



VICTORIA



VICTORIA STATE EMERGENCY SERVICE

2015 – 16

ANNUAL REPORT

40 YEARS YOUNG

Communication objectives

This report provides an account of the Victoria State Emergency Service Authority (VICSES) during the 2015–16 financial year as required under the Financial Management Act 1994.

It provides a record of events and activities; acknowledges the contribution of VICSES volunteers, staff and supporters; and informs government and the public about VICSES services and their development during the 2015–16 financial year.

This report is available for viewing online:

ses.vic.gov.au

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SES

YEAR AT A GLANCE 2015-16

24/7

ALL HAZARDS/
ALL AGENCY
SUPPORT

5,208

VOLUNTEERS



SAFER COMMUNITIES
TOGETHER

Partnering with the community and other agencies to provide timely and effective emergency services whilst building community preparedness and resilience.



142

UNITS ACROSS
VICTORIA

234,697
OPERATIONAL
HOURS
IN 2015-16



206

CAREER
OFFICERS
& SUPPORT
STAFF

21,221

2015 / 2016

EMERGENCY EVENTS

8,765

IN REGIONAL
VICTORIA

12,456

IN MELBOURNE &
CENTRAL REGION



15,389

STORM CALLS



1,281

FLOOD CALL OUTS



1,165

ROAD RESCUES

KEY PERFORMANCE MEASURES

The headline performance measures for VICSES are contained in State Budget Paper 3, which specifies the emergency management capability required of the organisation. These are:



QUANTITY

The number of people that can be deployed by the Authority to respond to emergency events



QUALITY

The number of personnel and units trained and accredited to respond to road crash events



TIMELINESS

The time it takes our units to respond



PART ONE

ABOUT THE VICTORIA STATE EMERGENCY SERVICE

40 YEARS YOUNG

This year sees the 40th Anniversary of VICSES. From its origins as a Civil Defence Force, it has grown to be a vibrant organisation of committed volunteers with a shared desire to make a difference for all Victorians.

ABOUT US



Who we are

We have more than 5,000 volunteers – of all ages, professions and backgrounds – who have a shared desire to make a difference for all Victorians.

This dedicated group of community volunteers is backed up by a cohort of professional officers and staff responsible for the strategic and business success of the organisation.

Our people are highly skilled; well equipped, and trained comprehensively in a wide range of emergency environments. We engage directly with communities, supporting them on how best to prepare for emergencies; minimise impact when they occur; and strengthen the capacity to recover swiftly and safely.

What we do

VICSES is the control agency for flood, storm, tsunami and earthquake in Victoria.

Our primary role in emergency management has two key aspects:

- Help communities to prepare for emergency through effective planning, collaboration and education; and,
- Emergency response both during an event, and in its wake, so that communities stay strong, resilient and connected.

We operate the largest road rescue network in Australia. Specialist teams in 102 of 142 VICSES Units across Victoria provide a 24/7 response to road accident and trauma incidents.

VICSES actively supports the sector-wide 'all communities, all emergencies' approach of the coordinating agency for emergency management, Emergency Management Victoria (EMV). We assist Victoria Police in search and rescue operations and play an important role in supporting the Country Fire Authority (CFA), Metropolitan Fire Brigade (MFB), Parks Victoria (PV) and the Department of Environment, Land, Water and Planning (DELWP) during major bushfire and emergency incidents.

VICSES is a vital connector between levels of government through our role as the agency responsible for auditing municipal emergency management plans. We work closely with key partners and municipal councils throughout Victoria to develop and improve their emergency management plans; providing advice, information, education and training.

EMERGENCY MANAGEMENT

By definition, emergencies are disruptive, largely unpredictable, sudden, and potentially destructive. They can swiftly overwhelm normal protective measures and can be deadly.

Emergency management, then, requires swift, localised responses with trained and well-supported teams of committed people.

For VICSES, emergencies come in all sizes and scales. As the responsible agency of emergency preparation and response for flood, storm, tsunami and earthquake, VICSES has broad involvement at the front line of emergency management. This includes:

- Control agency for storm, flood, earthquake and tsunami
- Rescue of persons from, or endangered by:
 - Road, rail and aircraft incidents
 - Industrial incidents
 - Steep and high angle incidents
 - Buildings damaged or collapsed
 - Swift water
 - Other emergency or dangerous situations

- Support agency for:
 - Search and rescue on land, including caves, and on water
 - Evacuation
 - Incidents involving mass casualties
- Provision of information and advice to the community and government before, during and after emergency events.

VICSES works through 12 permanently staffed offices, including Victorian Head Office. There are 142 Units operating across Victoria (see map on page 21).

In 2015-16 VICSES volunteers attended 21,221 incidents and contributed 234,697 hours of their time to helping Victorians in trouble.



Emergency management involves the plans, structures and arrangements which are established to bring together the endeavours of government, voluntary and private organisations and communities in a comprehensive and coordinated way to deal with the whole spectrum of emergency needs, including prevention, response and recovery.

*Emergency Management
Victoria Manual*





COMMUNITY RESILIENCE

The landscape of emergency management is changing rapidly and our communities are changing in all ways – demographically, socially and in terms of need and expectation.

The potential for more severe and disruptive disasters has caused Australia’s governments – both Federal and State – to develop disaster resilience strategies that focus not just on the immediate event but also on preventing and preparing for emergencies and ensuring that in the aftermath of an event the community can recover quickly to be strong and healthy.

It is well evidenced that the stresses of everyday life faced by a community, whether at home, at work or elsewhere, can influence their capacity to prepare for, and respond to shocks: being sudden, sharp events that may threaten lives, property and the environment. At VICSES we operate within the community, not outside it. We engage directly with communities and partners, to achieve more aware, informed and prepared communities; supporting them to understand their risk and the relevance of taking action before, during and after emergency events.

OUR VISION

Safer Communities – Together

OUR MISSION

Partner with the community and other agencies to provide timely and effective emergency services whilst building community preparedness and resilience.

OUR VALUES

Integrity: Adherence to moral and ethical principles

Respect: Esteem for, or a sense of worth or excellence, of a person, a personal quality or ability

Trust: The obligation of responsibility – confidence

Responsive: Ready and receptive to act

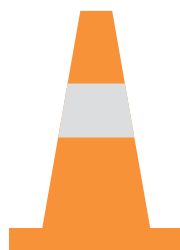
Innovative: New, different, change



VICSES CORPORATE PLAN 2015 – 18

There are five key themes that determine how VICSES operates:

1. People and culture – relationships, between people and across communities are the DNA of VICSES. Our members are committed to helping their communities. At the same time, we are committed to our members – their health, safety and capacity to work in a challenging environment. We support them with training and personal development to be resourceful, capable and able to lead in difficult times.
2. Community and industry partnerships – we work to ensure a higher level of self-reliance and preparedness in Victorian communities through targeted engagement strategies at all levels. We develop relationships that build resilience and facilitate effective service delivery.
3. Government support – VICSES collaborates extensively and effectively with all local governments to address the current and emerging needs of communities. We also have a proactive approach to engaging with State Government. This means ensuring we understand and respond to broader strategy and policy needs, while at the same time developing a strong advocacy mindset that puts the needs of our diverse communities at the fore.
4. Service delivery – VICSES people, resources and strategies are focused on emergency service provision at the community level. Service is our rationale and the measure of success.
5. Community awareness – the VICSES community resilience strategy focuses on increasing awareness of VICSES – what we do, how and when to contact us. We demonstrate, through our work and advocacy, that the organisation has value to Victorians and has a leadership role in influencing and supporting community actions and decisions before, during and after emergency events.



SERVICE
TO VICTORIANS
IS OUR RATIONALE
AND THE MEASURE OF
OUR SUCCESS

CHAIR'S FOREWORD

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

The capability of the Authority to deliver on its strategic objectives has been greatly enhanced throughout 2015-16 by the development and implementation of a number of far-sighted improvement strategies which, I am sure, will help us meet our ongoing goal of building and maintaining a powerful and sustainable volunteer and professional organisation.

One of the aspects of working with the Authority that I, and the rest of the Board, really appreciate is the skill, dedication and sheer community-mindedness of the people we meet. Volunteer and paid alike – whoever and wherever we meet them, we see people who want to make a difference and, instead of just thinking about it, are out there doing something to make us all proud.

The Board was very pleased to hold two Regional Board Meetings this year: one at Traralgon in August and another in the South Barwon Region in March. These provided valued opportunities to meet with local volunteers, community representatives and local government.

VICSES is an organisation that is larger than the sum of its membership precisely because people have the confidence and skills to take on a variety of roles. This includes especially those who take on roles in their units where management, administration and financial capabilities come to the fore.

It is important for us as Board members to keep learning about our volunteers and the communities in which they live. It helps remind everyone that our success is built on people and relationships.

It is pleasing to see collaboration and information exchange with partner agencies starting to deliver results. The Board itself has also benefited from a range of presentations and information sessions held with key stakeholders. The Emergency Management Commissioner was a guest speaker at the July 2015 Board Meeting.



His articulation of the vision and goals for emergency management in Victoria gave us a strong sense, not just of where we are, but what the future looks like.

We will also continue to work closely with all Councils through the Municipal Association of Victoria, and deliver a relevant and effective response, particularly at this time of funding and service constraints across the board.

In this, we especially appreciate the support and advocacy of the Minister for Emergency Services.

The Board also wishes to acknowledge the support of the many enterprises, large and small, who employ our Volunteers and allow them the time to attend incidents and emergencies wherever they occur.

The Board has reviewed the Authority's financial statements for the period 1 July 2015 to 30 June 2016. The net result for the Victoria State Emergency Service Authority for this period was a consolidated operating surplus of 6.931 million.

The Board has seen a couple of changes this year with the retirement of Helen Dyson and the appointment of Nina Brooks. I want to thank Helen for her positive and insightful contributions over the past nine years, particularly her guidance and advice on contractual and legal issues, and welcome Nina to the Board.

In closing, I gratefully acknowledge the hard work and contribution of all the Board Members, the Chief Executive Officer, executive management team and all our staff and volunteers throughout the year.

Peter Akers

Board Chair

CEO'S REPORT

I am very happy to commend our Annual Report 2015-16 to you. It's been a busy year that, as ever, has been underpinned by the extraordinary dedication and commitment of all our volunteers and staff.

I visit many VICSES locations throughout the year and really enjoy taking the time to meet our people and let them know we appreciate the terrific work they do on behalf of all Victorians.

Leading a primarily volunteer organisation is a special privilege – I am constantly refreshed and energised by the efforts of our people – their strength, compassion and willingness to take on the difficult emotional and physical tasks that so often confront them.

It is with this in mind that I would like to report on some significant strategic initiatives we have taken this year.

First of these is a Volunteer Strategy that looks ahead at the challenging demographic and societal drivers of change. While research highlights that the Australian commitment to volunteerism remains a high priority for many people, it is nonetheless true that today people find it harder to commit to a 'career' of community volunteering that lasts a couple of decades or more.

We are not alone in this balancing act – the majority of emergency management agencies in the Western world are facing similar issues. But I am confident our Volunteer Strategy is robust and well thought out, and will deliver the requisite people, capability and culture.

The second strategic pillar is a detailed Community Resilience Strategy that interconnects with the Volunteer Strategy. The great virtue of VICSES is that it is intimately linked to the communities it serves. We are there before emergency events, helping mitigate and avoid risk. We are there during the response and we are there when the community is recovering and rebuilding.

For us, Community Resilience is not so much a new direction as a reaffirmation of what we have always done as a community-based volunteer organisation.

The third of this suite of initiatives is the Service Delivery Strategy. This is a look at what kind of an organisation we need to be to stay relevant, vibrant and effective over the next decade.



Together these key pieces of work make visible the pathway forward for us. I believe that the future of VICSES rests on our ability to form and maintain strong, collaborative partnerships with all stakeholders – from individual volunteers and their families through to State and local governments.

The 2015-16 year has seen VICSES volunteers and staff respond to more than 21,000 incidents, totalling more than 234,000 hours of their time. That so much of this time is given freely and generously to help Victorian communities is what invigorates me, personally, every day.

We have had to respond to a number of significant events in Victoria this year, including flash flooding in Geelong and Torquay following severe storms; and the devastating Wye River bushfire that required VICSES support to the CFA from Christmas Day to mid-January.

We received many messages of support and thanks for the professional way our people dealt with these and many other incidents. I think this is another indicator that the training and skill of our people is highly valued by the community.

I'm also pleased to say that George McPherson (Myrtleford), Valerie McPherson (Myrtleford), Des O'Meara (Yarrawonga) and Kevin Poile (Maroondah and Whitehorse) were awarded honours on Australia Day in recognition of the contributions they have made in their communities.

I want to thank the Board, our executive team, all our dedicated volunteers and staff for the exemplary service they have given. Collectively this is a key element in making VICSES a respected and significant member of the emergency services sector.

A handwritten signature in orange ink, which appears to read 'S. Griffin'. The signature is stylized and fluid.

Stephen Griffin
Chief Executive Officer

OUR BOARD

VICSES is governed by a board of directors who are accountable to the Minister for 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 had an extensive career in the public sector and previously held senior executive roles in emergency services and local government and holds qualifications in civil engineering, local government and management.

Peter is a former Chairman and Director of the Australian Fire Authorities Council and 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 Risk and Audit Committee, and a member of the Remuneration Committee.

Barbara has had an extensive executive career in the finance sector and has held a wide range of directorships over the past 30 years, in both the public and private sectors. She is currently Chair of Monash Health, Member of the Australian Health Practitioner Regulation Agency (AHPRA) Management Committee and Deputy Chair of the Civil Aviation Safety Authority Board Audit Committee.

Barbara is also a Principal Associate of Phillips KPA, 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 (caring for homeless people) and Chairperson Catholic Social Services Victoria. 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.

Nevenka (Nina) Brooks

Director

Nina took up a Board position with VICSES in January 2016. She is a qualified human resources leader with comprehensive strategic and operational knowledge gained through partnering with businesses across a variety of industries to underpin the achievement of commercial results.

Nina is the Human Resources Manager at the National Transport Commission. Previously Nina held HR positions at Hi Fert Pty Ltd, International Flavours & Fragrances (Australia) Pty Ltd, the Hay Group and Arthur Andersen.

She is currently a board member of Otway Health and Chair of the Otway Health CEO Management Committee. Nina has also held positions on the Otway Health Finance Committee and Board Selection Committee.

Nina is a member of the Remuneration Committee (replacing Helen on this Board subcommittee).

Claire Higgins

Director

Claire was first appointed to the Board in September 2007. Claire is a member of the Board's Risk and Audit Committee (previously named 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 REI Superannuation Pty Ltd. In addition, she is a Director of Vital Healthcare Management Limited, Ryman Healthcare Limited, Non-executive Director at Pancare Foundation Inc.

Lawrence (Laurie) Russell ESM

Director

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

Laurie was a foundation member of the 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.

Helen Dyson

Director

Helen was initially appointed to the Board in June 2006. Helen was a member of the Remuneration Committee until her retirement from the Board in December 2015.

Helen has extensive corporate experience with 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 has held board positions on the Coles Myer Superannuation Fund and the Australian Institute of Superannuation Trustees.

OUR EXECUTIVE MANAGEMENT TEAM

Stephen Griffin

Chief Executive Officer

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

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 in May 2006.

Prior to VICSES, Trevor spent his career at CFA, successfully taking on operational and general management roles in rural and regional Victoria, and in outer metropolitan Melbourne.

He leads VICSES Operations, working with other emergency management agencies, providing joint capability and capacity to prepare the community and to deal with emergencies in an all communities, all emergencies environment.

Trevor is accountable for leading service delivery through 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 state-wide 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, as a Business Analyst at Medibank Private and held a number of public sector finance roles in Queensland.

John is a Graduate of the Australian Institute of Company Directors (GAICD) and is a Certified Practising Accountant (CPA).

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

Kate White

Director Community Resilience and Communication

Kate was appointed to the position of Director Community Resilience and Communications in March 2016 after joining VICES in 2011 as the Manager Emergency Management Planning.

Kate has extensive experience in emergency management, event management, finance and banking across the public and corporate sectors. She has worked directly with disaster affected communities and volunteers.

Kate is currently undertaking a Master of Philosophy in Disaster Resilience and Community Safety at Monash University.

Kate's areas of responsibility are Community Connections, Emergency Management Planning and Media and Communications.



MEETINGS OF THE VICSES AUTHORITY

Board responsibilities

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 strategy and the organisation's corporate plan; monitoring its implementation and performance against the corporate plan objectives; 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 2015–16, and attendance by Board members, are set out below:

Board		Board Sub-Committees	
Board Directors	Board meetings	Risk & Audit Committee	Remuneration Committee
P Akers	11	3*	2
B Yeoh	9	6	2
C Higgins	9	6	-
L Russell ⁽⁴⁾	7	-	-
E Duke	10	3	-
B Cronin	9	-	-
N Brooks ⁽²⁾	5	-	1
H Dyson ⁽³⁾	5	-	1
Total number of meetings held during the financial year	11	6	2

1. Committee meetings are open to all Board Directors to attend. Where a Board 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 1 January 2016.
3. Board Director appointment ended 31 December 2015.
4. Board Director appointment ended 31 December 2016. Re-appointed as Board Director effective 24 April 2016.

Board committees

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

Risk and Audit Committee

Monitors and advises on matters relating to:

- 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
- VICSES legal compliance.

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.

Sub-committee membership at 30 June 2016

Risk and Audit Committee

(Note: prior to March 2016, this Committee was known as the Governance, Finance and Audit Committee)

Barbara Yeoh (Chair)

Claire Higgins

Ev Duke

Remuneration Committee

Peter Akers (Chair)

Barbara Yeoh

Helen Dyson – resigned from Board
31 December 2015

Nina Brooks – appointed by the Board
to the Committee 24 April 2016

ORGANISATIONAL CHARTS

VICSES Structure

Chief Executive Officer			
Chief Officer Operations	Director Community Resilience and Communication	Director Corporate Services	Director Human Resources
<ul style="list-style-type: none"> • Operations: Capability • Operations: Readiness • Regional Management • Unit Management 	<ul style="list-style-type: none"> • Community Connections • Emergency Management Planning • Media and Communications 	<ul style="list-style-type: none"> • Assets and Infrastructure • Finance and Administration • Information Services • Projects, Planning and Risk 	<ul style="list-style-type: none"> • Human Resources • State Training • Work Health and Safety • Learning and Development

Ministerial reporting

Office of the Premier
<p>Minister for Emergency Services</p> <ul style="list-style-type: none"> • Emergency Management Victoria (sector-wide coordination) • Country Fire Authority • Country Fire Authority Appeals Commission • Emergency Services Telecommunications Authority • Metropolitan Fire and Emergency Services Board • Metropolitan Fire and Emergency Services Board Appeals Commission • State Crisis and Resilience Council (multi-agency) • Victoria State Emergency Service

Victoria's emergency services approach

Outcome: Safe, prepared and resilient communities supported by timely and effective emergency services
Goal: Safer Communities. Together. / All communities, all emergencies
Approach: Prepare, Respond, Recover. Build resilience through education, support and action
Enablers:

Communities	Government Agencies
<ul style="list-style-type: none"> • Individuals and families • Neighbourhoods and towns • Businesses • Regions • Statewide response • Community-level planning • Volunteers in the community • Education and involvement 	<ul style="list-style-type: none"> • Federal contribution • State Control, Regional Action • Emergency Management Victoria coordination • Local Government • Multiple agency responses – seamless service delivery

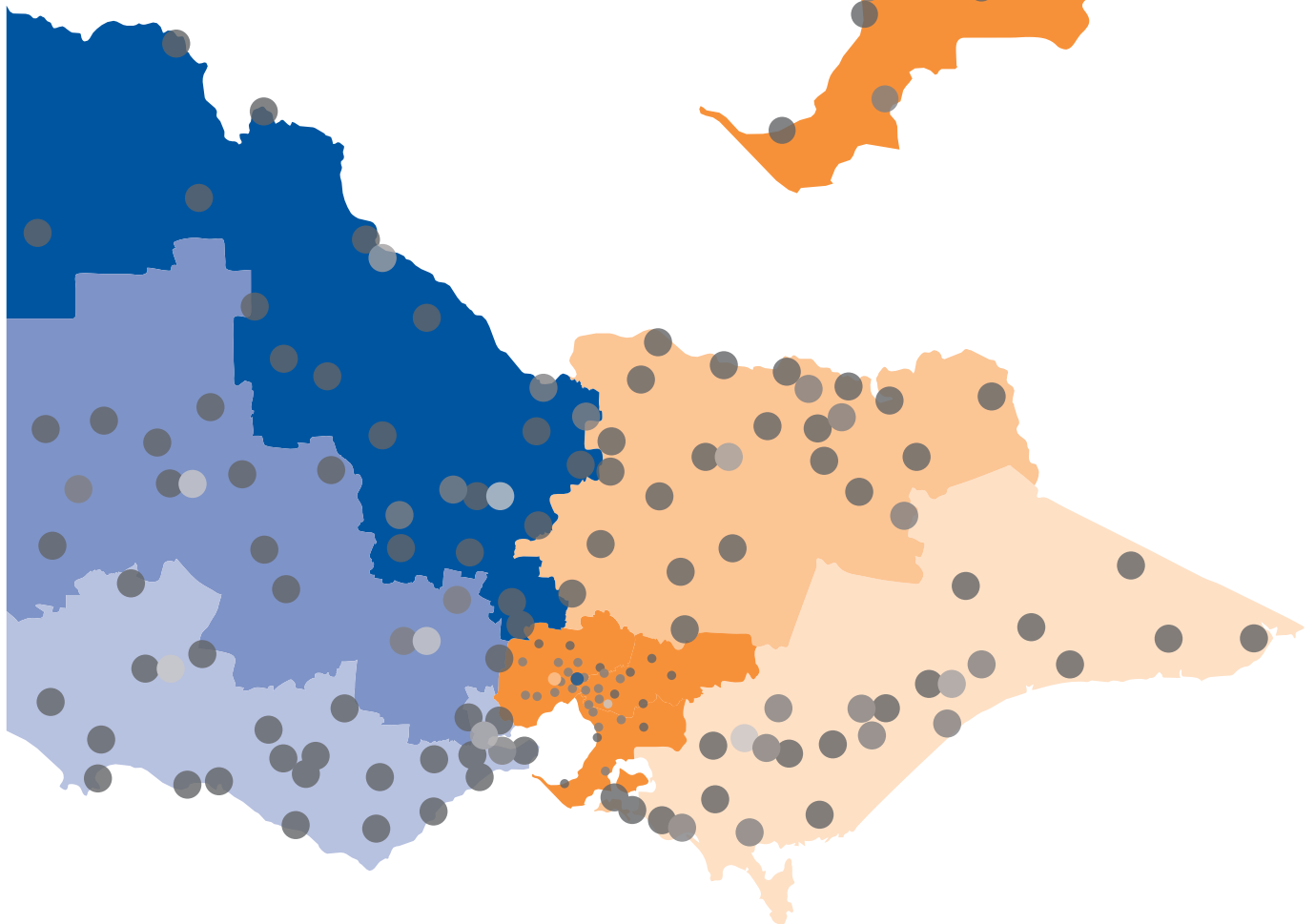
VICSES Maps

VICSES covers all of Victoria, through 142 units based in six Regions, plus Head Office. Seventy percent of our units are accredited for Road Crash Rescue emergencies. The spread and activity of units is shown in the maps below.

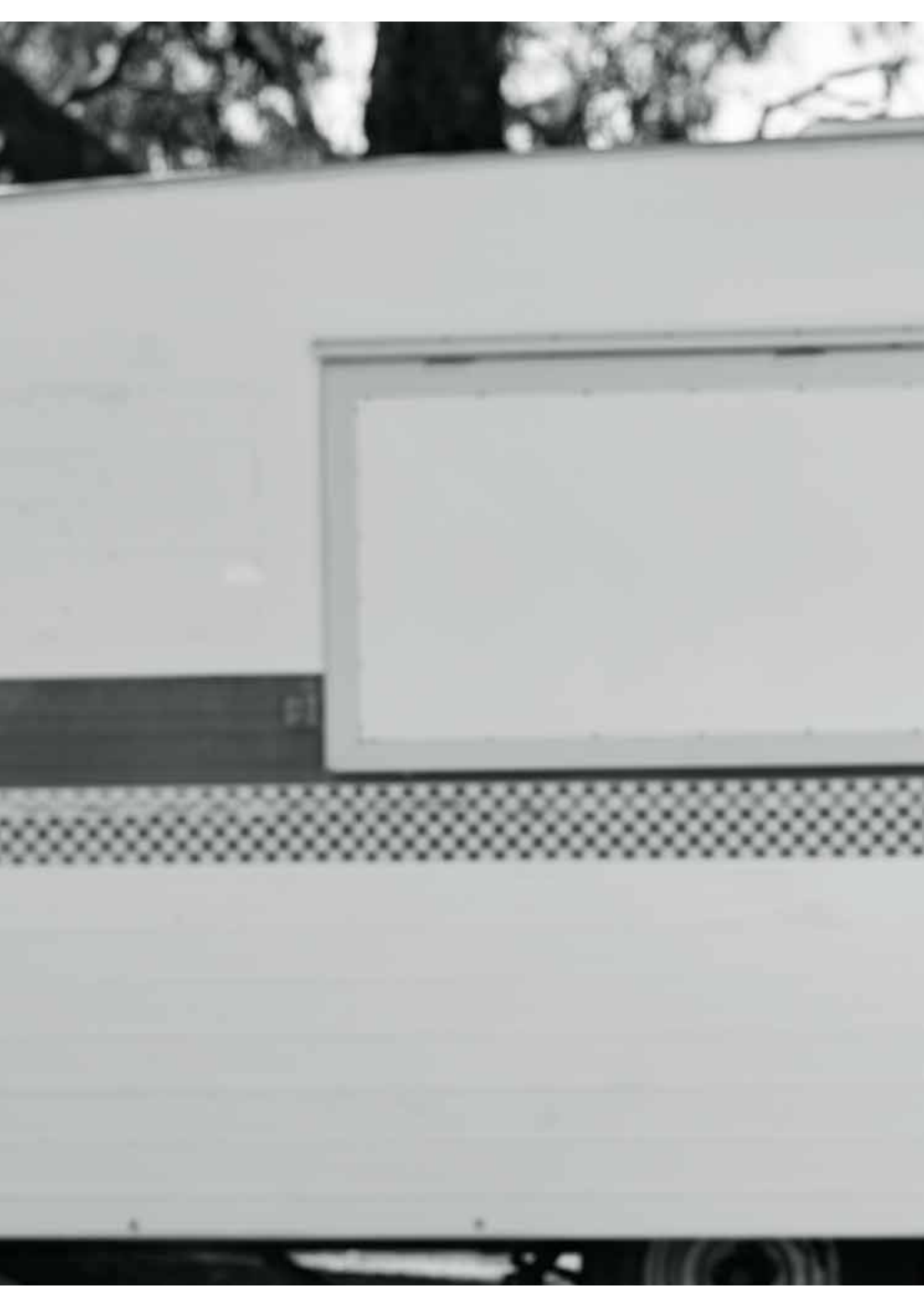
SES Map Key

- Unit Road Rescue Accredited
- Unit General
- Regional Office
- Regional Head Office
- State Logistics Centre
- Victorian Head Office

VICSES Units

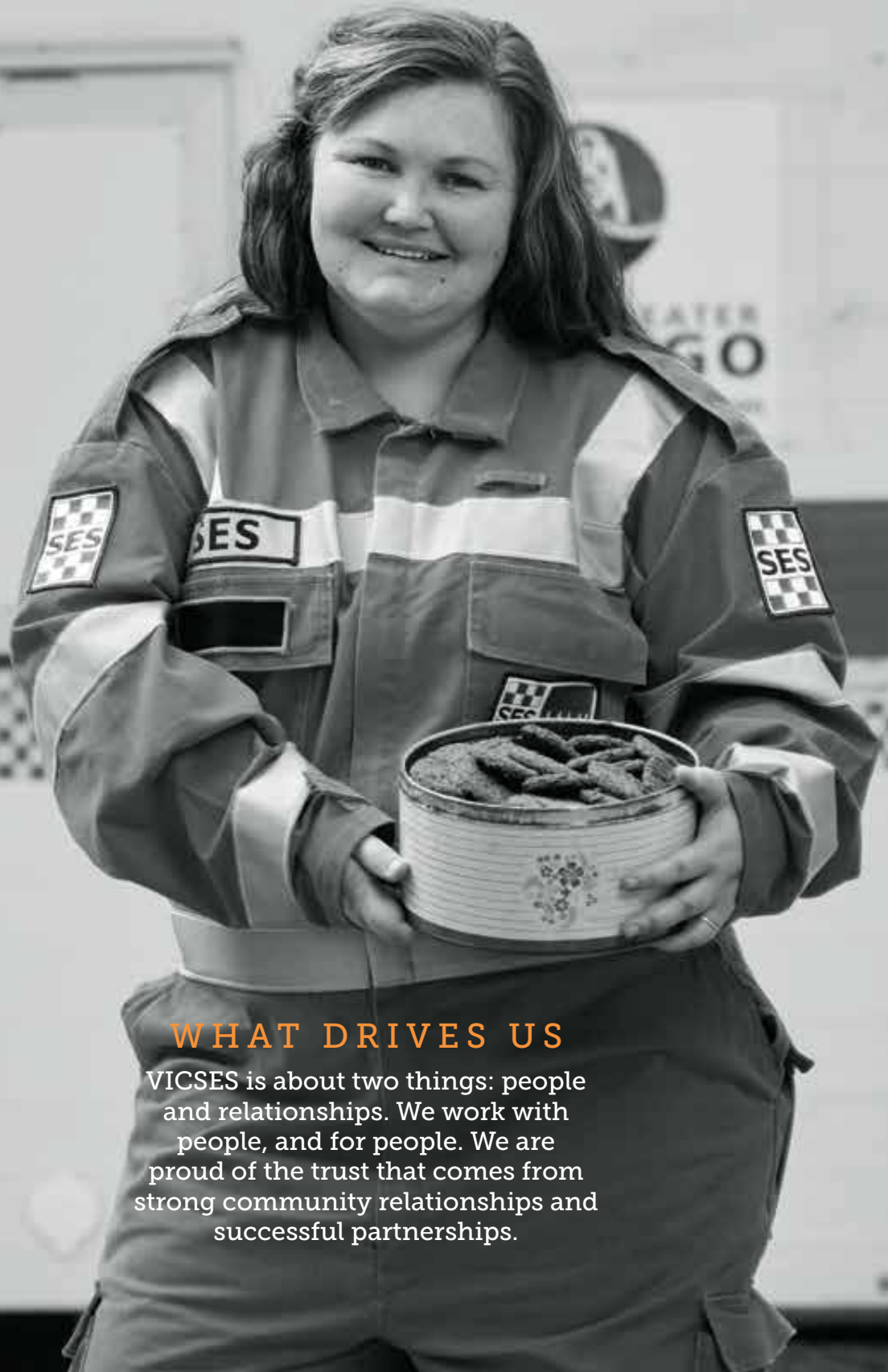


Central Region (enlarged)



PART TWO

2015-16 OPERATIONS, PEOPLE & RELATIONSHIPS



WHAT DRIVES US

VICSES is about two things: people and relationships. We work with people, and for people. We are proud of the trust that comes from strong community relationships and successful partnerships.

EMERGENCY MANAGEMENT CAPABILITY

The Victorian Government supports a coordinated, all hazards approach to emergency management that is focused on risk mitigation and active partnership with the Victorian community.

VICSES reports to the Victorian Government through the Minister for Emergency Services.

The key operational measures that we report on are:

- Quantity – the number of people that can be deployed by the Authority to respond to emergency events
- Quality – the number of personnel and units trained and accredited to respond to road crash events
- Timeliness – the time it takes our units to respond.

These performance measures, benchmarks and targets are specified in *Budget Paper 3: Service Delivery*. The relevant measures are in the table below.

Key performance measures of VICSES for Budget Paper 3

Major outputs, deliverables and/or performance measures	Unit of measure	June YTD		
		Target	Actual	% Variation
Output – Emergency Management Capability				
Quantity				
Permanent operational staff	number	57	77	+35%
Permanent support staff	number	115	90	-22%
Volunteers - operational	number	3,589	3,585	0%
Volunteers – support	number	570	562	-1%
Quality				
Road crash rescue accredited brigades/units	number	102	102	0%
Level 3 Incident Controller trained staff and volunteers	number	8	8	0%
Timeliness – road accident rescue				
Emergency response times meeting benchmarks	per cent	90%	93%	+3%
Emergency response times meeting benchmarks	number	n/a	762	
Total number of emergency responses	number	n/a	815	

Volunteer breakdown – active volunteers

Operational		Volunteers (number)
Controller		143
Deputy Controller		273
Unit Officer		351
Member Ordinary		2,818
Sub total		3,585
Non-operational		
Associate member*		438
Probationary member		506
Junior member		56
Sub total		1,000
Total Active Volunteers		4,589

Volunteer breakdown – non-active volunteers**

		Volunteers (number)
Non-active volunteer		410
Volunteer on leave		209
Total Non-Active Volunteers		619

* Associate Members are not included in Budget Paper 3 reporting.

** Not included in count of Operational Members for Budget Paper 3 reporting.

PLANNING FOR A RESILIENT FUTURE



Whole-of-organisation initiatives

This year has seen the development of a suite of initiatives that will deliver an increased capacity to meet our key business and social objectives across the whole of VICSES.

- Volunteer Strategy
- Community Resilience Strategy
- Service Delivery Strategy

Together, these provide a pathway for the next decade that highlights the critical things we have to get right to be effective and relevant to the Victorian people.



VOLUNTEER STRATEGY

The story of VICSES is one of collaboration and support. If the organisation – with its assets, infrastructure and permanent staff – does not plan effectively and implement strategies that support and engage volunteers, then its future is compromised.

As an organisation that is 95% volunteer, we are totally dependent on the continued goodwill of our members, their employers and our ability to attract and retain volunteers into the future.

Significant challenges we face include the way we attract and retain volunteers; how we build their skills and capabilities; and how we cope with changes to availability, as people juggle career and family. While research highlights that the Australian commitment to volunteerism remains a high priority for many people, it is nonetheless true that today people find it harder to commit to a 'career' of community volunteering that lasts a couple of decades or more. People move and change jobs more regularly, families grow at different rates, education for many continues far beyond their teenage years. This means our volunteers are also looking for flexibility in how they work with us. We have to provide that flexibility if we are to maintain a sustainable organisation that is there for the Victorian community when it is needed.

Some of our units are in areas facing significant population decline or face an increasingly older age profile. Other units, particularly those on the urban fringe, are experiencing and will continue to experience, significant population growth.

We are not alone in this balancing act – the majority of emergency management agencies in the Western world are facing similar issues. But I am confident our Volunteer Strategy is robust and well thought out, and will deliver the requisite people, capability and culture. It is a strategy that encourages flexible, nimble responses at the unit level.

We're good at collaboration and we're good at team work.

The Volunteer Strategy ensures our volunteers have the skills, competencies, support and structure in place to meet our current needs.

Beyond that it identifies how to meet our future needs in a social and physical environment that is in a state of transition.

The Volunteer Strategy focuses on:

- Planning future needs on the basis of community partnerships and participation
- Designing an organisation that puts volunteers and volunteering top of mind
- Developing high performing people who work in a collaborative, well-managed environment and go home safe afterwards
- Learning and Development programs that position our volunteers as skilled leaders in the response to local emergencies
- Developing a Leadership Culture; that is, one where trust is high, communication is effective and people are valued
- Ensuring the health and wellbeing of all volunteers with proactive strategies and management programs
- Engaging with our people, and listening to what they say
- Recognising and rewarding achievement.

It will improve the confidence and capability of volunteers; give them tools and resources they need to do the jobs; and provide choices that allow them to serve their communities in ways that make sense to them.



Research highlights again and again that the Australian commitment to volunteerism remains a high priority for many people in the community.



COMMUNITY RESILIENCE STRATEGY

The VICSES Community Resilience Strategy is the result of an extensive research and consultative process conducted throughout 2015-16.

It outlines the way we will work with communities and with our key operational partners and external stakeholders to achieve more aware, better informed and prepared communities.

A resilient community is one that can survive, adapt and grow in the face of stresses (everyday challenges) and shocks (emergency events). It is self-sufficient and able to maintain systems and structures without being wholly dependent on external help.



A resilient community has strong infrastructure and institutions, as well as strong links between people and services. A resilient community is better equipped to cope with disasters and recover more quickly. It has internal strength and confidence.

VICSES Community Resilience Strategy



Community resilience is something that is built over time. It includes confidence, self-reliance and belief in those around you as well as more formal aspects such as training, infrastructure design and material preparation.

VICSES has adopted EMV's definition of a resilient community, as outlined in A Modern Emergency Management System for Victoria (October 2015):

"Increasing a community's resilience involves a focus on the strength and sustainability of a community's infrastructure and institutions, as well as building and strengthening the links between people and the services, systems and structures that support the community to function."

The Community Resilience Strategy outlines the way we will work with communities and partners, to achieve more aware, informed and prepared communities.

There are three main strands in the strategy:

Build capacity

VICSES will support communities, partners and stakeholders to become more aware, better prepared and informed when faced with impacts and consequences of adverse events.

Increase connectedness

Connection: across businesses, groups, townships, suburbs and individuals – is what underpins resilience. Knowing I am not on my own; that we can look to others; that all of us can contribute, is what turns a group of people into a viable, resilient community.

Foster collaboration

We are already a strong and collaborative partner in emergency preparation, response and rebuilding. Our research shows that we have an additional role to play as a facilitator – educating, prompting, and collaborating actively with communities in which we have a stake.

The Community Resilience Strategy will measure its success through the following three-year targets:

- 8% increase in the proportion of the community that is aware of their risk profile
- 15% increase in community engagement activities conducted by members that support communities to be better connected and active in preparing for future emergency events
- 12% increase in community partnership programs between VICSES and businesses, local groups and communities.

SERVICE DELIVERY STRATEGY

VICSES has developed a Service Delivery Strategy to help us identify the most effective and efficient ways to deliver services to our community. The strategy was launched in August 2015.

The Service Delivery Strategy makes clear how we will meet current and future expectations of service delivery in a financially constrained environment where demographic change and population movement are rapid and difficult to plan around.

In addition to shifting individual, community and business perceptions of volunteering and community service, the *hazardscape*, or the range and context of emergency events, is changing rapidly. VICSES volunteers are now being requested to assist with anti-terrorism investigations, drug-lab crime scenes and other functions that were not anticipated ten years ago. While multi-agency cooperation is essential to effective service delivery, we have seen some function creep in relation to the support services we provide to other agencies. Support requests have markedly increased in the last five years. As well, the length of time of each callout and the number of personnel needed has significantly increased.

The Service Delivery Strategy addresses these and other issues by ensuring:

- VICSES responds to emergencies in an effective, timely, flexible and responsive way, meeting the challenges of changing climate, population and cultural diversity
- VICSES provides connection and engagement so communities better understand their risks and take appropriate collective action before, during and after emergencies
- Service delivery models built on effective structural arrangements, i.e. hub and spoke or clusters
- VICSES has systems, policies, procedures and processes in place to support evidence-based decision making and effective investment in service delivery
- VICSES has collaborative relationships and works with other agencies, government, and stakeholders to foster greater effectiveness and efficiency in emergency management.

The Service Delivery Strategy focuses on maintaining and building VICSES capacity to deliver front line services that represent value for money and meet the diverse needs of communities now, and into the future.

In doing so, it is important to highlight that service delivery ultimately depends on resourcing.



VICSES, like other volunteer emergency organisations, receives funding from a variety of sources. In the case of VICSES, the bulk of funding is provided by the State Government with substantial support also coming from local government via a contribution determined by area, population and need.

The local government contribution is not mandatory under legislation, and given the financial stress that many councils are dealing with, we have accordingly seen a number indicating they will reduce the value of their contribution or opt out of the scheme altogether. This is a significant emerging issue for VICSES as it has the potential to reduce our ability to provide the requisite standard of service that communities demand.



STATE OPERATIONS

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

Operations

Capability

- Capability and capacity planning
- Operational specifications and standards
- Operational improvement: Knowledge management, innovation, performance and capability assessment
- Safety monitoring and improvement

Regions

- Service delivery
- Unit management
- Volunteer support

Readiness

- Readiness for response
- Command and control
- Doctrine development and maintenance
- Resources planning
- Operational training
- Business continuity planning
- Operational communications

Emergency Response Activity Standards

Emergency Response Activity Standards (ERAS) are one of the chief mechanisms VICSES uses as a guide to support decisions about needs and capacity to respond to a wide variety of events.

ERAS allows us to do several things: identify resource needs of both personnel and equipment; plan and deliver the appropriate training and skill development as and where needed; and report on gaps that have been identified.

2015-16 saw a major upgrade in ERAS capability through a complete re-mapping and rewriting of the one hundred-plus emergency tasks undertaken by VICSES units. The ERAS technical and software system was also redeveloped to enhance local area planning and response.

Operational Communications Enhancement Project

The Operational Communications Enhancement Project (OCEP) is a multi-year program that will re-shape the way all of Victoria's emergency service organisations use radio communications. The project is overseen by EMV and will deliver a single, joined-up network for all Victorian emergency agencies.

VICSES is responsible for two main parts of the overall project:

- ACMA Compliance Project – scoping and managing delivery of a Managed Device Service (MDS). This will affect VICSES, Victoria Police, Sherriff's Office, Corrections Victoria and Life Saving Victoria initially. The MDS will deliver new radio terminals with better features and network access; 24/7 support; and greater equipment choice for on-ground units.
- Computer Aided Dispatch (CAD) Enhancement Project – this will improve VICSES response capability by allowing more accurate resource deployment (units and vehicles); more effective use of GPS features; and increased two-way communication during incidents.

Role and Training Pathways

The Role and Training Pathways project aims to standardise and formalise volunteer roles and the associated training and competency requirements. This will help volunteers understand clearly their potential progression and development pathways, and focus our training effort.

The project was initially developed in 2014-15 and has been broadened this year as a result of extensive consultation with VICSES volunteers and staff.



The project is one component of a broad suite of actions that will transform the way VICSES operates. These include the Volunteer Strategy, ERAS, a Learning Management System and Service Delivery Strategy described elsewhere in this Report. The common theme is to build a strong and capable force of experienced volunteers who have pride in their own skills, want to achieve their potential and see value in what they do for the community.

The outcomes of the project in 2015-16 include:

- A review of key Training Packages, including entry level training. This will identify individual skills and orientation and make better use of these
- Alignment of role statements with Emergency Management Response Standards (ERAS), Service Delivery Strategy and the Learning Management System to ensure that units and communities have the people and skills they need
- A trial version of an online tool has been released. In its final version this will clarify and standardise role statements, progression pathways and resource requirements.

Rescue Boat Review

VICSES is the Control Agency for flooding throughout Victoria. This includes flash flooding, riverine flooding, overland flood waters and urban flooding. VICSES maintains a large fleet of vessels deployed to these incidents.

Working with a range of agencies, including the Australian Maritime Safety Authority, Transport Safety Victoria and Victoria Police, VICSES volunteers and staff have put in place a detailed policy and procedural framework that ensures the management, safety and operational effectiveness of all VICSES maritime activities.

Outcomes of the review include:

- A Rescue Boat Concept of Operations – the rationale and strategic intent underpinning VICSES marine operations
- An overarching Safety Management Plan for rescue boat operations
- Creation of Standard Operating Procedures (SOPs), together with work instructions, for flood incidents, marine search and rescue operations
- Development of a rescue boat replacement strategy confirming VICSES vessel operating classes and operating environments within Victoria.



Swift water rescue

Land-based swift water rescue is a specialist activity that involves rescue operations on water during flash flooding or other flood incidents.

In practical terms, this usually means responding to incidents where individuals are either trapped by rising water or are floating along with the flow.

Victoria's multi-agency, land-based swift water project, led by VICSES, continued to build further capacity in this new and exciting capability throughout 2015-16. VICSES, CFA and Life Saving Victoria volunteers undertook training and skills maintenance on the Goulburn River, near Lake Eildon, throughout February and March 2016.

A total of 140 land-based swift water rescuers have now been trained in land-based swift rescues in the past two years.

OPERATIONS OF SIGNIFICANCE

VICSES operations cover the full range of emergency response, from search and rescue where a single individual is lost or missing through to major storm events that directly affect thousands.

The next pages describe the allocation of resources and the response of VICSES personnel during some of the major events that threatened Victorian communities in 2015-16.

Operations terms

Control Agency

Coordination is a critical part of emergency response. There may be a number of Agencies attending any given event, so the Government has given specific roles to each agency when there are multiple agencies involved. Obviously, CFA, DELWP or the Metropolitan Fire Brigade are the control agencies for fire emergencies.

VICSES is the Control Agency for flood, storm, tsunami and earthquake emergencies.



Support Agency

VICSES staff and volunteers often take part in emergency responses where they provide support and expertise to the agency that has the Control Agency role at that time, and for that event.

VICSES can be either a control or support agency for rescue emergencies such as road rescues, building or structural emergencies.

In support roles, volunteers work with fire, police and ambulance services, as well as organisations such as DEDJTR, DHS, DPI, VICROADS and local Councils and others. Tasks can range from search and rescue to community warnings and impact assessments.

Declared Operations

Declared Operations are significant events requiring the allocation of resources and personnel for sustained periods to support a response in either a control or support capacity. They are declared by the VICSES Chief Officer Operations in accordance with the Victoria State Emergency Service Authority Act 2005.

RFA – Request for Assistance

A request for SES response to an incident made by a member of the public, another agency or a SES member.

Event	Date/s	Detail
Severe weather	25 – 26 November 2015	<p>A severe weather warning for storms and damaging winds up to 100 km/h coincided with extreme bushfire conditions to present a dual risk of fire and storm in regions across the State.</p> <p>VICSES members responded to more than 1160 requests for assistance (RFAs). There were no injuries, but damage was widespread, ranging from uprooted trees and traffic hazards through to serious building damage.</p>
Agency support – SA bushfires	26 – 30 November 2015	<p>Bushfires in South Australia placed significant demands on local emergency services personnel. On 25 November, two people were killed, one was missing and a number of people, including firefighters, were injured. SA's Country Fire Service requested support from Victoria's EMV.</p> <p>A multi-agency Taskforce of CFA, DELWP and VICSES personnel was deployed to SA on 26 November.</p>
Assist fire agencies – Victorian bushfires	18 December 2015 – 31 January 2016	<p>Victoria's bushfire season was devastating for many communities across the state. Severe fire danger alerts were issued in multiple districts over two weeks as adverse fire weather made control extremely difficult.</p> <p>On 25 – 26 December hot, dry northerly winds escalated fire activity around the township of Wye River in the State's south west. One hundred and sixteen homes were destroyed on Christmas Day.</p> <p>Throughout the month of January, VICSES participated in the management of traffic, staging areas, incidents and clean-up activities in support of the CFA and DELWP.</p> <p>Over this period SES had a Significant Storm and Flash Flood Event. On 27 January VICSES received over 520 RFAs in just three hours, with the bulk of requests relating to flooding, building damage, and the swift water rescue of people trapped by floodwater or stranded in vehicles.</p>
North East Declared Operation – Seymour flash flooding	4 – 5 January 2016	<p>Despite efforts to rescue a man, he tragically drowned after driving his car into floodwater, following a flash flood in Seymour</p>
Assist agency – Victoria Police	15 – 16 January 2016	<p>20 VICSES volunteers assisted police in a land search in the Myrtleford area. Police later found the body of a missing Whorouly woman. A man has been charged with her murder.</p>
Severe weather	18 – 19 March 2016	<p>A strong cold front pushed over central Victoria producing damaging winds of 40-50 km/h with gusts up to 117 km/h. Wind gusts of up to 96km/h were recorded in parts of Melbourne, resulting in more than 1,300 RFAs.</p>
Severe weather	1 – 3 May 2016	<p>A line of severe thunderstorms tracked across the State with areas in the east and south east of Melbourne being amongst the hardest hit areas.</p> <p>VICSES responded to over 1,300 RFAs, mainly involving trees down, traffic hazards and building damage.</p>
Assist DELWP Algae Bloom Response	2 March – 22 June 2016	<p>A significant heat event in northern Victoria triggered a major Blue – Green Algae bloom that covered hundreds of kilometres of inland rivers, severely affecting the availability of fresh water in many rural towns.</p> <p>The VICSES Benalla Incident Control Centre was used to support operations by the Department of Land Water and Planning (DELWP). VICSES Incident Management Teams supported the response at local, regional and state control centres.</p>

STATE OPERATIONS DATA

Overview

In an average year, VICSES volunteers will handle about 25,000 calls for assistance. Of those, almost 90% are related to storm and flood damage. These are emergencies where VICSES is the control agency, leading management of the emergency incident.

Four per cent, approximately 1,000 involve road accident rescues.

In approximately 1,700 cases annually, VICSES operates as a support agency, assisting Ambulance, CFA, Police and other agency personnel as they deal with emergencies.

The charts below show the detailed breakdown of incident responses over the 2015-16 financial year. Also shown are the five-year trend figures and performance in meeting response times.

2015-16 Incidents by region

	Storm	Flood	Earthquake	Rescue Other	Support Other Agency	Non-ops Tasks	Road Rescue	Total for Region	%
Central	9,773	822	0	260	756	483	362	12,456	58.70%
East	1,511	86	0	48	197	138	147	2,127	10.02%
Mid West	589	19	0	23	155	60	69	915	4.31%
North East	1,525	83	0	49	330	178	215	2,380	11.22%
North West	1,015	50	0	21	180	97	170	1,533	7.22%
South West	965	211	0	46	230	109	202	1,763	8.31%
VHO*	11	10	0	1	23	2	0	47	0.22%
Total	15,389	1,281	0	448	1,871	1,067	1,165	21,221	100%

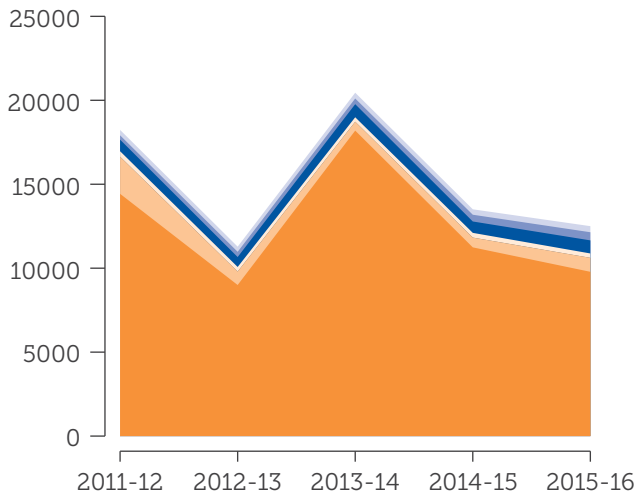
2015-16 Hours by region

	Storm	Flood	Earthquake	Rescue Other	Support Other Agency	Non-ops Tasks	Road Rescue	Total for Region	%
Central	48,338	3,026	0	694	21,853	42,975	2,810	119,696	51.00%
East	7,942	647	0	261	4,754	7,361	1,875	22,840	9.73%
Mid West	2,812	82	0	547	3,430	9,308	1,479	17,658	7.52%
North East	6,138	310	0	1,057	10,045	9,284	2,852	29,686	12.65%
North West	4,252	326	0	91	7,686	6,208	2,065	20,628	8.79%
South West	5,488	2,404	0	380	4,816	6,740	3,022	22,850	9.74%
VHO*	264	323	0	0	677	75	0	1,339	0.57%
Total	75,234	7,118	0	3,030	53,261	81,951	14,103	234,697	100%

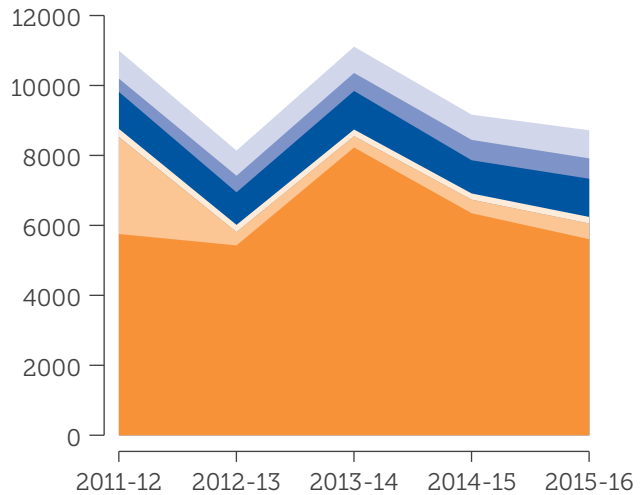
*Victorian Head Office

Number of Incidents – 5 year trending

Central & VHO



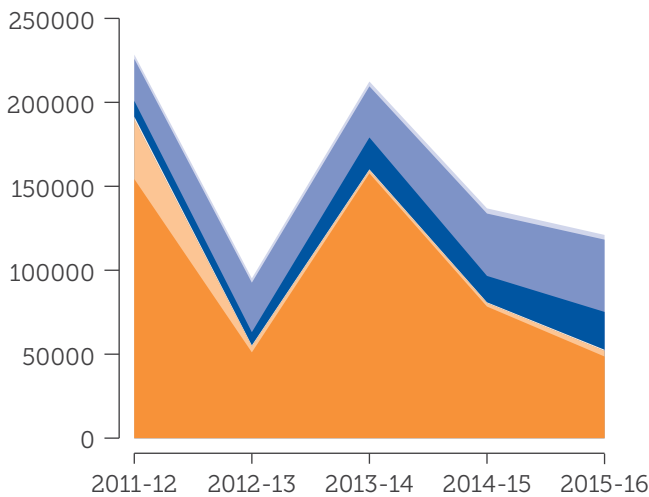
Other Regions



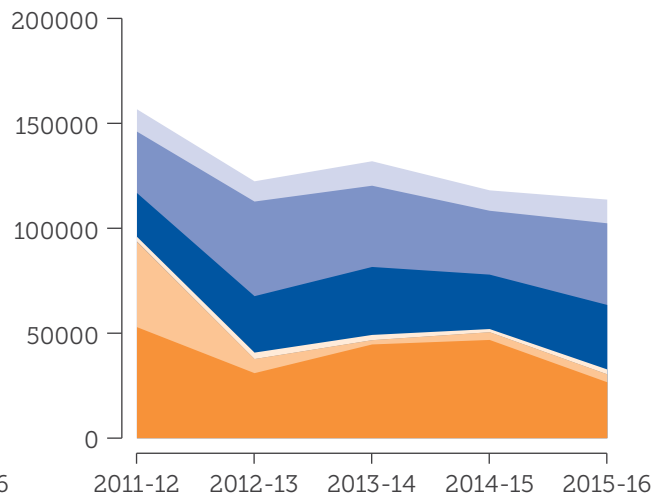
VICSES Central Region accounts for two-thirds of all incidents. Accordingly, Central Region is represented separately to the chart for rural and country Victoria.

Number of Hours – 5 year trending

Central & VHO



Other Regions



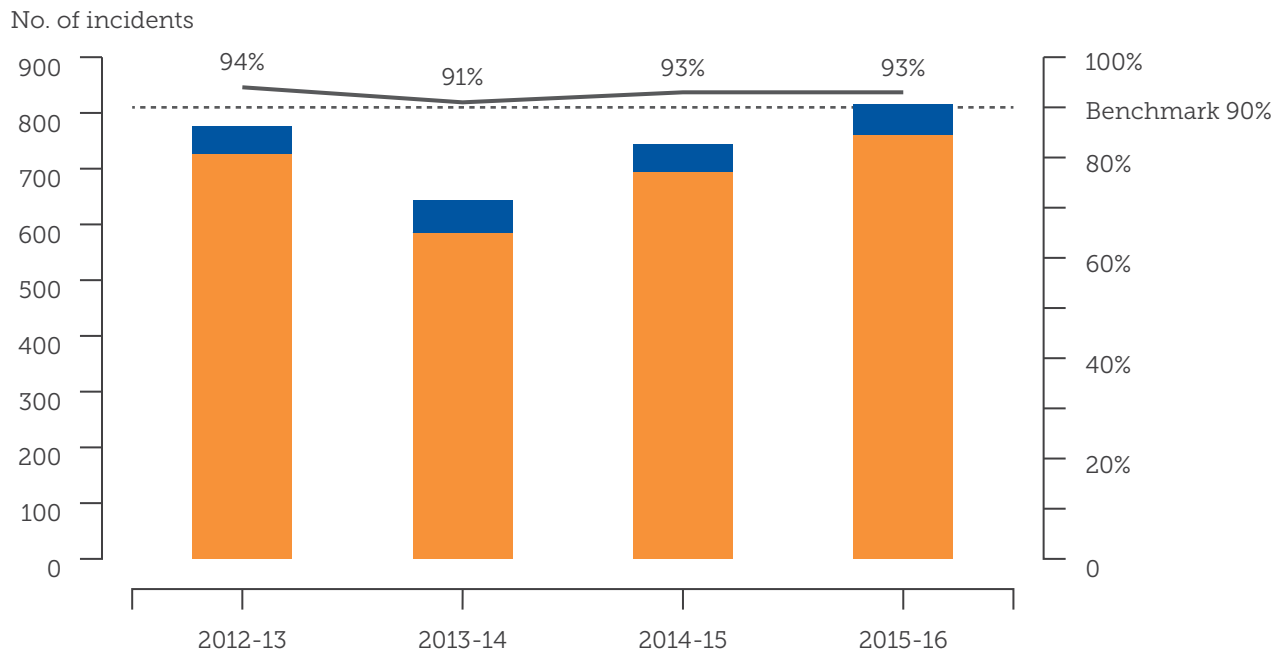
As is shown in both these charts, storm and flood incidents vary according to weather events. By contrast, the five-year data for non-operational and support other agency activities shows these are trending upwards in terms of the time VICSES staff and volunteers commit.

Trend Graph Key

- Storm
- Flood
- Rescue Other
- Support Other Agency
- RAIR Rescue
- Non-ops Tasks
- Earthquake

Note: Earthquake incident and hours data too small to be represented graphically.

90th Percentile on Road Rescue Crew Response 4 year trending (2012-13 – 2014-15)



SES Map Key

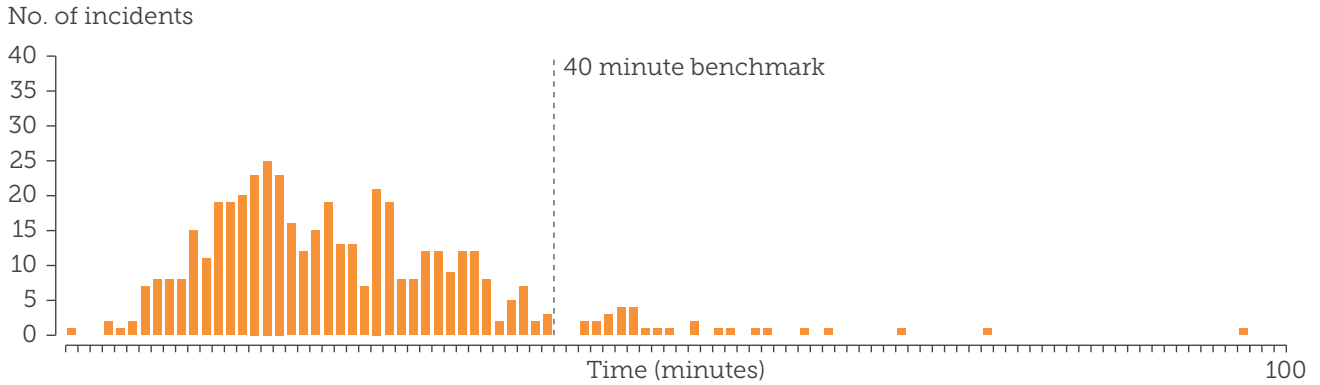
- Difference from total number of emergency responses
- Emergency response times meeting benchmarks
- Emergency response times meeting benchmarks: road accident rescue
- Benchmark (90%)

	2012-13	2013-14	2014-15	2015-16
Emergency response times meeting benchmarks – road accident rescue	94%	91%	93%	93%
Emergency response times meeting benchmarks	728	586	695	762
Total Number of emergency responses	776	643	744	815
Difference from Total Number of emergency responses	48	57	49	53

Rural/Urban Minute Intervals for Road Rescue Counts 2015-16

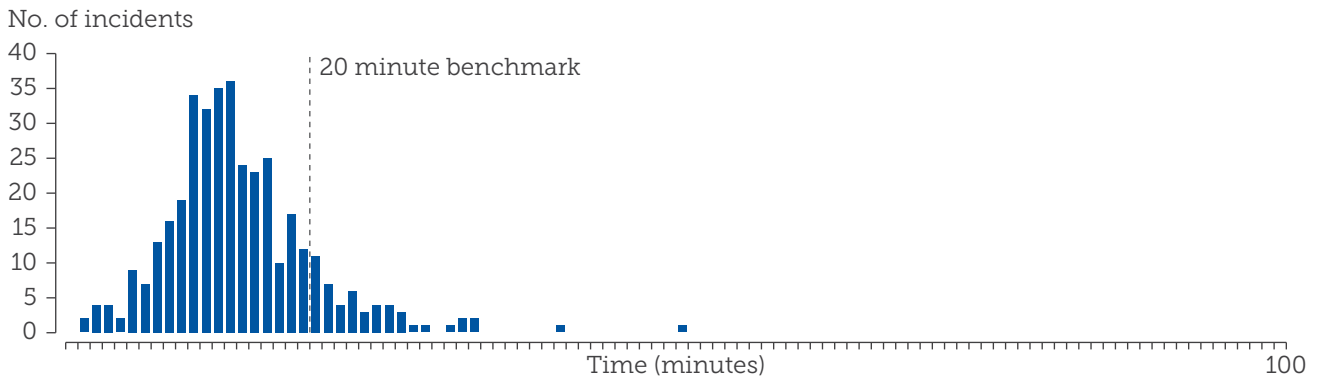
The two charts below show the times taken by VICSES crews to attend Road Rescue events in rural Victoria and Urban Victoria.

Rural Count



This chart shows how long it takes VICSES crews to respond to road crash rescues in rural and country Victoria.

Urban Count



This chart shows how long it takes VICSES crews to respond to road crash rescues in urban and metropolitan areas.

OUR PEOPLE

The Human Resources Directorate provides leadership, advice and support to all members of VICSES – whether full-time, part-time, volunteer, permanent or contract. Their brief includes workplace health and safety, training and development and other general human resources activities.

Human Resources

Workplace Health & Safety

- Workplace safety
- Risk and hazard assessment
- Building resilience
- Clinical support
- Early intervention
- Health checks
- Compliance and reporting
- Health and wellbeing

HR Support

- Advice and support to Regions
- Volunteering
- Special projects

Training and Development

- On line learning
- First Aid
- VET certification
- Course delivery
- Course materials
- Leadership development
- Compliance QA

1. Personnel Data ^{(i),(ii)}

At June 2016, VICSES workforce numbers stood at 206 employees. The tables below provide a breakdown of age, gender and classification.

Summary of employment levels in June 2015 and 2016

	Ongoing Employees ⁽ⁱⁱⁱ⁾					Fixed Term & Casual Employees
	Employees ^(iv) (Headcount)	Full Time (Headcount)	Part Time (Headcount)	Fixed Term & Casual (Headcount)	FTE	FTE
June 2015	164	152	12	42	159.3	32.4
June 2016	206	153	9	44	158.5	31.4

Notes:

(i) All figures reflect employment levels during the June of each year.

(ii) Excluded are those on leave without pay or absent on secondment, external contractors/consultants, and temporary staff employed by employment agencies, and a small number of people who are not employees but appointees to a statutory office as defined in the Public Administration Act 2004.

(iii) Ongoing employees includes people engaged on an open ended contract of employment and executives engaged on a standard executive contract who were active in the last full pay period of June.

(iv) In 2014-15 the total employee headcount was calculated using a different methodology. This year (2015-16) the VICSES headcount has been calculated using a methodology that more accurately reflects the total number of employees. Previously, Fixed Term and Casual (Headcount) numbers were not included in the total count of employees. Accordingly, the headcount as at the final pay period of 2014-15 has been amended to reflect the true status at that time (i.e. fixed term and casual employees are included in the total employee headcount). This methodology of including Fixed Term and Casual staff in the total headcount will be carried forward in future reports to ensure comparability and accuracy.

Details of employment levels in June 2015 and 2016

		June 2016			June 2015		
		Ongoing		Fixed Term & Casual Employees	Ongoing		Fixed Term & Casual Employees
		Employees (Headcount)	FTE	FTE	Employees (Headcount)	FTE	FTE
Gender	Male	122	102.6	12.6	105	104.1	14.8
	Female	84	55.9	18.8	59	55.2	17.6
Age	Under 25	3	0	0.1	0	0	1.7
	25-34	39	29.4	5.8	32	31	10.9
	35-44	51	35.0	12.4	37	35.2	10.9
	45-54	71	58.1	9.4	59	58.1	7.1
	55-64	38	33.4	3.3	34	33.4	1.8
	Over 64	4	2.6	0.4	2	1.6	0
Classification	VPS 1	0	0	0	0	0	0
	VPS 2	32	13.2	8.9	18	17	6.1
	VPS 3	43	32.8	6.4	34	32.1	9.9
	VPS 4	71	58.9	10.4	56	54.8	11
	VPS 5	37	33	4.7	36	36	3.4
	VPS 6	18	16.6	1	15	14.4	2.0
	STS	0	0	0	0	0	0
	Executives	5	5	0	5	5	0
	Other	0	0	0	0	0	0

2. Work, health and safety (WHS)

Just as we are working to build community resilience for our stakeholders, so we are working hard to build resilience in our people. Healthy, well-trained, safety-aware people take fewer risks. They prepare better; avoid mistakes and look after their colleagues. They take care of themselves and so, can take care of their local communities.

Statewide Work Health and Safety Report

Year	2012-13	2013-14	2014-15	2015-16
Number of Incidents and hazards*	261	374	314	355
Hazard reporting**	40%	24%	27%	34%
Number of standard claims***	18	41	29	20
Number of lost time claims	10	26	18	15
Average cost per standard claim****	\$5,779	\$6,451	\$1,842	\$14,481
Fatality claims	0	0	0	0
Volunteers and staff who received training				
Staff	13	8	39	28
Volunteer	427	438	369	359

* includes all incidents, near misses and hazards

** reported as a percentage of all hazards

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

**** calculated on the actual costs

As a means of comparison, the table below shows incidents and hazards per 100 persons (FTE for staff and active members for volunteers.)

WHS incidents and hazards/100 persons			
	Incidents	Hazards	Claims
Staff	28.14	50.30	3.59
Volunteers	4.46	0.94	0.34

VICSES delivers programs across its units designed to help people stay healthy and well. We prepare, plan for health and safety; we work to minimise or eliminate risk. When things go wrong we want to provide high-quality physical, pastoral and mental health support that gets people back to work and family soon and safe.

Key WHS Initiatives 2015-16

VICSES delivers a range of proactive programs, ranging from awareness and training about workplace risks, through to a comprehensive psychology and counselling services.

Early intervention programs

VICSES is committed to improving the quality of, and access to, physical, emotional and financial support mechanisms when people are injured. Better advice and risk mitigation, combined with more effective case management and access to health services has created a significant improvement in a range of WHS outcomes. This has meant quicker recovery from injuries; faster return to work and less financial stress on staff and volunteers.

We have done this through:

- 113 early intervention contacts following reporting of an injury in SafeGate
- 45 members receiving 1:1 support from an occupational therapist
- 13 of these members progressed to a workers compensation claim

The impact of more timely and proactive interventions has resulted in a higher upfront medical and like cost in the first year of claim (as indicated in the higher average claim cost for 15-16). It is anticipated that this will have a positive impact on lifetime claims costs, as VICSES return to work programs have successfully returned 100% of members injured in 2015-16 to work in some capacity.

SafeGate

SafeGate is an online safety management system enables VICSES to record and manage incident and hazard reporting, risk management, auditing and health surveillance.

Further initiatives undertaken in 2015-16 included:

SafeGate Risk register

VICSES this year launched an online tool that is a central point of information that identifies workplace risks. It is the result of a statewide review that mapped the profile of workplace risks, and provides control information, and reporting and action criteria for all VICSES members.

SafeGate Workplace inspections

Another online tool deployed in 2015-16 is our Audit and Inspection app. This allows people at any level to report problems, conduct their own risk inspections, and feel confident that action will follow their report.

Preventative partnerships

Throughout 2015-16 we have 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.

Research partnerships

VICSES participates regularly in evidence-based research projects that assess health and well-being issues for emergency personnel. Two projects of note in 2015-16 were:

- Completion of a four year national program with Australian Council of State and Territory Emergency Services (ACSES) and Deakin University investigating the physical demands on volunteers for a range of key tasks. This project has now delivered task analyses that can guide work design and risk management for activities such as boat rescue, roof work, sandbagging and shoreline rescue
- Participation in a Deakin University study that looks at sleep cycle and stress issues for on-call fire and emergency services workers, both as first responders and duty officers.

Collectively, this suite of activities delivers better compliance and reporting systems, greater emphasis on prevention and early identification of problems, together with better health outcomes for our nearly 5,000 members and their families.

Healthwatch

VICSES' Healthwatch program is funded by the Victorian Government Valuing Volunteers Program, which provides free and confidential health checks to emergency service volunteers and their families. This financial year 46 VICSES units were visited as part of the Healthwatch program. The program has been delivered now (multiple times in more than half of VICSES locations) to 135 of our 142 operational units, as well as to Head Office and other office locations. Please refer to the table below.

Location		Healthwatch - % of units seen (Cumulative)						
Region	No. of Units	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Total Unit (Volunteer)	142	20	54	91	101	122	135	
Accumulative		13.3%	36.0%	60.7%	67.3%	81.3%	90.0%	

3. Training

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 that assures nationally consistent, quality training and assessment in the vocational education and training system.

Vocational Education and Training new national arrangements

Training undertaken by emergency services is informed by the national Public Safety Training Package. VICSES and other emergency services use the qualifications in this Training Package to develop their accredited learning and development activities. Training Packages provide the nationally endorsed industry standards against which training can be delivered to meet industry and enterprise requirements.



We support our Members with training and personal development to be resourceful, capable and able to lead in difficult times.

VICSES Corporate Plan 2015-18



The COAG driven reforms in 2015 saw the Public Safety Industry Reference Committee (PSIRC) accepted as the peak body to make changes to the public safety qualifications in the Training Package. PSIRC also provides industry feedback to governments on industry trends and future skills needs in the public safety industry.

VICSES, as a member of the Australian Council of State & Territory Emergency Services (ACSES), is represented on this national Committee. Other agencies on the PSIRC include Police, Fire and Defence.

Training delivery

VICSES members participated in a wide variety of learning activities that build the skills and knowledge needed to perform their roles in rescue, incident management, community engagement and unit support.

There were 9,233 nationally accredited statements of attainment issued to members this financial year.

The most popular programs completed by members were:

- Dynamic Risk Assessment Awareness – 1,773
- Carbon Monoxide Awareness – 1,174
- First Aid CPR – 1,430
- Peer Support Critical Incident Stress Awareness (CISM) – 1,143
- Flood & Storm Safety – 690
- General Rescue Fundamentals – 615
- Emergency Vehicle Status (EVS) Briefing – 479
- General Rescue Skills course – 500
- Working safely at a CFA incident – 504

In addition, 150 members completed the Road Rescue training course.

Training innovation

This year saw the commencement of a multi-year project to develop an integrated learning management system for VICSES. This is a companion activity to the VICSES Emergency Response Activity Standards (ERAS) described on page 30.

Together, these two projects will enhance VICSES' capacity to train and develop its personnel and to better plan future skills development.

New flexible learning tools were released in 2015-16 to help volunteers prepare for their road rescue capability assessments. These can be accessed on desktop, smart phones and tablets.

In collaboration with Wodonga TAFE, VICSES introduced a blended learning course in 'Work Health and Safety Essentials' which includes four online modules and one day of classroom activities.

Collaborations

2015-16 saw a number of collaborations between SES and its emergency management partners.

SES, CFA and MFB now share the same first aid training provider, with a three-year contract signed with St John Ambulance. This will allow joint-agency courses to be held in areas of the State where it is often difficult and expensive to run courses due to small numbers of attendees. It will also see standardised training content delivered across agencies.

Other collaborative training activities in 2015-16 included:

- VICSES staff joined CFA trainers to deliver training in multi-agency Incident Management Team courses across the State. These courses prepare participants to undertake incident management roles at level 2 and level 3 Incident Control Centres
- CFA delivered training to 504 VICSES members to prepare them for support work at fire grounds during major fires
- 1,773 staff and volunteers completed awareness training in the new Joint Agency Standard Operating Procedures issued by Emergency Management Victoria. This training is important in ensuring a coordinated operational response during incidents.

Trainers and Assessors

Victoria State Emergency Service trainers and assessors are an integral component of the VICSES training system. The capability to deliver nationally accredited training, at both a region and unit level relies on a cohort of staff and volunteers that are committed to a high standard of training quality. The Trainer and Assessor Register is a definitive list of VICSES staff and volunteers who are endorsed to deliver training and conduct assessments.

There are currently 242 volunteers and staff on the Trainers and Assessors Register who hold national competencies in roles such as Road Crash Rescue operator and hold Certificate IV in Training and Assessment. This is an increase of 51 compared to 2014-15.

The Trainer and Assessor Register is a cornerstone of a quality training system that promotes consistency in training delivery, meets important compliance requirements and promotes learning and development for the trainer cohort.



OUR RELATIONSHIPS

Community Resilience and Communication

The Community Resilience and Communication Directorate is a new unit within VICSES, created in 2015-16 with a charter to make community resilience a part of the way we do business.

Community resilience and communication

Media and communications

- Corporate communications
- Graphic design
- Digital
- Media and publicity
- Internal communications

Community connections

- Partnerships
- Education and information
- Community engagement
- Building resilient communities
- Community events

Emergency management planning

- Planning and risk analysis
- Readiness and intelligence
- Public information and warnings
- Mapping and data analysis

The overarching aims are to conduct evidence-based research, and deliver tools and practical initiatives that connect communities and volunteers.

VICSES' Community Resilience and Communications efforts have three interconnected strands:

- Emergency management planning
- Community connections
- Media and communications



1. Emergency Management Planning

The cornerstone to building resilient communities is emergency management planning that is risk based and intelligence led. Intelligence and risk underpin the planning to inform operational capacity. It tells us where we should be and how to respond.

VICSES has been increasing its ability to collect, analyse and disseminate information and intelligence throughout 2015-16 and use this in our operational planning and decision-making.

Relationships with partner agencies, including Emergency Management Victoria (EMV); Bureau of Meteorology; Melbourne Water; Department of Environment, Land, Water and Planning (DELWP) and Catchment Management Authorities have been strengthened to deliver better intelligence to support our endeavours before, during and after emergency events as well as community interactions.

Materials to strengthen systems and processes for flood evacuation arrangements in high-risk communities has been produced with funding provided by the Australian Government and DELWP in partnership with the States and Territories under the Natural Disaster Resilience Grants Scheme. VICSES, throughout 2015-16, contributed to the development of Victoria's Flood Plain Management Strategy and the ground-breaking EM-COP project being championed by Emergency Management Victoria. EM-COP stands for Emergency Management Common Operating Picture. Essentially, it is a software platform that gathers and displays emergency information, making it accessible and updateable for any agency or volunteer in the system. This increases coordination and resource effectiveness across all agencies.

Auditing Municipal Emergency Management Plans

VICSES has a role in auditing the Municipal Emergency Management Plans (MEMPs) of Victoria's seventy-nine councils and four Alpine Resort Management Boards.

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

In 2015-16, a total of 19 MEMPS were audited.

VICSES also works with councils and their communities to prepare Community Emergency Risk Assessments (CERAs) – detailed analyses of risk profiles that assist the community understand and plan for potential emergency events. Forty-two assessments were conducted in 2015-16.

Flood Emergency Plans

We have continued to play a leading role in facilitating the ongoing development of Municipal Flood Emergency Plans for municipalities with a high risk of flooding. This is a collaborative activity with DELWP, catchment management authorities and flood technical specialists joining together with communities, local government, business and other agencies to prepare for, respond to and recover from floods.

VICSES is also working closely with DELWP on the development of FloodZoom: a web-based flood intelligence platform.

Introduction to Emergency Management training

VICSES delivers training and public awareness programs on the principles and practices of emergency management in the form of the Introduction to Emergency Management course.

The Introduction to Emergency Management course was reviewed in 2015-16 and has received excellent feedback in its new iteration. The program equips participants with knowledge of the emergency management roles and responsibilities of relevant Government and community agencies in Victoria.

In 2015-16 we delivered 16 courses to 278 participants.



2. Community connections

As a predominantly volunteer organisation, establishing strong relationships is crucial to our continued success. The Community Education Facilitators (CEF) courses provide volunteers with the skills to plan, carry out and evaluate community education activities.

In 2015-16 VICSES conducted 15 CEF courses and trained more than 130 volunteers.

Additionally 37 Community Education awareness sessions were held for 360 participants.

Melbourne Water

Our partnership with Melbourne Water entered its eighth year in 2015-16. Highlights for this year include:

- All the Melbourne Municipal Emergency Flood Plans have now been updated
- Delivery of 36 local flood guides for high to very high risk communities
- Ongoing involvement with the 52 high to very high flood risk communities in Melbourne
- A campaign of 2,380 doorknocks, 8,900 mail outs and three Community Information Sessions in the very high risk communities
- Ongoing involvement with the Koori and Culturally and Linguistically Diverse (CALD) communities to further strengthen community disaster awareness.

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.

A range of resources for volunteers working with CALD communities have been produced and will be rolled out in early 2017 along with a CALD awareness session which was developed and successfully piloted in 2015-16.

FloodSafe

Flood guides and emergency information have now been prepared for 76 flood-prone communities across the State. Materials include preparing homes and businesses, developing an emergency plan, understanding the warning system and a detailed emergency toolkit.

CFA/SES State Community Engagement and Hazard Awareness Forum

2015-16 saw the first ever joint CFA/SES Community Engagement Forum. More than 500 volunteers from both agencies attended the forum in Creswick. The two-day conference provided a much-needed opportunity for both organisations to learn about what other volunteers are doing and what is happening in the community engagement space.

The forum was extremely well received by participants and will be repeated in 2016-17.

School programs

We were successful in obtaining funding for a joint CFA and VICSES School Curriculum Natural Hazard Resilience Package. The package was developed in 2015-16 and is now being piloted in 18 schools.

We are also a key contributor to a number of research projects run through the Bushfire and Natural Hazards CRC, including helping children become resilient so that they know what to do and how to act before, during and after incidents. We normally assume children are passive 'takers' during an emergency, but research is starting to highlight the value of involving them in planning and preparation as a way of reducing stress and the impact of disasters. This is a really exciting project for us as it puts VICSES at the forefront of a potentially significant change in practice.



3. Media and communications

The Media and Communications team delivers fast, consistent and accurate information and public warnings to the broader media so as to inform the general public.

In addition, the team has the task of building community awareness of SES services, and how to contact us during times of emergency.

The main programs throughout 2015-16 were:

Website and intranet redevelopment

The VICSES website is fast becoming the first option for many people during times of emergency. This includes the external site that enables people to see the status of events, warnings, maps and critical information, and the internal site where staff and volunteers can see what is happening and what needs to be done.

The internet does not replace existing forms of communication – there will always be radio, phone and even door-to-door communication – but it is a powerful contemporary tool during times of urgency and around the clock.

In 2015-16, redevelopment of VICSES' website and intranet commenced following appointment of a new provider.

40 years young

This year saw VICSES celebrate the commencement of its fifth decade by making and releasing a documentary film on the past forty years.

The documentary, *40 Years Young*, illustrates the rich historical past of VICSES, covering achievements, hardships and the evolution of the organisation from the Civil Defence which began in the 1950s to the VICSES we see today.

The film was released on *Wear Orange Wednesday*, a national day of recognition to thank the more than 40,000 SES volunteers from all over Australia who dedicate their time to help communities plan, prepare and respond to emergencies.

Social media

VICSES' capacity to service stakeholders through dedicated social media channels has increased dramatically through 2015-16.

The mix of channels we have been able to deploy means a broader reach and capacity to disseminate information. The VICSES public website received 640,000 visits during 2015-16, with an average session duration of almost 2 minutes.

This was complemented by Facebook and Twitter channels, which have added greatly to our capacity to provide information and warnings swiftly. Twitter followers increased by 34% to 9,239 over 2015-16, while Facebook 'likes' increased by 18% to 71,000 in the same period.

Media training

During the 2015-16 year, a total of 48 VICSES volunteers across all six regions took the Media Liaison course run by our communications team. This brings to 159 the total number of trained Media Liaison Officers.

A pilot Media Awareness program was developed and piloted across five regions in 2015-16. This provides units and individuals with the knowledge and confidence to deliver valuable, professional and focused messages through all forms of media. It contributes to the quality and speed of operational responses by ensuring consistency and clarity during emergencies.

FUNDING AND SPONSORSHIPS

VICSES relies heavily on financial and in-kind support from a range of sources including Government, businesses and individuals.

We are very grateful to the organisations listed in the table below. They are providing the strong financial and community support that allows our volunteers to keep doing a great job.

Sponsorship and Partnership Contributions 2015-16

Partners	Amount	Contribution
Transport Accident Commission	\$3,357,000.00	Road Accident Rescue and Driver Reviver
AAMI	\$530,000.00	Emergency Equipment and Community Engagement
Melbourne Water	\$350,000.00	Community Education
Port Fairy Folk Festival	\$20,000.00	Port Fairy Unit Rescue Truck Contribution
Bunnings	\$38,000.00	Donation to Volunteer Units
Woolworths	\$19,000.00	Donation to Volunteer Units

In addition to major partners we want to say thanks to the entire Victorian community that contributes to our effectiveness in so many ways – at sausage sizzles and community events, school drives and highway collections. Also, thanks to the small businesses who contribute their support, especially in rural and non-metropolitan areas.



WORKING ON THE BUSINESS

Corporate Services exists to ensure business continuity and performance; and to ensure staff and volunteers have the systems, processes and support needed to maximise their effectiveness. Its work covers a broad portfolio of services including ICT, finance and project management.

Corporate services			
Projects, planning and risk	Information Services	Finance	Assets and infrastructure
<ul style="list-style-type: none"> • Risk and data analysis • Project governance • Infrastructure projects 	<ul style="list-style-type: none"> • Service delivery • Network management and support • Service desk • Applications support • Field officers • Information and records 	<ul style="list-style-type: none"> • Finance systems and support • Business support and training • Accounts • Payroll 	<ul style="list-style-type: none"> • Infrastructure management • Asset management • Procurement • Logistics coordination • Facilities

1. Projects, Planning and Risk

VICSES has, over the past three years, been strengthening its project management systems to ensure that strong governance, integrity and equity are embedded in all project management activities undertaken by the organisation.

This process has been driven by the Victorian Government's Emergency Management Reform White Paper (2012) and the subsequent Interoperability Blueprint (2013), which argues for alignment of business, administrative, operational and project management processes across the emergency services arena to underpin the *all communities, all emergencies* approach.

Some of the key initiatives of 2015-16 include:

Project Nimbus

A new managed services provider has been appointed – Data#3 – and all applications and systems have been migrated to the new environment. This will deliver more streamlined and accountable data protection services, plus the benefits of cloud-based applications and systems.

Data Integrity Project

The Data Integrity Project was commenced in 2014 and closed in February 2016. It involved creation and upgrading of a range of improvements to VICSES membership, asset and equipment data.

The organisation is now in a much better position to effectively register and update volunteer information including skills and capabilities as well as personal or employer information, and even languages spoken.

Business Intelligence and Business System Administration Functions review

This Review was conducted in response to the recommendations of the Victorian Auditor-General that highlighted the need for VICSES to improve its reporting and intelligence systems. Some systems – and the information they produce – have been hampered by a lack of centralised ownership which can lead to duplication, differences of interpretation and difficulty tracking responsibility.

A new Information Model was developed for VICSES with the twin aims of decreasing reliance on external vendors and building a robust approach that reduces delay and complexity across the full range of business activities. Our Information Services group has now taken on the implementation stage (see page 50).

2. Information Services

A key focus this year for Information Services was the move of our ICT environment to a new managed services provider (Data#3). This included a migration to Office 365 as well as the move into a true cloud ICT environment. This now means that VICSES has set the future platform for volunteers to be able to use any device and access applications and documents anywhere, anytime.

ICT Strategy Update

The VICSES ICT Strategy 2014-18 outlines 15 key projects that over the course of 5 years will deliver:

- Increased stakeholder engagement and alignment
 - Modernised ICT Service Delivery
 - Stronger partnerships
 - Higher realised value of ICT investment
- The table below summarises the major ICT projects for 2015-16.

Project Name	Description/Objectives
ICT as a Service	The completion of Project Nimbus saw our ICT infrastructure move into the public cloud environment in order to provide a more effective and efficient ICT platform for volunteers and staff. This project delivered an ICT platform that gives volunteer units a range of improved services, including the ability to use any device, including their own personal device. Migration to Office 365 was also delivered, as well as Skype for Business (Lync).
Business Intelligence	This project delivered an Operational Data Store to pull together data from various business systems. In essence, the project set up an organisational-wide data reporting/analytics function to improve data and reporting integrity, and remove silo barriers.
Timesheet Replacement Project	The Timesheet Replacement Project ensures accurate payment of staff at all times, and provides richer data for managing the business.
ICT Governance	The Investment Management Committee was established to ensure a governance process for new investments in ICT.

Service Delivery

The Service Delivery area encompasses the service desk function as well as field, desktop and network support. Its task is to ensure VICSES systems, networks and infrastructure are ready and in faultless working order to support VICSES members during an emergency.

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

Activity	2015-16
Resolved service requests (+10% on 2014-15)	13,502
Site visits to resolve ICT issues	90
Infrastructure and system changes delivered	363

Applications Support & 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 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 ICT capability. This included a wide range of system upgrades and application enhancements that affected all VICSES applications and systems.

3. Finance

Unit financial management

VICSES decided to reinstitute the Unit Financial Management Taskforce in 2015-2016 to:

- Develop standards for annual reporting of the financial transactions of VICSES volunteer Units; and
- Review and revise the financial management processes that should be standard across Volunteer Units.

In February 2016, the Minister for Finance issued new Standing Directions (the Directions) for financial management by State Government entities. The new Directions are effective from 1 July 2016 and, for the first time the Directions include requirements for financial management of VICSES volunteer units.

Through the VICSES Unit Financial Management Taskforce, VICSES staff and volunteers are working on developing programs, strategies and guidance to address the new Directions for VICSES Volunteer Units.

Programs and strategies have been put in place to manage many of the identified issues (see page 26, Whole-of-organisation initiatives). Throughout 2015-16 we have been reviewing procedures and policies relating to the financial management of volunteer units.



All of our Volunteer Units have transparent financial management policies in place that ensure compliance and good governance in accordance with the Victorian Government financial management requirements. Further, that we always meet community expectations for an organisation utilising public funds.



VICSES Unit financial management policy



ERP – Enterprise Resource Planning

An ERP is a software tool used to manage and report on financial transactions. Since 2008-2009 VICSES has been using a system called SAP. The system is managed by MFB and is also used by CFA.

In 2015-16, VICSES embarked on a process, in partnership with MFB, to upgrade or replace the current version of SAP. A request for tender has been issued with the intention that the upgrade or replacement project will begin in 2016-2017.

Timesheet replacement

Kronos is the name of VICSES' web-based timesheet system, commissioned in 2015-16. This replaces previous manual systems that were slow and prone to error.

Kronos ensures accuracy and speed in all payroll transactions, ensuring VICSES policies and EBA rules are updated and applied consistently across the organisation for all staff entitlements. It reduces the cost of manual entry and eliminates many back and forth transactions that occurred in the previous manual system.

Piloting of the new system began in the HR, WHS business units and the Central region in August 2016. Once the pilot has been assessed as being successful the new system will be rolled out to the rest of VICSES later this year.



4. Assets and infrastructure

The Assets and Infrastructure team ensures volunteers and staff have up-to-date equipment and vehicles purpose-designed to meet the demands of their work.

Building stock

VICSES operates out of 158 premises statewide. Local councils own approximately 89% of the facilities used by SES units. In many cases accommodation is provided by local councils as part of their contribution to a municipal subsidy which augments State Government contributions to operating VICSES and supporting volunteers. There is no legislation compelling local government to contribute to the municipal subsidy and accordingly, contributions vary widely across the state, depending on the capacity of particular areas.

We recognise that local government is at the sharp end of funding pressures and we are working with Councils to ensure that facilities are fit for the purposes of the VICSES volunteers who use them.

In 2015-16, VICSES completed a thorough audit of all its buildings across the state. This identified a wide range of issues that have been prioritised in our works program. Funding of one million dollars has been allocated to the Critical Unit Building Works project for the period 2015-2017. Works have commenced with seven building refurbishments completed during 2015-16.

Equipment and Vehicles

VICSES replaces vehicles (trucks, boats, trailers), as they reach the end of their useful life under the Critical Asset Replacement Program. The main assets purchased in 2015-16 include:

- 5 Heavy Rescue Trucks
- 4 Medium Rescue Trucks (4x4)
- 2 Inflatable Rescue Boats
- 3 Rigid Hull Rescue Boats

VICSES is extremely grateful to AAMI for providing direct financial support to our volunteers. In 2015-16 AAMI donated \$2,600 to every SES unit. This funding is used by units to purchase either new or replacement equipment.

This highly-valued donation, totalling \$530,000 in 2015-16, enables volunteers to purchase equipment that helps them meet the specific needs of their community. Our partnership with AAMI, now in its tenth year has provided a total of \$5.5 million to VICSES.

Funding for larger items also comes to VICSES through the Victorian Government's Volunteer Emergency Services Equipment Program (VESEP).

VICSES received VESEP grant funding of \$2,087,000 in 2015-16.



5. Corporate governance

VICSES has developed and maintains proactively a robust 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 Service 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 Risk and Audit Committee and a Remuneration Committee. The Risk and Audit Committee is chartered to provide the Board with assurance that there are adequate business systems in place with regard to matters of a financial, risk, audit and compliance nature.

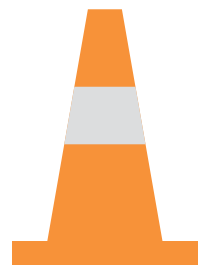
Remuneration

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

ICT Governance

In accordance with a State Government CIO Council requirement, VICSES has a dedicated committee to deal with information management matters. The Policy and Information Management Committee ensures VICSES is able to provide a coordinated, strategic approach to dealing with information and data management issues including FOI, records management, data retention, data accuracy, privacy and information security.

**IN 2015-16
VICSES MANAGED
A TOTAL BUDGET OF
\$54.8 MILLION
& NET ASSETS OF
\$113.3 MILLION**



Freedom of Information

Victoria SES is subject to the *Freedom of Information Act 1982*. During the 2015-16 financial year, VICSES received 29 FOI applications.

In keeping with the spirit of the *Freedom of Information Act 1982*, VICSES endeavours, where possible, to satisfy requests for information outside of the FOI process.

Subpoenas

During the last financial year, VICSES responded to 6 subpoenas for documents.

Privacy

As a Victorian statutory authority, VICSES must collect, use and disclose personal information in accordance with the *Privacy & 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. VICSES continues to apply the internationally endorsed principle of "Privacy by Design" into its activities.

DataVic Access Policy

In accordance with the DataVic Access Policy issued by the State Government in 2012, VICSES continues to make public its datasets via <http://www.data.vic.gov.au>.

Protected Disclosure

VICSES encourages the reporting of corrupt, dangerous or incompetent conduct. Any person who has concerns about such conduct should contact the Independent Broad-based Anti-corruption Commission on 1300 735 135 or via their website:

<http://www.ibac.vic.gov.au>. VICSES supports employees and volunteers who disclose such conduct or assist with an investigation through its Protected Disclosure Welfare Policy. Further information about this policy can be obtained from the Information & Records Manager. Contact details are on the back cover of this report.



Victorian Industry Participation Policy

In accordance with the requirements of the *Victorian Industry Participation Policy Act 2003* (VIPPA), government agencies are required to include a statement summarising their implementation of the VIPPA in their annual reports. Financial Reporting Decision 25 specifies that VIPPA 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 2015-16.

Information & Records Management

We continue working with other emergency service sector agencies such as Ambulance Victoria, CFA, MFB, Victoria Police and the Public Record Office Victoria to develop a sector-wide record Retention & Disposal Authority. Once complete, this document will facilitate the lawful disposal of records for the entire emergency services sector and will enable the appropriate destruction of a large amount of VICSES records currently held in local or secondary storage facilities.

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 2015–16.

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.

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, except in relation to the identification and management of inter-agency and State significant risks. VICSES will aim to achieve compliance by 30 June 2017.

Consultancies

Consultant	Service	Fees Approved	Amount Expended 2015-16	Future Commitments
Under \$10,000				
2 consultancies totalling		11,175.78	11,175.78	-
Over \$10,000				
Access Macquarie Limited	Review of State Plans	22,200.00	22,200.00	-
CKI Group Pty Ltd	Network Health Check & Security Review	36,000.00	36,000.00	-
Katrina Murphy Industrial Relations	IR Services	81,851.12	81,851.12	-
Linus Information Security Solution	Business Continuity Management Plan	33,279.00	33,279.00	-
Madison Cross Australia	Business Intelligence Function	89,760.00	89,760.00	-
Mercer Consulting	Executive Remuneration Review	18,000.00	18,000.00	-
Thoughtpost Governance	Board evaluation 2015	23,900.00	23,900.00	-
Votar Partners	Records Management Review	20,400.00	20,400.00	-
		325,390.12	325,390.12	-

PART THREE

VICSES 2015-16 FINANCIAL STATEMENTS





FIVE YEAR FINANCIAL SUMMARY

	2015-2016 \$'000s	2014-2015 \$'000s	2013-2014 \$'000s	2012-2013 \$'000s	2011-2012 \$'000s
Appropriation from Government (i)					
Output and special appropriation	45,122	44,701	44,055	45,042	36,807
Capital appropriation	150	0	400	1,102	6,250
Total Appropriation from Government	45,272	44,701	44,455	46,144	43,057
Comprehensive Operating Statement					
Total income from transactions	54,807	54,680	53,705	57,024	51,247
Total expenses from transactions	(51,222)	(49,124)	(49,445)	(50,081)	(48,940)
Net result from transactions for the period	3,585	5,556	4,260	6,943	2,307
Other economic flows	1,353	400	494	43	(44)
Net result	4,938	5,956	4,754	6,986	2,263
Other economic flows not in the net result (ii)	3,313	0	0	0	0
Comprehensive result	8,251	5,956	4,754	6,986	2,263
Balance Sheet					
Total assets	129,086	119,014	112,775	107,866	100,323
Total liabilities	(14,472)	(12,801)	(12,518)	(12,763)	(13,308)
Net Assets	114,614	106,213	100,257	95,103	87,015
Cashflow Statement					
Net increase/(decrease) in cash and cash equivalents	4,647	1,132	(285)	4,363	257
Cash and cash equivalents at 30 June	47,245	42,598	41,466	41,751	37,388

(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 2015-2016 results from the increase in the value of assets following the scheduled full revaluation of the Authority's land and buildings by the Valuer-General Victoria.

CURRENT YEAR FINANCIAL REVIEW

Comprehensive Operating Statement

For the year ended 30 June 2016 the Authority achieved a comprehensive result of \$8.251 million, \$2.295 million higher than in 2014-2015.

The key items impacting the 2015-2016 Net result are:

- An increase of \$0.127 million in income from transactions to \$54.807 million resulting primarily from:
 - An increase in Appropriation of \$0.421 million.
 - A decrease in net result of Volunteer Units of \$0.484 million.
- An increase of \$2.098 million in expenses from transactions to \$51.222 million resulting primarily from:
 - An increase in Employee expenses of \$1.456 million.
- An increase of \$3.390m in revaluation of Land and \$0.416 in Buildings.

Balance Sheet

Net assets increased by \$8.401 million in 2015-2016 to \$114.614 million. The major reasons for the increase are an increase of \$4.649 million in cash and deposits and \$5.037 million in non-financial assets including \$3.806 million increase in asset revaluations.

Cash flow Statement

VICSES holds cash and cash equivalents of \$47.245 million. \$11.596 million is held by Volunteer Units and \$35.649 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 receipts from government and other entities.
- An increase in payables and provisions.

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.

VICSES FINANCIAL STATEMENTS

for the year ended 30 June 2016

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INDEPENDENT AUDITOR'S REPORT

To the Board Members, Victoria State Emergency Service Authority

The Financial Report

I have audited the accompanying financial report for the year ended 30 June 2016 of the Victoria State Emergency Service Authority which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the chairperson's, accountable officer's and chief finance and accounting officer's declaration.

The Board Members' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

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, I and my staff and delegates complied with all applicable independence requirements of the Australian Auditing Standards and relevant ethical pronouncements.

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Victoria State Emergency Service Authority as at 30 June 2016 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
21 September 2016


For Andrew Greaves
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 2016 and financial position of the Authority at 30 June 2016.

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 19 September 2016.



Peter Akers

Chairperson, Victoria State Emergency Service Authority

Melbourne
19 September 2016



Stephen Griffin

Chief Executive Officer, Victoria State Emergency Service Authority

Melbourne
19 September 2016



John Casey

Director of Corporate Services
Chief Finance and Accounting Officer, Victoria State Emergency Service Authority

Melbourne
19 September 2016

Comprehensive operating statement for the financial year ended 30 June 2016

	Notes	2016 \$'000	2015 \$'000
Income from transactions			
Grants	2(a)	51,322	50,828
Sale of services	2(b)	36	53
Interest income	2(c)	663	786
Other income	2(d)	2,786	3,013
Total income from transactions		54,807	54,680
Expenses from transactions			
Employee expenses	3(a)	(21,952)	(20,496)
Depreciation	3(b)	(6,625)	(6,382)
Interest expense	3(c)	(255)	(284)
Other operating expenses	3(d)	(22,390)	(21,962)
Total expenses from transactions		(51,222)	(49,124)
Net result from transactions		3,585	5,556
Other economic flows included in net result			
Net gain on non-financial assets	4(a)	1,483	453
Other gains/(losses) from other economic flows	4(b)	(130)	(53)
		1,353	400
Net result		4,938	5,956
Other economic flows – other comprehensive income			
Changes in physical asset revaluation reserve	20	3,313	0
Total other economic flows – other comprehensive income		3,313	0
Comprehensive result		8,251	5,956

The above comprehensive operating statement should be read in conjunction with the accompanying notes on pages 68 to 106.

Balance sheet as at 30 June 2016

	Notes	2016 \$'000	Restated 2015 \$'000
Assets			
Financial assets			
Cash and deposits	19(a)	47,245	42,598
Receivables	6	726	1,058
Investments and other financial assets	7	4,701	3,981
Total financial assets		52,672	47,637
Non-financial assets			
Non-financial physical assets classified as held for sale	9	0	478
Property, plant and equipment	10	75,770	70,128
Other non-financial assets	8	644	771
Total non-financial assets		76,414	71,377
Total assets		129,086	119,014
Liabilities			
Payables	11	4,813	3,719
Borrowings	12	3,808	4,157
Provisions	13	5,851	4,925
Total liabilities		14,472	12,801
Net assets		114,614	106,213
Equity			
Accumulated surplus		61,736	56,798
Physical asset revaluation surplus	20	10,073	6,760
Contributed capital		42,805	42,655
Net worth		114,614	106,213
Commitments for expenditure	16		
Contingent assets and contingent liabilities	17		

The above balance sheet should be read in conjunction with the accompanying notes included on pages 68 to 106.

Statement of changes in equity for the financial year ended 30 June 2016

	Notes	Physical asset revaluation surplus \$'000	Accumulated surplus \$'000	Contributed capital \$'000	Total \$'000
Balance at 1 July 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
Net result for the year		0	4,938	0	4,938
Other comprehensive income		3,313	0	0	3,313
Capital appropriations		0	0	150	150
Balance at 30 June 2016		10,073	61,736	42,805	114,614

The statement of changes in equity should be read in conjunction with the accompanying notes on pages 68 to 106.

Cash flow statement for the financial year ended 30 June 2016

	Notes	2016 \$'000	Restated 2015 \$'000
Cash flows from operating activities			
Receipts			
Receipts from government		47,420	46,799
Receipts from other entities		7,475	6,418
Goods and Services Tax recovered from the ATO		2,311	2,289
Interest received		584	713
Other receipts (unit cash)		721	1,259
Total receipts		58,511	57,478
Payments			
Payments to suppliers and employees		(45,597)	(45,196)
Interest and other costs of finance paid		(260)	(289)
Other payments		(95)	(89)
Total payments		(45,952)	(45,574)
Net cash flow from/(used in) operating activities	19(b)	12,559	11,904
Cash flows from investing activities			
Payments for investments		(4,678)	(3,981)
Proceeds from sales of investments		3,958	0
Purchases of non-financial assets		(8,192)	(7,348)
Sales of non-financial assets		1,821	1,447
Net cash flows from/(used in) investing activities		(7,091)	(9,882)
Cash flows from financing activities			
Owner contributions by State Government		150	0
Repayment of finance leases		(971)	(890)
Net cash flows from/(used in) financing activities		(821)	(890)
Net increase/(decrease) in cash and cash equivalents		4,647	1,132
Cash and cash equivalents at the beginning of the financial year		42,598	41,466
Cash and cash equivalents at the end of the financial year	19(a)	47,245	42,598

The above cash flow statement should be read in conjunction with the accompanying notes included on pages 68 to 106.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

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 2016. 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 26.

The annual financial statements were authorised for issue by the Board of the Victoria State Emergency Service Authority on 19 September 2016.

(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, except for volunteer units.

Incorporation of VICSES Volunteer Units

- The financial statements incorporate financial transactions of the 142 VICSES Volunteer Units on a cash basis. Management have not recognised any accruals on the basis that it is not material to the financial report.
- The Volunteer Unit financial transactions incorporated by VICSES include:
 - cash and investment balances
 - net movement in cash balances between financial years as either revenue or an expense
- Transaction between the Volunteer Units and the Authority are eliminated.
- All VICSES Volunteer Unit property, plant and equipment over \$5,000 is purchased by the Authority and recorded in the accounts of the Authority. Volunteer Units do not record these items separately.
- Revenue and expenditure balances of the Authority have not been grossed up to incorporate Volunteer Unit transaction with third parties.

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(j));
- superannuation expense (refer to Note 1(f)); 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(k)).

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, including VICSES Volunteer Units. The financial statements include cash balances, investments 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.

- 'Other economic flows' are changes arising from market remeasurements. They include:
- gains and losses from disposals of nonfinancial assets;
- revaluations and impairments of nonfinancial physical assets;
- remeasurement arising from defined benefit superannuation plans;
- fair value changes of financial instruments.

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

Cash flow statement

Cash flows are classified according to whether or not they arise from operating, 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

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 26 for a style convention for explanations of minor discrepancies resulting from rounding.

(e) Income from transactions

Income is recognised to the extent that it is probable that the economic benefits will flow to the entity and the income can be reliably measured 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 to Note 1(m)).

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 supply of services

Income from the supply 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.

Under the stage of completion method, income is recognised by reference to labour hours supplied or to labour hours supplied as a percentage of total services to be performed in each annual reporting period

Interest

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 an 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(i)).

(f) 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(k) 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(j) (Non-financial assets) for the depreciation policy for leasehold improvements.

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

The following are typical useful lives for different classes of assets for both 2015 and 2016.

Asset Class	Useful Life
Buildings	15-50 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 26.

Interest expense

Interest expense represents costs incurred in connection with borrowings. It includes interest components of finance lease repayments.

Interest expense is recognised in the period in which it is incurred. Refer to *Glossary of terms and style conventions* in Note 26 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.

(g) Other economic flows included in net result

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions.

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(j) Revaluations of non-financial physical assets.

Disposal of non-financial assets

Any gain or loss on the sale of non-financial assets is recognised at the date 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(j) in relation to the recognition and measurement of non-financial assets.

Other gains/(losses) from other economic flows

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

(h) Financial instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the Authority's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*. For example, statutory receivables arising from taxes, fines and penalties do not meet the definition of financial instruments as they do not arise under contract.

Where relevant, for note disclosure purposes, a distinction is made between those financial assets and financial liabilities that meet the definition of financial instruments in accordance with AASB 132 and those that do not.

The following refers to financial instruments unless otherwise stated.

Categories of financial instruments

Loans and Receivables

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

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

Financial liabilities at amortised cost

Financial instrument liabilities are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial

instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interestbearing liability, using the effective interest rate method (refer to Note 26).

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

(i) Financial assets

Cash and deposits

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

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(h) 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(h).

Investments and other financial assets

Investments are classified in the following categories:

- financial assets at fair value through profit or loss;
- loans and receivables;
- heldtomaturity; and
- availableforsale financial assets.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Any dividend or interest earned on the financial asset is recognised in the comprehensive operating statement as a transaction.

Derecognition of financial assets

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

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

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*.

(j) Non-financial assets

Nonfinancial physical assets classified as held for sale, including disposal group assets

Nonfinancial physical assets (including disposal group assets) are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use.

This condition is regarded as met only when:

- the asset is available for immediate use in the current condition; and
- the sale is highly probable and the asset's sale is expected to be completed in 12 months from the date of classification; and
- the asset is actively marketed for sale at a price that is reasonable in relation to its current fair value.

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

Property, plant and equipment

All nonfinancial physical assets are measured initially at cost and subsequently re-valued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a machinery of government change are transferred at their carrying amount. More details about the valuation techniques and inputs used in determining the fair value of non-financial physical assets are discussed in Note 10 *Property, plant and equipment*.

The initial cost for non-financial physical assets under a finance lease (refer to Note 1(l)) is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

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(g) *Impairment of non-financial assets*.

Leasehold improvements

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

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.

(k) 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(h) *Financial instruments*). Statutory

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

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(l) *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:

- nominal value – if the Authority expects to wholly settle within 12 months; or
- present value – 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:

- nominal 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(g)).

(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.

(l) Leases

A lease is a right to use an asset for an agreed period of time in exchange for payment.

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Leases of property, plant and equipment are classified as finance infrastructure leases whenever the terms of the lease

transfer substantially all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases.

Finance leases – 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.

(m) Equity

Contributed capital

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

(n) 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 16) 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.

(o) Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note (refer to Note 17) and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

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

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

Commitments and contingent assets or liabilities are also stated inclusive of GST.

(q) Events after the reporting period

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between the Authority and other parties, the transactions are only recognised when the agreement is irrevocable at or before the end of the reporting period. Adjustments are made to amounts recognised in the financial statements for events which occur after the reporting period and before the date the financial statements are authorised for issue, where

those events provide information about conditions which existed 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.

(r) AASs issued that are not yet effective

Certain new AASs have been published that are not mandatory for the 30 June 2016 reporting

period. The 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 2016, the following standards and interpretations (applicable to Authority) had been issued but were not yet effective for the financial year ending 30 June 2016. 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.
AASB 15 <i>Revenue from Contracts with Customers</i>	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1 Jan 2018	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications. A potential impact will be the upfront recognition of revenue from licenses that cover multiple reporting periods. Revenue that was deferred and amortised over a period may now need to be recognised immediately as a transitional adjustment against the opening returned earnings if there are no former performance obligations outstanding.

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 16 <i>Leases</i>	The key changes introduced by AASB 16 include the recognition of most operating leases (which are current not recognised) on balance sheet.	1 Jan 2019	<p>The assessment has indicated that as most operating leases will come on balance sheet, recognition of lease assets and lease liabilities will cause net debt to increase.</p> <p>Depreciation of lease assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus.</p> <p>The amounts of cash paid for the principal portion of the lease liability will be presented within financing activities and the amounts paid for the interest portion will be presented within operating activities in the cash flow statement.</p> <p>No change for lessors.</p>
AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, AASB 124 & AASB 1049]	The Amendments extend the scope of AASB 124 Related Party Disclosures to not-for-profit public sector entities. A guidance has been included to assist the application of the Standard by not-for-profit public sector entities.	1 Jan 2016	The amending standard will result in extended disclosures on the entity's key management personnel (KMP), and the related party transactions.

Note 2. Income from transactions

	2016 \$'000	2015 \$'000
(a) Grants		
Department of Justice and Regulation		
- Operating grant income	44,725	44,272
- Volunteer and other grants	2,711	2,894
Other State Government entities/agencies		
- Melbourne Water	350	350
- Transport Accident Commission	3,357	3,287
- Other	94	25
Commonwealth Departments	65	0
Other	20	0
Total grants	51,322	50,828
(b) Sale of services		
Provision of services	36	53
Total sale of services	36	53
(c) Interest		
Interest from financial assets not at fair value through P/L:		
- Interest on bank and term deposits	663	786
Total interest income	663	786
(d) Other income		
Sponsorship	531	564
Donations	208	108
Unit Contributions for assets and equipment	0	0
Special Appropriation Volunteer WorkCover	398	429
Other income	1,032	811
Net result of VICSES Volunteer units	617	1,101
Total other income	2,786	3,013

Note 3. Expenses from transactions

	Notes	2016 \$'000	2015 \$'000
(a) Employee expenses			
Post-employment benefits:			
- Defined contribution superannuation plans	14	(1,523)	(1,436)
- Defined benefit superannuation expense	14	(66)	(89)
Termination benefits		(70)	(30)
Salaries and wages, annual leave and long service leave		(20,293)	(18,941)
Total employee expenses		(21,952)	(20,496)
(b) Depreciation			
Depreciation of property, plant, equipment and vehicles			
- Buildings & leasehold improvement		(971)	(931)
- Plant, equipment and vehicles		(4,660)	(4,433)
- Leased vehicles		(994)	(1,018)
Total depreciation expense		(6,625)	(6,382)
(c) Interest expense			
Interest on finance leases		(255)	(284)
Total interest expense		(255)	(284)
(d) Other operating expenses			
Supplies and services:			
- Contractors and professional services		(2,846)	(2,217)
- Building service and maintenance expenses		(2,596)	(2,187)
- Travel and associated costs		(612)	(538)
- Printing, stationery and other office expenses		(552)	(633)
- Postage and communication expenses		(4,905)	(5,032)
- Vehicle expenses		(1,247)	(1,306)
- Technology services costs		(4,832)	(4,725)
- Protective clothing		(895)	(878)
- Emergency rescue equipment		(1,537)	(1,632)
- Training (volunteers and staff)		(1,669)	(1,891)
- Other		(604)	(834)
Total supplies and services		(22,295)	(21,873)
Operating lease rental expenses			
- Lease payments		(95)	(89)
Total operating lease rental expenses		(95)	(89)
Total other operating expenses		(22,390)	(21,962)

Note 4. Other economic flows included in net results

	2016 \$'000	2015 \$'000
(a) Net gain on non-financial assets		
Net gain on disposal of physical assets	990	623
Revaluation increment of property, plant and equipment	493	0
Impairment of property, plant and equipment	0	(170)
Total net gain on non-financial assets	1,483	453
(b) Other gains/(losses) from other economic flows		
Net gain/(loss) from revaluation of long service leave liability (i)	(130)	(53)
Total other gain from other economic flows	(130)	(53)

Note:

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

Note 5. Correction of prior period error

- (a) During the 2014-15 financial year the authority recognised term deposits held by volunteer units with a maturity of more than 3 months as cash and deposits rather than investments. This error had the effect of overstating cash and deposits by \$3,981,000 and understating investments by \$3,981,000.

The error has been corrected by restating the affected Balance sheet items, Cash flow statement items and notes to the financial statements. This has no effect on the Comprehensive operating statement or the Statement of changes in equity.

Balance sheet as at 30 June 2016

	Notes	Previously stated 2015 \$'000	Adjustment \$'000	Restated 2015 \$'000
Assets				
Financial assets				
Cash and deposits	19(a)	46,579	(3,981)	42,598
Investments	7	0	3,981	3,981

Cash flow statement for the financial year ended 30 June 2016

	Previously stated 2015 \$'000	Adjustment \$'000	Restated 2015 \$'000
Cash flows from investing activities			
Payments for investments	0	(3,981)	(3,981)

Note 6. Receivables

	2016 \$'000	2015 \$'000
Current receivables		
Contractual		
Accrued interest income	37	38
Other receivables (i)	204	624
	241	662
Statutory		
GST recoverable (net)	482	396
Other receivables	3	0
	485	396
Total current receivables	726	1,058
Total receivables	726	1,058

Note:

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

a. Ageing analysis of contractual receivables

Please refer to Table 18.4 in Note 18 for the ageing analysis of contractual receivables.

b. Nature and extent of risk arising from contractual receivables

Please refer to Note 18 for the nature and extent of credit risk arising from contractual receivables.

Note 7. Investments and other financial assets (i)

	2016 \$'000	2015 \$'000
Current investments and other financial assets		
Term Deposits		
Australian dollar term deposits > 3 months	4,612	3,912
	4,612	3,912
Total current investments and other financial assets	4,612	3,912
Non-current investments and other financial assets		
Term Deposits		
Australian dollar term deposits > 12 months	89	69
	89	69
Total non-current investments & other financial assets	89	69
Total investments and other financial assets	4,701	3,981

Note:

(i) All investments relate to Volunteer Units.

a. Nature and extent of risk arising from investments and other financial assets

Please refer to Note 18 for the nature and extent of risks arising from investments and other financial assets.

Note 8. Other non-financial assets

	2016 \$'000	2015 \$'000
Current other assets		
Prepayments (i)	577	597
Total current other assets	577	597
Non-current other assets		
Prepayments (i)	67	174
Total non-current other assets	67	174
Total other assets	644	771

Note:

(i) Comparatives for 2014-15 have been restated.

Note 9. Non-financial physical assets classified as held for sale

a. Non-financial physical assets classified as held for sale

	2016 \$'000	2015 \$'000
Non-current assets		
Crown land at fair value	0	370
Buildings and leasehold improvements at fair value	0	108
Total non-financial physical assets classified as held for sale	0	478

b. Fair value measurement of non-financial physical assets classified as held for sale

	Carry amount as at 30 June 2016 \$'000	Carry amount as at 30 June 2015 \$'000	Fair value at the end of the reporting period using:						
			Level 1(i)	Level 1(i)	Level 2(i)	Level 2(i)	Level 3(i)	Level 3(i)	
			2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	
Crown land at fair value									
Non-specialised land	0	370	0	0	0	370	0	0	0
Total of land at fair value	0	370	0	0	0	370	0	0	0
Buildings and leasehold improvements at fair value									
Specialised buildings	0	108	0	0	0	0	0	0	108
Total of buildings at fair value	0	108	0	0	0	0	0	0	108

Note:

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

Crown land, building and leasehold improvements held for sale are carried at fair value less costs to disposal. Refer to Note 10 for the valuation technique applied to crown land, building and leasehold improvements.

Note 10. Property, plant and equipment

Table 10.1 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	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Nature based classification						
Crown land at fair value	12,560	8,800	0	0	12,560	8,800
Buildings and leasehold improvements at fair value	22,062	21,926	(3,622)	(4,008)	18,440	17,918
Plant, equipment and vehicles at fair value	61,514	56,618	(23,072)	(19,307)	38,442	37,311
Leased vehicles at fair value	5,764	6,537	(1,998)	(2,767)	3,766	3,770
Assets under construction at cost	2,562	2,329	0	0	2,562	2,329
Total property, plant and equipment	104,462	96,210	(28,692)	(26,082)	75,770	70,128

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 10.2 Movements in carrying value (i),(ii)

Carrying Amount	Crown land at fair value \$'000	Buildings and leasehold improvements at fair value \$'000	Plant, equipment and vehicles at fair value \$'000	Leased vehicles at fair value \$'000	Assets under construction at cost (iii) \$'000	Total \$'000
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
Additions	0	0	0	1,609	7,204	8,813
Transfers in/(out) of assets under construction	0	969	6,002	0	(6,971)	0
Disposals	0	0	(211)	(619)	0	(830)
Impairment of assets	0	0	0	0	0	0
Revaluation of PPE	3,390	416	0	0	0	3,806
Transfer from disposal group held for sale	370	108	0	0	0	478
Depreciation expense	0	(971)	(4,660)	(994)	0	(6,625)
Balance at 30 June 2016	12,560	18,440	38,442	3,766	2,562	75,770

Notes:

(i) The scheduled full revaluation for this purpose group was conducted in 2016.

(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 "Assets under construction" account excluding leased assets at fair value.

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

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

Table 10.3 Fair value measurement hierarchy for assets as at 30 June 2016

	Carry amount as at 30 June 2016 \$'000	Carry amount as at 30 June 2015 \$'000	Fair value at the end of the reporting period using:					
			Level 1(i)	Level 1(i)	Level 2(i)	Level 2(i)	Level 3(i)	Level 3(i)
			2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Crown land at fair value								
Non-specialised land	12,560	8,800	0	0	12,560	8,800	0	0
Total of land at fair value	12,560	8,800	0	0	12,560	8,800	0	0
Buildings and leasehold improvements at fair value (ii)								
Specialised buildings	11,126	10,917	0	0	0	0	11,126	10,917
Leasehold improvements	7,314	7,001					7,314	7,001
Total of buildings at fair value	18,440	17,918	0	0	0	0	18,440	17,918
Plant, equipment and vehicles at fair value								
Vehicles	35,400	33,943	0	0	0	0	35,400	33,943
Plant and equipment	6,808	7,138	0	0	0	0	6,808	7,138
Total of plant, equipment and vehicles at fair value	42,208	41,081	0	0	0	0	42,208	41,081

Note:

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

(ii) Buildings and leasehold improvements classified as level 2 in 2015 are now classified as level 3; as a result the 2015 comparative has been restated.

There have been no transfers between levels during the period.

Non-specialised land

Non-specialised land is 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 an independent valuation of the Authority's land was performed by the Valuer-General Victoria to determine the fair value of the land. 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 of comparable size and location to the Authority. The valuation was based on independent assessments.

The effective date of the valuation is 30 June 2016. To the extent that non-specialised land does not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market approach.

Specialised buildings

For the Authority's specialised buildings, the depreciated replacement cost method is used, adjusting for the associated depreciations. As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

An independent valuation of the Authority's specialised buildings was performed by the Valuer-General Victoria. The valuation was performed using the depreciated replacement cost method. The effective date of the valuation is 30 June 2016.

Leasehold improvements

Leasehold improvements are valued using the depreciated replacement

cost method. This cost generally represents the replacement cost of the asset after applying depreciation rates on a useful life basis.

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 2016.

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

Table 10.4 Reconciliation of Level 3 fair value

	Specialised buildings \$'000	Leasehold improvements \$'000	Vehicles \$'000	Plant and equipment \$'000
Balance at 30 June 2014	10,269	6,357	30,235	7,133
Purchases (sales)	1,221	1,280	7,981	1,183
Transfers in (out) of Level 3	(108)	0	0	0
Gains or losses recognised in net result				
Depreciation	(295)	(636)	(4,273)	(1,178)
Impairment loss	(170)	0	0	0
Balance at 30 June 2015	10,917	7,001	33,943	7,138
Purchases (sales)	0	969	5,882	899
Transfers in (out) of Level 3	108	0	0	0
Gains or losses recognised in net result				
Depreciation	(315)	(656)	(4,425)	(1,229)
Impairment loss	0	0	0	0
Subtotal	(207)	313	1,457	(330)
Gains or losses recognised in other economic flows				
Revaluation	416	0	0	0
Subtotal	416	0	0	0
Balance at 30 June 2016	11,126	7,314	35,400	6,808

Table 10.5 Description of significant unobservable inputs to Level 3 valuations for 2016 and 2015:

2016 and 2015	Valuation technique	Significant Unobservable Inputs
Specialised buildings	Depreciated replacement cost	Direct cost per square metre Useful life of specialised buildings
Leasehold Improvements	Depreciated replacement cost	Cost per unit Useful life of leasehold improvements
Vehicles	Depreciated replacement cost	Cost per unit Useful life of vehicles
Plant and equipment	Depreciated replacement cost	Cost per unit Useful life of plant and equipment

Note 11. Payables

	2016 \$'000	2015 \$'000
Current payables		
Contractual		
Supplies and services	4,727	3,636
	4,727	3,636
Statutory		
Other taxes payable	86	83
	86	83
Total current payables	4,813	3,719
Total payables	4,813	3,719

a. Maturity analysis of contractual payables

Please refer to Table 18.5 in Note 18 for maturity analysis of contractual payables.

b. Nature and extent of risk arising from contractual payables

Please refer to Note 18 for the nature and extent of risk arising from contractual payables.

Note 12. Borrowings

	Notes	2016 \$'000	2015 \$'000
Current borrowings			
Finance lease liabilities (i)	15	1,637	1,769
Total current borrowings		1,637	1,769
Non-current borrowings			
Finance lease liabilities (i)	15	2,171	2,388
Total non-current borrowings		2,171	2,388
Total borrowings		3,808	4,157

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 18.5 in Note 18 for maturity analysis of borrowings.

b. Nature and extent of risk arising from borrowings

Please refer to Note 18 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 13. Provisions

	Notes	2016 \$'000	2015 \$'000
Current provisions			
Employee benefits (i) – annual leave (iv)	13(a)		
Unconditional and expected to settle within 12 months (ii)		1,893	1,681
Unconditional and expected to settle after 12 months (iii)		230	314
Employee benefits (i) – long service leave	13(a)		
Unconditional and expected to settle within 12 months (ii)		1,076	944
Unconditional and expected to settle after 12 months (iii)		858	742
Employee benefits (i) – enterprise bargaining agreement (ii)	13(a)	136	0
		4,193	3,681
Provisions related to employee benefit on-costs	13(a)		
Unconditional and expected to settle within 12 months (ii)		543	430
Unconditional and expected to settle after 12 months (iii)		192	176
		735	606
Total current provisions		4,928	4,287
Non-Current provisions			
Employee benefits (i),(iii)	13(a)	783	545
On-costs (ii)	13(a)	140	93
Total non-current provisions		923	638
Total provision		5,851	4,925
(a) Employee benefits and related on-costs			
Current employee benefits			
Annual leave (iv)		2,123	1,995
Long service leave		1,934	1,686
Enterprise bargaining agreement		136	0
		4,193	3,681
Non-current employee benefits			
Long service leave		783	545
Total employee benefits		4,976	4,226
Current on-costs	13(b)	735	606
Non-current on-costs	13(b)	140	93
Total on-costs		875	699
Total employee benefits and related on-costs		5,851	4,925

Notes:

(i) Provision for employee benefits consist of amounts for annual leave, time-in-lieu, long service leave and enterprise bargaining agreement 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 2016 \$'000	On-costs 2015 \$'000
Opening balance	699	606
Additional provisions recognised	481	325
Reductions arising from payments / other sacrifices of future economic benefits	(305)	(232)
Closing balance	875	699
Current	735	606
Non-current	140	93
Total movement in provision	875	699

Note 14. 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	
	2016 \$'000	2015 \$'000
Defined benefits plan:		
State Superannuation Fund - Revised and New (i)	78	89
Defined contribution plans:		
VicSuper	961	908
Other	550	528
Total	1,589	1,525

Note:

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

There are no outstanding contributions at year end.

Note 15. 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	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Finance lease liabilities payable					
Not longer than 1 year		1,804	1,964	1,637	1,769
Longer than 1 year and not longer than 5 years		2,296	2,547	2,171	2,388
Minimum future lease payments (i)		4,100	4,511	3,808	4,157
Less future finance charges		(292)	(354)	0	0
Present value of minimum lease payments		3,808	4,157	3,808	4,157
Included in the financial statements as					
Current borrowings lease liabilities	12			1,637	1,769
Non-current borrowing lease liabilities	12			2,171	2,388
				3,808	4,157

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 16.

Note 16. Commitments for expenditure

	2016 \$'000	2015 \$'000
(a) Commitments		
Capital expenditure commitments		
Plant and equipment	286	1,483
Total capital expenditure commitments	286	1,483
Operating lease commitments		
Leasing of office and logistics facilities	2,464	3,352
Total operating and lease commitments	2,464	3,352
Other commitments		
Outsourcing		
– Information Technology & Communications	1,074	476
– Other	1,221	1,527
Total other commitments	2,295	2,003
(b) Commitments payable		
Capital expenditure commitments payable		
Less than 1 year	286	1,483
Longer than 1 year and not longer than 5 years	0	0
5 years or more	0	0
Total capital expenditure commitments	286	1,483
Operating lease commitments payable		
Less than 1 year	937	1,181
Longer than 1 year and not longer than 5 years	1,407	1,907
5 years or more	120	264
Total operating and lease commitments	2,464	3,352
Other commitments payable		
Less than 1 year	1,327	820
Longer than 1 year and not longer than 5 years	969	1,018
5 years or more	0	165
Total other commitments	2,296	2,003
Total commitments for expenditure (inclusive of GST) (i)	5,046	6,838
Less GST recoverable from the Australian Taxation Office	(459)	(622)
Total commitments for expenditure (exclusive of GST)	4,587	6,216

Note:

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

Note 17. Contingent assets and contingent liabilities

a. Contingent assets

There were no contingent assets at balance date 30th June 2016 (nil: 2015).

b. Contingent liabilities

There were no contingent liabilities at balance date 30th June 2016 (nil: 2015)

Note 18. Financial instruments

a. Financial risk management objectives and policies

The Authority's principal financial instruments comprise:

- cash and deposits;
- investments;

- 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 18.1 below.

Table 18.1 Categorisation of financial instruments

	Contractual financial assets – loans and receivables		Contractual financial liabilities at amortised cost			Total
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Contractual financial assets						
Cash and deposits (ii)	47,245	42,598	0	0	47,245	42,598
Receivables (i)						
- Accrued interest income	37	38	0	0	37	38
- Other receivables	204	624	0	0	204	624
Investments and other contractual financial assets						
Term Deposits (ii)	4,701	3,981	0	0	4,701	3,981
Total contractual financial assets	52,187	47,241	0	0	52,187	47,241
Contractual financial liabilities						
Payables (i)						
- Supplies and services	0	0	4,727	3,636	4,727	3,636
Borrowings						
- Lease liabilities	0	0	3,808	4,157	3,808	4,157
Total contractual financial liabilities	0	0	8,535	7,793	8,535	7,793

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 2014-15 have been restated, refer note 5.

Table 18.2 Net holding gain/(loss) on financial instruments by category (i)

	Total interest income / (expense) \$'000	Impairment loss \$'000	Total \$'000
2016			
Contractual financial assets			
Financial assets – cash and deposits	663	0	663
Total contractual financial assets	663	0	663
Contractual financial liabilities			
Financial liabilities at amortised cost	255	0	255
Total contractual financial liabilities	255	0	255
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

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

	Government agencies (AAA credit rating) \$'000	Other (min BBB credit rating) \$'000	Total \$'000
2016			
Contractual financial assets			
Cash and deposits	20,000	27,245	47,246
Receivables (i)			
Accrued interest income	20	17	37
Other receivables	153	51	204
Investments and other contractual financial assets			
Term Deposits	0	4,701	4,701
Total contractual financial assets	20,173	32,014	52,187
2015			
Contractual financial assets			
Cash and deposits (ii)	20,000	22,598	42,598
Receivables (i)			
Accrued interest income	21	17	38
Other receivables	402	222	624
Investments and other contractual financial assets			
Term Deposits (ii)	0	3,981	3,981
Total contractual financial assets	20,423	26,818	47,241

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 2014-15 have been restated, refer note 5.

Table 18.4 Ageing analysis of contractual financial assets

	Carrying amount \$'000	Not past due and not impaired \$'000	Past due but not impaired			
			Less than 1 month \$'000	1-3 months \$'000	3 months - 1 year \$'000	1-5 years \$'000
2016						
Receivables (i)						
- Accrued interest income	37	37	0	0	0	0
- Other receivables	204	151	0	14	39	0
Total	241	188	0	14	39	0
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

Notes:

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

Contractual financial assets that are either past due or impaired

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

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

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

(c) Liquidity risk

Liquidity risk arises when the Authority would be unable to meet its financial obligations as and when they fall due. The Authority operates under the government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, makes payments within 30 days from the date of resolution.

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

- close monitoring of its short-term and long-term borrowings by senior management, including monthly reviews on current and future borrowing levels and requirements;
- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short term obligations;
- holding investments and other contractual financial assets which are readily tradeable in financial markets; and
- careful maturity planning of its financial obligations based on forecasts of future cash flows.

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

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

Table 18.5 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
2016						
Payables (ii)						
- Supplies and services	4,727	4,727	4,727	0	0	0
Borrowings						
- Finance lease liabilities	3,808	4,100	183	375	1,246	2,296
Total	8,535	8,827	4,910	375	1,246	2,296
2015						
Payables (ii)						
- Supplies and services	3,636	3,636	3,636	0	0	0
Borrowings						
- Finance lease liabilities	4,157	4,511	341	577	1,046	2,547
Total	7,793	8,147	3,977	577	1,046	2,547

Notes:

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

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

(d) Market risk

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

Interest rate risk

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

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

The Authority has exposure to cash flow interest rate risks through its cash and deposits that are at floating rate. The risk is minimised by investing in some fixed rate financial instruments.

Management monitors movements in interest rates as investments approach maturity.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates are set out in Table 18.6.

Table 18.6 Interest rate exposure of financial instruments

	Weighted Average Effective Interest Rate %	Carrying Amount \$'000	Interest Rate Exposure		
			Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non-Interest Bearing \$'000
2016					
Financial assets					
Cash and deposits (iii)	1.89%	47,245	24,102	23,140	3
Receivables (i)					
- Accrued interest income		37	0	0	37
- Other receivables		204	0	0	204
Investments and other contractual financial assets					
- Term Deposits		4,701	4,701	0	0
Total financial assets		52,187	28,803	23,140	244
Financial liabilities					
Payables (i)					
- Supplies and services		4,727	0	0	4,727
Borrowings					
- Finance lease liabilities	5.96%	3,808	3,808	0	0
Total financial liabilities		8,535	3,808	0	4,727
2015					
Financial assets					
Cash and deposits (ii), (iii)	2.34%	42,598	24,280	18,315	3
Receivables (i)					
- Accrued interest income		38	0	0	38
- Other receivables		624	0	0	624
Investments and other contractual financial assets					
- Term Deposits (ii)		3,981	3,981	0	0
Total financial assets		47,241	28,261	18,315	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

Notes:

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

(ii) Comparatives for 2014-15 have been restated, refer note 5.

(iii) Weighted Average Effective Interest Rate does not include cash and deposits held by volunteer units.

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 50 basis points up and down in market interest rates (AUD) is "reasonably possible" over the next twelve months (2015: 100 basis points up and down).

Table 18.7 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 18.7 Interest rate risk sensitivity

	Carrying amount \$'000	Interest rate	
		-50 basis points	+50 basis points
		Net result / Accumulated Surplus \$'000	Net result / Accumulated Surplus \$'000
2016			
Contractual financial assets			
Cash and deposits (i)	47,245	(116)	(116)
Investments and other contractual financial assets	4,701	0	0
Total impact	51,946	(116)	(116)
Contractual financial liabilities			
Borrowings (ii)	3,808	0	0
Total impact	3,808	0	0
2015		-100 basis points	+100 basis points
Contractual financial assets			
Cash and deposits (i), (iii)	42,598	(183)	183
Investments and other contractual financial assets (iii)	3,981	0	0
Total impact	46,579	(183)	183
Contractual financial liabilities			
Borrowings (ii)	4,157	0	0
Total impact	4,157	0	0

Notes:

(i) Cash and deposits includes \$23,140 thousand (2015: \$18,315 thousand) that is exposed to floating rate movements. Sensitivities to these movements are as follows:

- 2016: \$23,140 thousand x -0.005 = -\$116 thousand; and \$23,140 thousand x 0.005 = \$116 thousand
- 2015: \$18,315 thousand x -0.010 = -\$183 thousand; and \$18,315 thousand x 0.010 = \$183 thousand

(ii) Borrowings include Nil (2015: Nil) that are exposed to floating rate movements.

(iii) Comparatives for 2014-15 have been restated, refer note 5.

(e) Fair value

The fair values and net fair values of financial instrument assets and liabilities are determined as follows:

- Level 1 – the fair value of financial instrument with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;
- Level 2 – the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3 – the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

The Authority currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are a reasonable approximation of fair value, either due to their shortterm nature or with the expectation that they will be paid in full.

All financial instrument assets and liabilities are classified as Level 1.

Note 19. Cash flow information

(a) Reconciliation of cash and cash equivalents

	2016 \$'000	2015 \$'000
Total cash and deposits disclosed in the balance sheet held by the authority (i)	35,649	31,272
Total cash and deposits disclosed in the balance sheet held by volunteer units (i)	11,596	11,326
	47,245	42,598

Note:

(i) Comparatives for 2014-15 have been restated, refer note 5.

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

	2016 \$'000	2015 \$'000
Net result for the period	4,938	5,956
Non-cash movements		
- (Gain)/loss on sale or disposal of non-current assets	(1,483)	(623)
- Depreciation of non-current assets	6,625	6,382
- Impairment of noncurrent assets	0	170
Movements in assets and liabilities		
- (Increase)/decrease in receivables	332	(253)
- (Increase)/decrease in other non-financial assets	127	25
- Increase/(decrease) in payables	1,094	(478)
- Increase/(decrease) in provisions	926	725
Net cash flows from/(used in) operating activities	12,559	11,904

Note 20. Reserves

	2016 \$'000	2015 \$'000
Physical asset revaluation surplus (i)		
Balance at beginning of financial year	6,760	6,760
Revaluation increments/(decrements)	3,313	0
Balance at end of financial year	10,073	6,760

Note:

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

Note 21. Ex gratia expenses (i)

	2016 \$'000	2015 \$'000
Compensation for economic loss	0	0
Total ex gratia expenses	0	0

Note:

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

Note 22. 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 1 July 2015 to 9 June 2016

The Hon. James Merlino, MP 10 June 2016 to 30 June 2016

Acting Minister for Emergency Services

The Hon. Wade Noonan, MP 1 July 2015 to 12 July 2015

The Hon. Lisa Neville, MP 21 September 2015 to 2 October 2015

The Hon. Martin Pakula, MP 25 March 2016 to 10 April 2016

Board Members

Peter Akers, Chairperson 1 July 2015 to 30 June 2016

Claire Higgins 1 July 2015 to 30 June 2016

Lawrence Russell 1 July 2015 to 31 December 2015
15 March 2016 to 30 June 2016

Barbara Yeoh 1 July 2015 to 30 June 2016

Helen Dyson 1 July 2015 to 31 December 2015

Ev Duke 1 July 2015 to 30 June 2016

Bernie Cronin 1 July 2015 to 30 June 2016

Nevenka Brooks 1 January 2016 to 30 June 2016

Accountable Officer of the Victoria State Emergency Service Authority

Stephen Griffin, Chief Executive Officer 1 July 2015 to 30 June 2016

Remuneration

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

Remuneration band	2016 No.	2015 No.
\$0 - \$9,999	2	1
\$10,000 - \$19,999	5	6
\$40,000 - \$49,999	1	1
\$260,000 - \$269,999	0	1
\$290,000 - \$299,999	1	0
Total numbers	9	9
Total amount	432,989	398,102

Amounts relating to ministers are reported in the financial statements of the Department of Premier and Cabinet. For information regarding related party transactions of ministers, the register of members' interests is publicly available from:

www.parliament.vic.gov.au/publications/register-of-interests.

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

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 23. 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.

Income band	Total remuneration		Base remuneration	
	2016 No.	2015 No.	2016 No.	2015 No.
\$80,000 - \$89,999	1	0	1	0
\$140,000 - \$149,999	1	0	1	0
\$170,000 - \$179,999	0	0	1	2
\$180,000 - \$189,999	0	2	0	0
\$190,000 - \$199,999	1	0	1	2
\$200,000 - \$209,999	1	2	1	0
\$210,000 - \$219,999	1	0	0	0
Total numbers	5	4	5	4
Total annualised employee equivalents (i)	4	4	4	4
Total amount	843,533	778,159	809,791	735,553

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 (2015: nil).

Note 24. Remuneration of auditors

	2016 \$'000	2015 \$'000
Victorian Auditor General's Office		
- Audit of the financial statements	70	62
	70	62

Note 25. 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 26. 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 comprehensive result is the net result of all items of income and expense recognised for the period. It is the aggregate of operating result and other comprehensive income.

Commitments

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

Depreciation

Depreciation is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense is classified as a

'transaction' and so reduces the 'net result from transaction'.

Effective interest method

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

Employee benefits expenses

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

Ex gratia expenses

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

Financial asset

A financial asset is any asset that is:

- a. cash;

- b. an equity instrument of another entity;

- c. a contractual or statutory right:

- to receive cash or another financial asset from another entity; or
- to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or

- d. a contract that will or may be settled in the entity's own equity instruments and is:

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

Financial instrument

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

Financial liability

A financial liability is any liability that is:

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

Financial statements

A complete set of financial statements comprises:

- a. A balance sheet as at the end of the period;
- b. A comprehensive operating statement for the period;
- c. A statement of changes in equity for the period;
- d. A cash flow statement for the period;
- e. Notes, comprising a summary of significant accounting policies and other explanatory information;
- f. Comparative information in respect of the preceding period as specified in paragraphs 38 of AASB 101 *Presentation of Financial Statements*; and

- g. A balance sheet as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 41 of AASB 101.

Grants and other transfers

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

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

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

General government sector

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

Interest expense

Costs incurred in connection with the borrowing of funds includes interest on bank overdrafts and shortterm and longterm borrowings, amortisation of discounts or premiums relating to borrowings, interest component of finance leases repayments, and the increase in financial liabilities and nonemployee provisions due to the unwinding of discounts to reflect the passage of time.

Interest income

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

Net result

Net result is a measure of financial performance of the operations for the period. It is the net result of items of income, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other economic flows – other comprehensive income'.

Net result from transactions/net operating balance

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

Net worth

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

Nonfinancial assets

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

Other economic flows included in the net result

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. It includes:

gains and losses from disposals, revaluations and impairments of nonfinancial physical and intangible assets.

Other economic flows other comprehensive income

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

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

Payables

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

Receivables

Includes amounts owing from government through appropriation receivable, short and long term trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

Sales of goods and services

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

Supplies and services

Supplies and services generally represent cost of goods sold and the daytoday 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 Authority in the 2015-16 *Model Report for Victorian Government Authority's*. The presentation of other disclosures is generally consistent with the other disclosures made in earlier publications of the Authority's annual reports.

DISCLOSURE INDEX

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

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Report of Operations – FRD Guidance

Charter and purpose

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Financial and other information

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Legislation	Requirement	Page Reference
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Legislation	Requirement	Page Reference
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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.



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