public and private land, and water for the people of Victoria.
DHHS	Department of Health and Human Services	Develops and delivers policies, programs and services that support and enhance the wellbeing of all Victorians.
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 and Emergencies Board	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.
OIMS	Operational Incident Management System	Used to manage and report on key emergency and non-emergency operational processes and resource management.
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.
VICPOL	Victoria Police	Provides policing services to the Victorian community 24 hours a day, seven days a week.
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.



“I have always been involved in volunteering to help others where needed.”

– Gary, Horsham unit

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