



ESTA ANNUAL REPORT 2017-18



ESTA 000

Saving Time Saving Lives



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FOREWORD

During 2017-18 ESTA has undertaken significant planning for the future and we are now preparing to capitalise on the opportunities we have identified, the difficult decisions we have made and necessary changes we have implemented. Our focus remains on improving our service delivery to the Victorian community.

ESTA has continued to deliver high-quality call-taking and resource allocation services for all emergency service agencies for Victoria consistently and effectively over the past year.

Demand growth remains strong overall and this is expected to continue with year-on-year increases in alignment with population growth.

We exceeded most of our emergency call-taking and dispatch performance benchmarks in 2017-18, and made significant improvement in benchmarks that have proven difficult to meet historically.

ESTA performs well when forecasting daily and seasonal demand and a key challenge has been to anticipate and manage surge demand, so we can scale up our operations in partnership with agencies and EMV to meet community needs. Over the past year, we have been investing in improvements in our ability to forecast surge demand, and this has, for example, enabled a 23 percent improvement in VICSES demand prediction.

To support the improvement in our operations, we have updated our forecasting model, which predicts short, medium and long-term staffing requirements, improves data quality and the ability to forecast dispatch volumes.

There were a number of key initiatives delivered under our 2017-18 Corporate Plan including: establishing a third emergency dispatch channel at the Ballarat State Emergency Communications Centre (SECC) and a fourth emergency dispatch channel at the Tally Ho SECC; deploying a new People and Performance framework; introducing police call-taking and dispatch functions at the Tally Ho SECC; mobilising the Computer Aided Dispatch (CAD) project; and overhauling recruitment and training processes to help us meet growing demand.

We are excited to have completed the planning and design of our new SECC at Williams Landing in consultation with our people and our agency partners.

We are continuing to look for opportunities to align strategically with our partner agencies and ensure our focus is on the future needs of the community.

We would like to thank our Authority colleagues for their contribution and support they have provided. We would also like to thank our hardworking management team for their efforts over the past 12 months, recognising the challenging time for our organisation.

To all our amazing ESTA people, including our dedicated call-takers and dispatchers, our team leaders and trainers and our Support Office employees – all of whom combine to provide a critical 24-hour service to the Victorian community – our sincere thanks for a job well done.

We also thank our colleagues in our partner agencies for your cooperation and support throughout the year.



Flavia Gobbo
Chair



Marty Smyth
CEO



MISSION, VISION, VALUES AND COMMUNITY

Our vision is to be a high performing team trusted by the community and our partners to deliver the right emergency response.

ESTA's mission

ESTA provides the critical link between the community and emergency services for triple zero, and partners with the agencies to improve service delivery to the community.

ESTA's vision

Our vision is to be a high performing team trusted by the community and our partners to deliver the right emergency response.

ESTA's values

ESTA values accountability, ethics, respect, collaboration and support for others.

ESTA's community

ESTA's purpose is to serve the Victorian community.

Key stakeholders during 2015-16 included:

- > The people of Victoria
- > Emergency Service Agencies:
 - Ambulance Victoria
 - Country Fire Authority (CFA)
 - Metropolitan Fire Brigade (MFB)
 - Victoria Police
 - Victoria State Emergency Service (VICSES)
- > ESTA employees
- > Suppliers and technology partners
- > Employee representative unions
- > State Government
 - Minister for Emergency Services
 - Minister for Health
 - Minister for Ambulance Services
 - Minister for Police
 - Emergency Management
 - Commissioner
 - Inspector-General for Emergency Management
 - Emergency Management Victoria
 - Department of Justice and Regulation
 - Department of Premier and Cabinet
 - Department of Treasury and Finance
 - Department of Health and Human Services
 - Department of Environment, Land, Water and Planning
 - Bureau of Meteorology

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"Our colleagues are amazing. If you take a rough call they are always there to listen, and to support and reassure you."



STRATEGIC GOALS 2017-21

ESTA's corporate plan is designed to help it achieve five specific and linked goals:

1. To save lives and prevent harm through speed and accuracy in emergency operations.

ESTA's role from inception has been to provide a critical link in Victoria's emergency services response. The speed and accuracy of ESTA's services are what helps save lives and prevent harm. This goal reflects ESTA's determination to serve the community with performance that continues to improve where it matters most. It also serves to galvanise the organisation around those things that matter most to people facing an emergency - speed and accuracy.

ESTA's goal to save lives and prevent harm extends beyond its service to the public, to its responsibilities for the safety of emergency services officers in the field.

2. To achieve a high performance culture and provide a safe and rewarding experience for ESTA's people.

The Victorian community and the emergency services sector expect and deserve the highest standards of performance from ESTA. It is important, therefore, that the organisation shapes and supports a workforce that can perform at its best. ESTA will improve its people experience to foster an environment where people strive for high performance. It will create a workplace that is safe and healthy, where individuals and teams are connected with each other, where they can build rewarding careers, and where people will feel more engaged.

3. To inform, support and deliver sector and agency initiatives and reforms.

ESTA's emergency communications expertise contributes significantly to delivering better, more integrated and effective emergency services for Victoria. ESTA will address challenges around delivery to agency and sector requirements in several ways, including better informing requirements and projects as a partner. ESTA will integrate agency projects into its own plans and goals and improve its understanding of sector needs. ESTA will align agency and ESTA business and change agendas, commit to consistent and reliable delivery, and build its research and innovation capability to better inform today's issues and the direction of emergency communications for the state.

4. To deliver the best outcomes for the community by managing and prioritising resources.

ESTA operates in a complex, highly integrated and volatile demand environment. It needs to prioritise and be flexible in the management of resources against demand. It must also be open and transparent about what it can do and how it will do it. Initiatives in the plan will reflect clear, transparent and evidence-based, prioritisation of ESTA resources and actions aligned with stakeholder expectations. The organisation will develop greater flexibility to better manage growth in demand, as well as unexpected surges.

5. To deliver consistent and reliable services by building organisational capability and resilience.

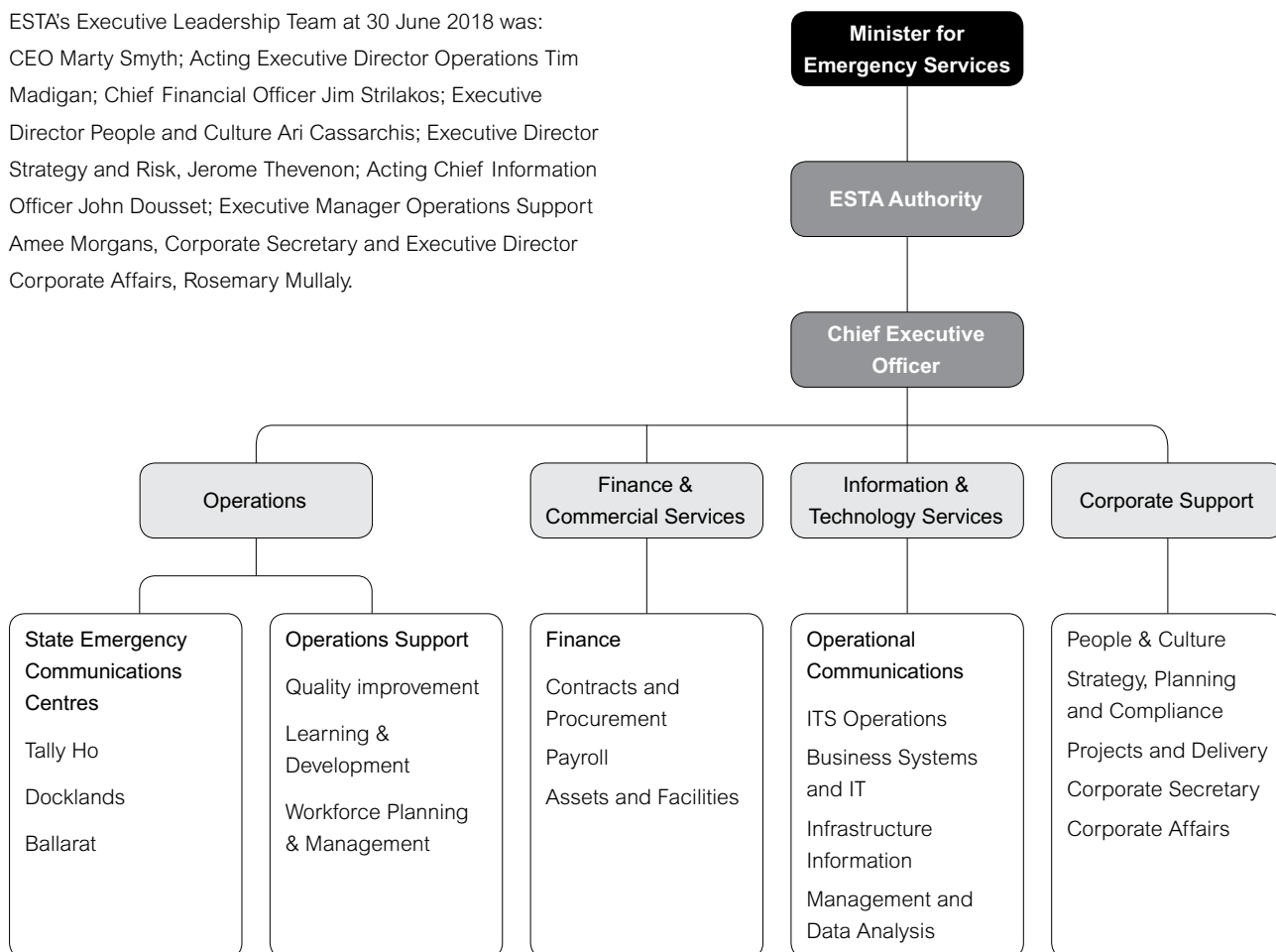
The community and agencies expect resilient and effective services that represent value for money and compliance with public sector standards. Increasing demand pressure, as well as the appetite for change throughout the sector, requires ESTA to do more with existing capabilities. Work to strengthen organisational capabilities and investment in infrastructure is anticipated in this plan.

ESTA's corporate plan is designed to help it achieve five specific and linked goals.



ORGANISATIONAL STRUCTURE

ESTA's Executive Leadership Team at 30 June 2018 was:
CEO Marty Smyth; Acting Executive Director Operations Tim Madigan; Chief Financial Officer Jim Strilakos; Executive Director People and Culture Ari Cassarchis; Executive Director Strategy and Risk, Jerome Thevenon; Acting Chief Information Officer John Dousset; Executive Manager Operations Support Ameer Morgans, Corporate Secretary and Executive Director Corporate Affairs, Rosemary Mullaly.



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"He took our call and stayed on the line until the ambulance arrived. Clear, calm, supportive and fabulous. Thank you."
— relieved mum





ABOUT ESTA

ESTA's staff are deeply committed to the community they serve and are among the most dedicated and highly skilled in their field.

ESTA provides the critical link between the Victorian community and the state's emergency services agencies. It provides Victoria's 24-hour emergency call-taking and dispatch services for police, fire, ambulance and VICSES. ESTA answered almost 2.6 million calls for assistance in 2017-18; on average, this is a call every 12 seconds or more than 7000 a day. More than 1.8 million of these calls come via the triple zero emergency call service. During the same period, ESTA dispatched more than 2.1 million events, an average of more than 5700 each day.

ESTA also manages the provision of advanced, operational communications for Victoria's emergency services. These operational communications support police, fire, ambulance and VICSES personnel in the field by carrying more than 21 million radio calls over the Metropolitan Mobile Radio Service (MMR), supporting 12 million data transactions on the Mobile Data Network (MDN) and delivering more than 1.5 million messages to CFA, VICSES and Ambulance Victoria volunteers and staff via the State-wide Emergency Alerting System (EAS).

This integration of emergency services communications within ESTA is unique in Australia. It reflects the Victorian Government's vision for centralised emergency management including the alignment of strategy, planning and investment across emergency service agencies and the promotion of unified information systems.

ESTA has a key role in facilitating interoperability for multi-agency response and is committed to providing the operational communications services and support that the emergency services need, when and where it is needed. ESTA's staff are deeply committed to the community they serve and are among the most dedicated and highly skilled in their field. Call-taking and dispatch services are delivered from three State Emergency Communications Centres (SECCs) located at Ballarat, East Burwood and Docklands.

Operating in an environment of increasing community expectations for seamless and transparent emergency services, ESTA pursues continuous improvement across all areas of its service delivery.

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"To know that you've got a caller to start CPR with their loved one and there's a successful outcome – that's a win."



DEMAND TRENDS

Activity	2013-14	2014-15	2015-16	2016-17	2017-18	Growth on LY	Four Year CAGR	Four Year Growth
Calls Answered	2,406,433	2,413,335	2,544,708	2,595,126	2,570,282	-1.0%	1.7%	6.8%
Triple Zero emergency calls	1,657,441	1,707,209	1,849,042	1,884,077	1,864,504	-1.0%	3.0%	12.5%
Non-Triple Zero emergency calls	387,419	363,295	381,909	373,426	360,365	-3.5%	-1.8%	-7.0%
VICSES Storm (132500) calls answered	31,911	22,335	19,902	32,345	29,275	-9.5%	-2.1%	-8.3%
Non-Emergency and Operational Calls	290,193	262,852	204,883	201,734	210,412	4.3%	-7.7%	-27.5%
Enquiry Calls	39,469	57,644	88,972	103,544	105,726	2.1%	27.9%	167.9%
<i>Average calls per day</i>	<i>6593</i>	<i>6612</i>	<i>6953</i>	<i>7110</i>	<i>7042</i>	<i>-1.0%</i>	<i>1.7%</i>	<i>6.8%</i>
<i>Average Triple Zero emergency calls per day</i>	<i>4541</i>	<i>4677</i>	<i>5052</i>	<i>5162</i>	<i>5108</i>	<i>-1.0%</i>	<i>3.0%</i>	<i>12.5%</i>
Events Dispatched	2,053,332	2,013,273	2,133,502	2,161,706	2,145,038	-0.8%	1.1%	4.5%
Emergency Calls – Triple Zero, Direct and Storm	2,076,771	2,092,839	2,250,853	2,289,848	2,254,144	-1.6%	2.1%	8.5%

Agency	2013-14	2014-15	2015-16	2016-17	2017-18	Growth on LY	Four Year CAGR	Four Year Growth
Victoria Police	1,224,283	1,224,283	1,325,856	1,366,105	1,321,165	-3.3%	1.9%	7.9%
Ambulance Victoria	720,552	680,493	699,675	676,237	705,069	4.3%	-0.5%	-2.1%
CFA	44,768	44,768	45,664	44,876	48,531	8.1%	2.0%	8.4%
MFB	40,184	40,184	40,435	41,244	42,017	1.9%	1.1%	4.6%
VICSES	23,545	23,545	21,872	33,244	28,256	-15.0%	4.7%	20.0%
ESTA TOTAL Events Dispatched	2,053,332	2,013,273	2,133,502	2,161,706	2,145,038	-0.8%	1.1%	4.5%

Agency	2017-18	% of total
Victoria Police	1,321,165	61.6%
Ambulance Victoria	705,069	32.9%
CFA	48,531	2.3%
MFB	42,017	1.9%
VICSES	28,256	1.3%
ESTA TOTAL Events Dispatched	2,145,038	100%

AV Emergency includes ERT C3 from 2013-14.



PERFORMANCE

ESTA has delivered high-quality call-taking and resource allocation services for all emergency services for Victoria consistently and effectively in the past year.

Improvements in surge-related demand

ESTA performs well when forecasting daily and seasonal demand. A key challenge in service delivery has been the ability to manage SES storm-based surge demand, and this affects not only SES service provision, but flows on to ESTA's ability to deliver services for other agencies. The impact to performance in previous years has shown that it is not enough to know when a surge is going to occur, but to also be able to reliably estimate

the consequences and impact so that ESTA can scale up in partnership with agencies and EMV to manage the surge.

Since July 2017, ESTA has been investing in improvements in ability to forecast surge demand. In November 2017, two ESTA staff attended a Bureau of Meteorology (BoM) training course, which focused on thunderstorms and severe weather. The course has improved ESTA's ability to predict demand during severe weather through increased understanding of synoptic

patterns, the behaviour of storm cells and interpretation of weather maps and satellite imagery. The improvements in surge-related demand prediction includes use of data from BOM via the State Control Centre, in addition to specialised BOM reporting to ESTA directly, and the DHHS asthma prediction systems, established in 2017.

Some impacts of this training are reflected in ESTA's ability to re-forecast demand when weather warnings change. Surge re-forecasting has enabled a 22.8 percent improvement in SES demand prediction compared with 2017.

In some instances, depending on the predicted impact of a severe weather warning, an ESTA Critical Incident Response Plan (CIRP) is also activated. The Operations Support team analyses the available meteorological charts and liaises with Operations stakeholders, SES and the Emergency Management Victoria (EMV) State Control Centre to gather this intelligence and make a prediction. This supports delivery of resilient and capable services despite unanticipated changes in demand.

To deliver flexible services to meet the changing demand profile, ESTA has extended the hours of the live scheduling team to optimise multi-agency trained staff. This 'Real-Time desk' tracks staffing across services. More than half of ESTA's call-takers are trained in call management for more than one emergency service. This multiagency approach supports dynamic workforce flexibility, delivers workforce efficiency, and drives lean operational performance.

Critical Incident Response Protocols

In the previous year, ESTA has improved its Critical Incident Resource Protocols (CIRP) to extend from weather only events to include a range of disaster and surge scenarios. ESTA has worked with EMV and emergency services organisations to align our protocols with the rest of the sector. Warnings about weather based surge events have been received 29 times in the past 12 months.

After ESTA assessment, an ESTA CIRP has been activated in 15 of these 29 events. The variance between forecast demand and actual call volume during events in which a CIRP has been activated has decreased from 86.5 percent in 2017 to 43.7 percent to date in 2018. This represents a 49.5 percent improvement in demand prediction during weather-related CIRP events. Accurate surge demand forecasting enables ESTA to activate additional staff earlier, provide notification at sector level and deliver better services to the community.

In March 2018, ESTA progressed further work with the Bureau of Meteorology (BOM) to help validate the new thunderstorm asthma prediction modelling, which will provide a publicly available model that can be used internationally to predict Thunderstorm Asthma events and estimate impact and consequences to drive preparedness. ESTA monitors the DHHS asthma prediction systems established in 2017 as part of its sector alert monitoring.

Operational demand

ESTA has delivered high-quality call-taking and resource allocation services for all emergency services for Victoria consistently and effectively in the past year. The Operations performance report reflects service demand, quality of service provision, and agency specific changes during the year.

State-wide emergency call activity - a combination of triple zero emergency calls, direct emergency calls from agency personnel, and VICSES storm and flood calls - decreased by 1.6 per cent from the previous financial year. This equates to ESTA receiving 35,000 fewer emergency calls.

The largest proportional decline was to VICSES storm and flood calls, reflecting the high demand in the storm surge workload in 2016-17. Overall demand growth remains strong, an 8.5 per cent increase in emergency call activity compared with 2013-14, and is expected to continue year-on-year increase in alignment with population growth.

In 2017-18 non-emergency call activity – a combination of non-emergency, operational and enquiry calls from field agents – increased by 3.6 per cent, which offset somewhat the decrease in emergency call activity.

ESTA call-taking and dispatch service performance

IGEM monitors performance standards for ESTA's call-taking and dispatch. ESTA reports monthly against these qualitative and quantitative standards. State-wide performance standards apply for the fire services, VICSES and Victoria Police. For Ambulance Victoria, performance standards are applied on a metropolitan basis, with additional reporting provided on regional and state-wide performance, using the metropolitan standards as a point of comparison.

Quantitative performance

ESTA exceeded most of its emergency call-taking and dispatch performance benchmarks in 2017-18, and made significant improvement in benchmarks that have proven difficult to meet historically.

Victoria Police

ESTA:

- > exceeded the performance benchmark of answering 80 per cent of emergency calls in all 12 months
- > answered 86.3 per cent of calls for the year within five seconds¹
- > exceeded the dispatch performance benchmark on a state-wide basis in each of the 12 months
- > dispatched 89.7 per cent of priority one Victoria Police events within the state-wide benchmark time of 180 seconds.

Ambulance Victoria

ESTA:

- > answered more than 90 per cent of calls – on a state-wide basis – within five seconds in all 12 months of the year
- > answered 94.5 per cent of ambulance non-emergency patient transport calls within 30 seconds
- > dispatched 85.4 per cent of code one events across the state within the metropolitan benchmark time of 150 seconds, compared with 83.0 per cent last year. ESTA's performance standard is 90 per cent of code one events to be dispatched within the 150 seconds and it is improving toward this benchmark
- > continued to work with Ambulance Victoria to identify improvement initiatives that will improve code one dispatch performance.

CFA and MFB

ESTA:

- > exceeded the emergency call answer performance standard in each of the 12 months for both CFA and MFB
- > answered 96.4 per cent (CFA) and 96.0 per cent (MFB) of emergency calls within five seconds
- > dispatched 94.6 per cent of MFB priority one events within the benchmark time and met the performance standard in all 12 months of the year
- > met the dispatch performance standard for CFA priority one in all months of the year, with cumulative 12 month performance of 93.2 per cent of CFA priority one events dispatched within the benchmark
- > met the CFA priority three dispatch standard in seven months of the year; however, the cumulative 12-month performance was 90.5 per cent, above the standard of 90 per cent of events dispatched within timeframes, and an improvement on 2016-17.

VICSES

- > Emergency call answer speed performance was compliant in eight of the 12 months.
- > The 12-month cumulative emergency call answer speed performance was 86.8 per cent, a 9.2 percentage point improvement compared to the 2016-17 cumulative 12 month performance.

An analysis confirmed that co-mingling VICSES calls with higher priority police calls, as well as unpredictable surge activity, were the primary drivers of non-compliance. In addition, call activity to the VICSES storm queue is extremely dynamic, with adverse weather often resulting in significant surges in call volume with limited notice. For example, VICSES storm emergency calls offered to ESTA varied from just nine to 2412 calls per day; six days in the year exceeded 1000 calls, more than 10 times the average daily call activity rate for the year.

The MFB and CFA approved a trial of fire call-takers handling VICSES calls when police operators are busy, ESTA's fire operators, after consultation, have been participating in the trial, which is showing positive signs.

Dispatch speed for priority two and three events met the standard in all of the 12 months. Priority one (other agency) events dispatch speed reported compliance in four months in 2017-18, after failing in all months from 2015-16 to 2016-17

Throughout 2016-17, ESTA, VICSES and IGEM worked on a new way to reflect dispatch performance more accurately for events that are changed. As of 1 July, ESTA began reporting VICSES performance against the new VICSES methodology, which VICSES and IGEM created to deliver a more accurate report.

¹ ESTA's services are provided state-wide and the figures displayed reflect state-wide activity and performance against the standard as presented. However, prior to the 201-1 FY, this standard applied to metropolitan service delivery only.

ESTA CTD QUALITY PERFORMANCE

The ESTA Quality Improvement Team (QIT) collects quality data and trend analytics to identify opportunities for continuous improvement. Audit activities indicate that all performance standards were met except fire call-taking, which underwent a significant process change in a transition to structured call-taking.

Audit activities

Key Performance Indicator	Description	Number of Audits	Compliant (%)	Target
All service delivery audits	% compliant	23,850	93.45	90
Ambulance emergency call-taking service delivery audits	% compliant (call-taking and call-taker call-back)	2990	93.11	90
Ambulance emergency dispatch service delivery audits	% compliant (dispatch and post-dispatch)	1582	96.01	90
Ambulance non-emergency call-taking service delivery audits	% compliant (call-taking and call-taker call-back)	1233	96.49	90
Ambulance non-emergency dispatch service delivery audits	% compliant (dispatch and post-dispatch)	388	99.74	90
Police call-taking service delivery audits	% compliant	6502	93.74	90
Police dispatch service delivery audits	% compliant	4477	93.01	90
Fire call-taking service delivery audits	% compliant	2704	84.65	90
Fire dispatch service delivery audits	% compliant (dispatch and turnout dispatcher)	3974	97.10	90



The ESTA Quality Improvement Team (QIT) collects quality data and trend analytics to identify opportunities for continuous improvement.

Potential adverse events

ESTA's process for the identification of potential adverse events enables its people to identify events which require review and support continuous improvement processes. Events with a high impact or critical risk assessment outcome require reporting to ESTA's regulator – IGEM. As shown in figure one below, of the 331 ESTA generated Event of Interest notifications received from June 2017 until June 2018, 28 were classified as high risk and therefore required notification to IGEM.

This translates into an adverse event rate of just under 11 reportable adverse events per million calls answered. There were no extreme adverse events identified.

ESTA received 1088 agency-generated potential adverse event notifications or 'observation reports' in 2017-18, which is similar to the previous year. The start of the Multi Agency Working Group has provided a forum to discuss inter-agency operational process alignment challenges, which have resolved several long-standing issues affecting service delivery for events where more than one agency is involved.

Figure one

Potential Adverse Event source	Description	12 months
ESTA-generated Event of Interest notifications	Number of Event of Interest notifications received from ESTA staff	331
Agency-generated observation reports	Number of new observation reports submitted by agencies	1088
ESTA public complaint notifications	New complaints received from the community	42

ESTA Quality Improvement Team also performs an audio data governance function. It assisted with more than 1000 requests for audio and related information.

Triple zero audio data governance		
Requests for audio and related information	Public and legal requests for information pursuant to s.33 of the ESTA Act	421
Audio requests for ESOs	Requests from agencies for audio of telephone calls or radio dispatch	709

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"His calm and caring demeanour kept me cool during my moment of 'crazy'. My sincere thanks and many hugs." – reassured dad





STRATEGY AND RISK

The Strategy and Risk department supports ESTA through evidence-based performance analysis, risk management, and corporate planning. Activities are coordinated and deployed across three key areas.

Data Science

During the first half of 2017-18, the Data Science team oversaw the updating of ESTA's financial and forecasting model. The model provides short, medium, and long-term staffing requirements based on a number of adjustable variables, such as population growth, the number of emergency services personnel and required service performance levels.

It improved data quality, focusing on fine-tuning the model's ability to forecast dispatch volumes. In addition, the team enhanced scenario-modeling capabilities by incorporating more variables. The model was used to prepare ESTA's modelling of demand for 2018-19 and beyond.

Throughout the year, the team used performance analysis to provide insights on:

- > trends for triage questions in ambulance call-taking
- > the challenges of locating non-English-speaking callers
- > long-term forecasting for the Police Assistance Line
- > long-term forecasting to support the Computer Aided Dispatch market scan.

Risk and Audit

The internal audit program is designed to review and appraise ESTA's systems, procedures and controls, and comment on their effectiveness in supporting the delivery of its business objectives and strategies. Several internal audit reviews identified opportunities for improvement across the organisation.

ESTA continued to develop its risk management framework and practice. We identified emerging risks and ran evidence-based risk assessment against several external threats. Additionally, with the support of the Victorian Managed Insurance Authority, ESTA began rolling out a risk-management maturity program to improve its risk approach.

ESTA's compliance program continued to improve its financial governance and operational performance. Specifically, it focused on the processes required by the Standing Directions from the Minister for Finance and the Victorian Protective Data Security Framework.

Strategy and Architecture

The Strategy and Architecture team brings together expertise in strategy and business planning, enterprise architecture, and master scheduling. Together, these teams coordinate development of the annual corporate plan, giving ESTA a detailed vision supported by a 12-month delivery roadmap.

The team met representatives across the sector to understand common objectives and align activities. It used resource mapping to drive scheduling of initiatives and a newly embedded enterprise architecture capability underpinned all planning work.

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"When you hear the baby cry, the adrenaline rush is a really good feeling and fills the entire room. It lifts everyone."



ESTA CORPORATE PLAN 2017-21

The corporate plan outlined ESTA's vision and the detailed activities and projects required to achieve it. It identified how ESTA would prioritise and be flexible in the management of its resources against demand and set out how it would build organisational capability to deliver consistent and reliable services.

While the plan included key projects for ESTA to deliver over a four-year horizon, it focused on high-priority initiatives scheduled for 2017-18.

Key achievements so far include:

- > supporting Ambulance Victoria's Ambulance Performance Improvement Program by establishing a third emergency dispatch channel at the Ballarat SECC and a fourth emergency dispatch channel at the Tally Ho SECC
- > improving our people leadership capability by deploying a new People and Performance framework
- > introducing police call-taking and dispatch functions at the Tally Ho SECC - a milestone in reaching our goal of 'all services all centres'
- > mobilising the Computer Aided Dispatch (CAD) project and preparing for a market scan
- > overhauling recruitment and training processes and systems to accelerate employee on-boarding to help us meet growing demand
- > completing design of the Williams Landing site in consultation with our people and our agency partners
- > progress towards elimination of radio and pager 'black spots' across metropolitan Melbourne.

Integrated Strategic Plan (ISP)

The ISP2023 is an overarching strategy that aligns with ESTA's vision and will look forward to the future. It will replace the four-year Corporate Plan, with the latter supporting the ISP as a one-year delivery roadmap.

In developing the strategy, ESTA analysed changing community demographics and expectations, the impacts of climate change and the constant evolution of technology. The environmental scan included the latest marketplace trends in Australia and across the world.

The next step will be a review of the triple zero service experience to better understand the expectations of the community and agency responders.

Statement of Expectations

The Statement of Expectations (SOE) outlined specific activities required by the Minister for Emergency Services. ESTA met the requirements as set out in the SOE.

Highlights included:

- > improving ambulance emergency code one dispatch performance in line with expectations set out in ESTA's Corporate Plan
- > addressing funding model reform as part of the state budget process
- > improving sector planning and engagement capability
- > contributing to development of the sector's diversity and inclusion
- > meeting Emergency Management Victoria's (EMV) expectations as part of its Strategic Action Plan.



PEOPLE

ESTA has done significant work on developing ESTA's leaders, with several programs rolled out to support and develop operational managers.

ESTA has made considerable gains in delivering on the new People Strategy released last year. It has rolled out the People and Performance Program to frontline people in Operations teams, with all levels of operational management scheduled to follow by the end of the year. Further, it has done significant work on developing ESTA's leaders, with several programs being rolled out to support and develop operational managers.

The CEO and broader Executive have been committed to engaging with ESTA's people at all levels through 'Ask me

anything' sessions. There has been considerable success with the roll out of the Peer Support program, supporting workers' mental health, with strong take up and positive feedback. ESTA's reward and recognition programs have gained momentum over the year, with clear opportunities created to reward great contributions.

Work began on looking at how ESTA can support and build on its diversity and inclusion strategies, so it can be more representative of - and therefore better able to - support the community.

The next 12 months will focus on evolving performance programs into talent pipelines, expanding management training to support areas and continuing to build on mental health initiatives to ensure ESTA's people feel supported in their work.

Careers in emergency management

In July 2017, ESTA began work on the accelerated resourcing project (ARP). Its aim is to improve the way we attract, recruit and train our call-takers. The project has delivered several milestones including:

- > the completion of the new training rooms at Ballarat and Tally Ho
- > the redesign of the ESTA recruitment approach and process
- > redevelopment of the mentoring and classroom training models to improve the time to competency for new call-takers (pilot)
- > mentoring (now called the 'coaching centre') and classroom training changes (pilot)

Through the increased capacity created by the development of new training rooms, ESTA's Learning and Development area can accommodate up to 74 learners in training at any one time.

Changes to the induction training model maximised opportunities to gain productivity efficiencies by improving the "blended" learning program through a combination of determining some elements as pre-requisites and moving more modules to an eLearning platform.

The final stream of ARP is the introduction of a permanent Learning Management System. ESTA has selected a new system – eCreators – that will provide a significantly improved platform for learning and development.

Developing our leaders

The Lead ESTA program began in October 2017. The leadership development focus was identified because leaders needed a more contemporary approach to development, content that aligned specifically with ESTA's daily leadership challenges and engaging a large group in leader-led development. With a stronger focus on developing leadership capability and improving engagement, it has supported the launch of the People Strategy and People and Performance Framework. The program has delivered the following outcomes:

1. a stronger sense of self awareness and emotional intelligence to better understand oneself and the impact of one's behaviour on others
2. a broader understanding of and context of leadership vs operational management
3. improvement in capability, competence and confidence in the core behaviour of leading others
4. preparing Assistant Centre Manager's to deliver learning to peers and team leaders through group facilitation and to develop influencing capability in others. This was achieved through a Train the Trainer model (Frontrunner Days).

The model is working well to support culture shift, improve engagement and learning ownership. Plans are underway to extend the learning and open the program to all ESTA leaders.

An Assistant Centre Managers' forum was introduced, establishing a community of practice and strengthening working relationships across the centres, driving consistency of people practices across ESTA.

#Iam000

"You have to speak a bit softer, try to put yourself in their shoes. Comfort them and reassure them help's been organised."



Wellness and health and safety

ESTA's People Strategy recognises the importance of workers' own health, safety and wellbeing to perform at their best every day in service of the Victorian community. ESTA's commitment to remaining safe and well focuses on four key areas of integration, understanding its unique role and developing targeted solutions, equipping people to know how and when to access support, and having a range of supports.

ESTA has implemented a range of strategies to inform and support the Safe and Well program. These have included:

- > launching the Peer Support Program across ESTA in February 2019. The peers are a vital early intervention support for their teams and use of the program has been increasing steadily
- > integrating Safe & Well questions into ESTA's People Engagement survey and participation in the beyondblue 'Answering the call' national emergency services mental health survey. This provided valuable insight into the organisation's strengths and areas of opportunity as it increases its focus on mental health and wellbeing
- > establishing the cross-functional Mental Health and Wellbeing working group to review ESTA's psychological risk profile and current interventions in line with the Safe & Well People Strategy objectives, industry best practice, evidence based workplace interventions and our baseline data
- > shifting ESTA's focus from reactive to proactive and enhancing early intervention supports available to all its people. This is led by managers as key wellbeing leaders who recognise, respond and refer where appropriate so everyone can be safe and well
- > increasing range of support options to include an Employee Assistance Program, Peer Support, Initial Care post-incident assessment and treatment, Workplace Behaviour Contact Officers, healthy heart checks and Psyflex online emotional resilience training.

ESTA has also integrated the Safe & Well program into its new accelerated resourcing process.

Safety data

Following the 2016-17 streamlining of safety reporting, last year saw an increase in lower severity incident and hazard reporting, which allows ESTA to investigate and implement additional controls before issues escalate, review existing controls and gain valuable insights. Based on this data, there has been a renewed focus on workstation ergonomics, lighting and acoustics.

Psychological injuries account for the majority of Lost Time Injuries (LTI), reflecting the sometimes demanding nature of the work. However, the LTI frequency rate has decreased with the greater focus on early alerts and intervention.

Learning and development

Activity has increased over the past year because of demand for support in implementing significant change and in refreshing employee skills.

ESTA gained re-accreditation for its two certificate qualifications - Certificate II in Emergency Communications and Certificate III in Emergency Communications. It delivered 48 accredited training courses (172 learners) through the ESTA Registered Training Organisation (RTO). ESTA also added the unit 'HLTAID001 Provide cardiopulmonary resuscitation' to its RTO scope, enabling it to deliver cardio-pulmonary resuscitation using its own trainers.

In 2017-18, Learning and Development delivered 9087 training packages, an increase from 6043 last financial year. This is about 10.6 learning and development touch points per call-taker/dispatcher and four touch points per support office employee.

This reflects the increase in the use of the LMS and the ability to deliver eLearning more effectively, as well as the volume of agency change and projects affecting the organisation. ESTA delivered 7416 eLearning courses last year in comparison with 5474 in 2016-17.



COMMUNITY ENGAGEMENT

The focus on communication is helping ESTA achieve its strategic goals.

Supporting a positive communication culture

ESTA actively fostered a positive communication culture that supports its leaders and people to be open, informed and engaged.

Corporate Affairs developed a comprehensive communication strategy with people-focused principles; delivered communication workshops, and launched a range of toolkits and resources for ESTA people.

The focus on communication is helping ESTA achieve its strategic goals, engage effectively with stakeholders, demonstrate the success of its work and change behaviour and perceptions where necessary.

Enterprise social media

ESTA implemented fully the Workplace internal communications platform this year to help its people and teams be more connected. More than 500 employees signed up and formed 80 'groups' to collaborate, access updates, chat and use instant messaging and engage in conversations across the three SECCs. The platform also supported many charity fundraising efforts – including the Royal Children's Hospital Good Friday Appeal - and helped increase the use of video as a standard communication tool inside ESTA.

Junior Triple Zero Hero Awards

ESTA's flagship annual community engagement event – the Junior Triple Zero Hero Awards – was held on 18 April at Parliament House. The awards, which are in their fourteenth year, recognise young people for their bravery and clear thinking in emergencies.

A total of 31 young Victorians aged between four and 13 were named Junior Triple Zero Heroes. The young heroes were nominated by the ESTA triple zero operators who took their call. The event allows the operators to meet their junior heroes and connect with the families they have helped.

The winners, their families and the operators joined the Minister for Emergency Services, James Merlino, and Minister for Health, Jill Hennessy, with senior representatives of ESTA's partner agencies at the awards.

The awards emphasise ESTA's role in serving the Victorian community and generate much positive media coverage.

Social media engagement

ESTA has increased its social media activity to engage more with the community, media and agency partners.

The effect of this emphasis is reflected by the improvement in the key engagement metrics across all platforms.

On Facebook, the number of followers grew from 4396 on 1 July 2017 to 5284 on 30 June 2018, a 20 per cent increase. The average number of likes also grew by 19 per cent, from 4396 to 5249. ESTA's Twitter followers grew from 1345 to 1555, a 15 per cent increase.

ESTA's YouTube channel has had more than 6100 views since 1 July 2017.

Community engagement

ESTA is an active member of the Triple Zero Awareness Working Group (TZAAG) and its people regularly conduct school visits to discuss the importance of knowing how and when to call triple zero.

This year, they participated in the development and trial of the Let's Get Ready Project, a disaster resilience game led by the Maroondah, Knox and Yarra Ranges Council Cluster Project.

The inquiry-focused, immersive approach of the training game helps in planning for, responding to, and recovering from disasters and emergencies. The project challenges young people to think about what they need to know in order to respond effectively to natural disasters and emergencies. It encourages teamwork, leadership skills, negotiation skills, exercise, excitement, and education.

ESTA worked with the project to create triple zero call simulations that allow young people to practise calling in an emergency.

Other activities

ESTA has been involved in two reality TV productions, which included filming ESTA's call-taking operations – Channel Seven's, Emergency Call, and Channel Nine's Paramedics. Emergency Call focused on the critical work of ESTA call-takers, the types of calls they deal with and how they arrange the right emergency help. Both of the TV programs are expected to premiere in late 2018.

ESTA participated in the 2018 Good Friday Appeal telethon, taking calls and volunteering, raising more than \$14,000.

ESTA staff also participated in several other fundraising activities in the year and conducted school visits to discuss the importance of knowing how and when to call triple zero.

ESTA actively fostered a positive communication culture that supports its leaders and people to be open, informed and engaged.





INFORMATION TECHNOLOGY SERVICES

Last year, ESTA took on an ambitious Corporate Plan, with ITS being the major service provider to more than 40 initiatives.

While supporting the business and ESTA's agency partners to deliver change, ITS not only maintained stable and available systems across the board, but upgraded and improved them.

ESTA made substantial changes in the ITS department; moving to a collaborative IT Hub and transferring the Managed Services team to Finance and Commercial Services.

There was one unplanned incident that resulted in CAD being unavailable at all three SECCs in September. This unplanned outage occurred in conjunction with the planned outage mentioned below which occurred on September 13.

Operational performance

ITS Service Line	ITS Application / System	2015/16 Availability	2016/17 Availability	2017/18 Availability	2017/18 Target
ITS BS	Unplanned CAD Technical Service Availability	100.00%	100.00%	99.90%	99.80%
ITS BS	CTD SECC Operational CAD Service Availability			99.75%	
ITS OPS	Wide Area Network (WAN)	100.00%	100.00%	100.00%	99.80%
ITS OPS	Local Area Network (LAN)	100.00%	100.00%	100.00%	99.80%
ITS OPS	Corporate Applications	100.00%	100.00%	100.00%	99.80%
FCS - MS	MDN - 'CORE' Component Availability	99.97%	100.00%	99.98%	99.90%
FCS - MS	EAS - Central Message Processing	99.984%	99.994%	99.996%	99.999%
FCS - MS	NEC Genesys Telephony	100.000%	100.000%	100.000%	99.80%
FCS - MS	MMR - Serv C - Central Equipment	100.000%	100.000%	100.000%	99.995%

Central Message Processing Service had a critical non-compliance caused by one critical event on 18th June where one of the database servers in the active control site malfunctioned, requiring a manual re-boot.

Resilience and sustainability

Security

ESTA's focus in 2017-18 has been in the cyber security program, ensuring we meet the reporting obligations as defined under the Victorian Protective Data Security Framework (VPDSF) released in June 2016. Under this framework, all government agencies must report on their security, providing details of risks (Security Risk Profile Assessment), and a program of work (Protective Data Security Plan), with committed timelines and funding, to address these risks. The VPDSF contains 18 security standards (Victorian Protective Data Security Standards, VPDSS), against which ESTA must perform a self-assessment using 117 specific measures.

Disaster recovery

ITS has continued to plan, test and execute its disaster recovery schedule as outlined in its 2016 Disaster Recovery Strategy. This year it tested ESTA's two most critical applications - CAD and telephony. ITS will continue to strive for excellence in this area, ensuring that its systems are not only highly available but also resilient in the event of a disaster.

Asset management

ITS has completed an asset management strategy, outlining a lifecycle program for all Information and Communications Technology (ICT) infrastructure owned by ESTA. This will help ESTA with long-term financial planning, and provide assurance that systems will remain robust and fit for purpose.

The major asset refresh activity for 2017-18 was the replacement of ESTA's core switch and critical servers across all data centres. Following a competitive market procurement process using the Victorian Government IT Infrastructure Register, a contract with the successful supplier was executed in October 2017. Installation and migration to the new infrastructure began in July 17 and has continued throughout the year with no business impact. In addition, ESTA has completed all work as required to meet the new government compliance standards.

Initiatives and delivery

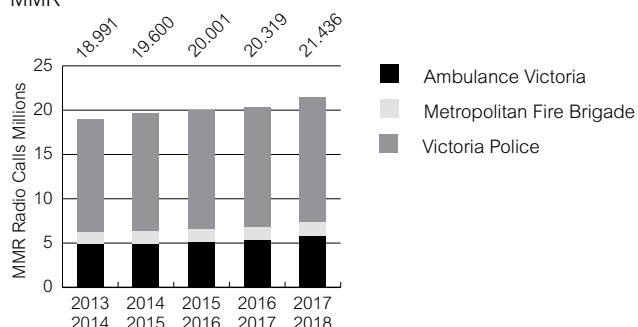
In addition to maintaining a robust ITS eco-system, ITS has been a major contributor to ESTA's many initiatives. Major mobility projects have included Blue Connect, Digital Radio Upgrade Program, and Narrowband, with high impact internal projects like the CAD Transformation Program, Accelerated Resourcing and SECC Relocation Program.

After about 12 months of planning and negotiation, ESTA executed a new contract with the supplier of the current CAD platform, until 2020. The team has developed a multi-agency strategy and is implementing a new way of working to improve the currency of location data.

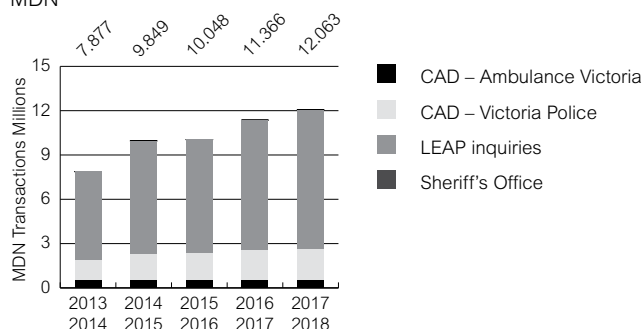
In December 2017, ESTA implemented the first CAD upgrade without going into manual operations. This upgrade delivered several agency changes to CAD - with an efficiency gain and cost saving by not going manual.

Managed services

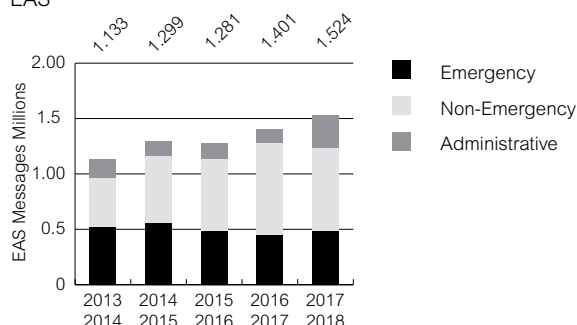
MMR



MDN



EAS



In 2017-18, ESTA's Managed Services Department continued to support the state's overarching Emergency Management Operational Communications (EMOC) program. It renegotiated both the MMR and EAS contracts with the existing service providers to align with the state's long-term strategy and EMOC principles. ESTA was a key stakeholder/contributor in both negotiation processes, ensuring a seamless transition of the on-going management of the services to ESTA. The team also advised the Mobile Data Network (MDN) service provider that it would begin contract negotiations to extend the current service term from March 2019 onwards.

Metropolitan Mobile Radio (MMR)

MMR contract extension negotiations ended in December 2017 with ESTA signing a contract for a new seven-year service term plus a five-year extension option. The contract negotiations were extremely successful, with a full terminal replacement program (more than 12,000 terminals) and a significant network capital works refresh program included. Several innovative initiatives, such as a Location Management Service, Broadband Push to Talk and a Multi-Agency Communication Gateway interface, have been negotiated into the new contract, as has fixing several high-priority coverage 'blackspots'.

ESTA continued another significant program - the Victoria Police Protective Service Officers (PSO) Radio Coverage at metropolitan train stations. Poor radio communication coverage at a further nine of the state's major train stations is being rectified to ensure PSO's safety.

Finally, ESTA has been progressing coverage remediation works at major public venues. These works are expected to be concluded by December 2018.

Mobile Data Network (MDN)

ESTA sourced a suitable replacement for the existing Mobile Data Terminal, which is no longer being manufactured. ESTA, EMV and the MDN customers (VicPol and AV) piloted and recommended a replacement device, which is being rolled out as required.

As outlined above, ESTA, in conjunction with EMV, has initiated discussions with the current MDN service provider to ensure continuity of service after March 2019. ESTA and EMV are working with Victoria Police and AV to understand future MDN requirements before extension negotiations begin.

Emergency Alerting Service (EAS)

In October 2017, ESTA signed a new EAS contract with a five-year service term plus a further three-year extension option. Again, contract negotiations were extremely successful with a 40,000-plus pager replacement program being rolled out over four years. Further, operational enhancements to the physical pager unit, an EAS Data Interface and Near Real Time Reporting service have also been included. Finally, several high priority coverage 'blackspots' and a major capital works upgrade program will also be addressed over the next 18 months.



FINANCIAL PERFORMANCE

ESTA's financial position continued to improve in 2017-18 and this has strengthened its capacity to provide critical services to the community.

In 2017-18 ESTA:

- > continued to support increased demand for its services while improving financial and prudent liquidity performance
- > consolidated its approach to sustain an efficient service delivery model with its partner agencies
- > began transformational projects to enhance the Computer Aided Dispatch (CAD) platform and to relocate the World Trade Centre State Emergency Communications Centre (SECC) to a new site at Williams Landing.

Financial results

For 2017-18, the net result was \$25.9 million, which represented a \$17.7 million improvement from 2016-17 (\$8.2 million); this is underpinned by the profile of funding for operational communications managed services, particularly given the recent extensions to the Metropolitan Mobile Radio and Emergency Alerting Systems contracts (refer Table one below).

ESTA's net assets increased by \$31.7 million to \$63.7 million at 30 June 2018 (\$31.9 million at 30 June 2017), reflecting the strong operating result and investment by government in strategic initiatives during the year.

ESTA's financial statements for 2017-18 are included in this Annual Report. The organisation's consolidated net result reflects a combination of its three lines of business:

- > call-taking and dispatch – emergency and non-emergency call-taking and dispatch operations and related support functions
- > operational communications – state service contracts managed by ESTA on behalf of the Department of Justice and Regulation
- > projects – agency requested works that are recovered on a fee-for-service basis.

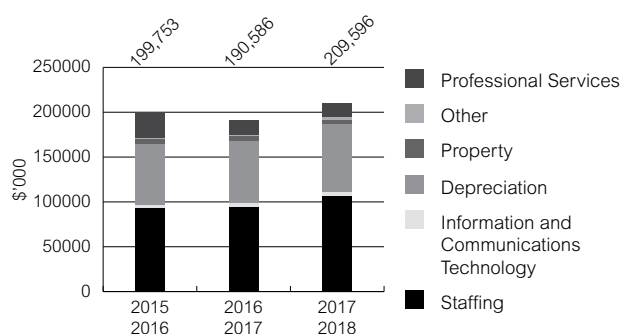
Table one: Net result by line of business*

(\$'000)	2015-16	2016-17	2017-18
Call-taking and dispatch	(420)	9984	593
Operations communications	(822)	(1357)	27,418
Projects (fee for service)	371	(457)	(2068)
Total net result	(871)	8170	25,943

* The basis of identifying the line of business is consistent with the notes to the accounts.

Total expenses in 2017-18 were \$209.6 million and comprised mainly staffing and ICT-related costs, with the associated increases driven by the increased level of demand for call-taking and dispatch and the contracted payments under state-managed contracts for operational communications. ESTA's underlying cost base is subject to significant year-on-year fluctuations in relation to the accounting of these contracts.

Chart one: Total expenses



Cash and liquidity

ESTA's total cash position at 30 June 2018 was \$49.2 million and is a significant improvement on previous years. The cash balance is earmarked mainly for employee entitlements, urgent and minor capital works and amounts required under the provisions of communications contracts managed on behalf of the state.

Table two: Cash balance and liquidity

(\$'million)	June 2016	June 2017	June 2018
State-managed contracts	12.6	8.2	20.8
Call-taking and dispatch (CTD)	11.2	24.3	28.4
Cash balance	23.8	32.5	49.2
Number of weeks of cash	4.5	9.7	11.4

During the year, ESTA began transformational projects to relocate one of its three SECCs and to transform the CAD system to sustain improved call-taking and dispatch services into the future; these investments will continue over the next three years.

ESTA's improved financial position will enable ESTA to invest in its people, processes and technology to deliver on its corporate plan goals and to deliver consistent and reliable services for the community and our emergency services partners.

#Iam000

"Thank you so much for being kind, calm, professional and just human. Gosh I adore human service."
— grateful caller



ENVIRONMENT

ESTA's 24x7, year-round operations contributes to its energy consumption. It relies heavily on electrical equipment to provide call-taking and dispatch services to the community. The maintenance regime for its electrical and supplementary power sources helps improve the efficiency of these systems and minimise unnecessary power consumption.

In 2017–2018, ESTA increased its training capability with the creation of four new training rooms. The new training rooms increased the demand on energy consumption for half the reporting period.

ESTA continues to participate in the Emergency Management Climate Change Working Group, which is reviewing the Climate Change Act 2017 objectives and the State Government's pledges. Additionally, ESTA is working towards a renewed environment management strategy, which will align with the government's pledges.

Paper consumption

Paper use continues to decrease which reflects the change in habits around information storage. This is due to the clean desk policy and the implementation across all sites of 'follow-me printing' which enables printing only when the person is actually at the printer to collect it. Printing from devices is defaulted to black and white and double-sided.

Energy and fuel consumption

Electricity and gas consumption per FTE has decreased slightly since last year. Although the removal of solar panel hot water at Ballarat SECC and additional air conditioners for the new training rooms contributed to an increase in power consumption, the installation of a Power Factor Correction Unit at the Burwood site has enabled power use to be reduced.

Water

Water consumption dropped this financial year. Repairing damaged plumbing in the sites has helped reduce water wastage through leaking taps etc. Water metering applies only to Ballarat and Tally Ho SECCs. The World Trade Centre SECC is located in multi-tenanted buildings, and is not metred separately. Consumption has been estimated on percentage of buildings occupied for those premises and may not reflect accurately ESTA's water consumption.

Waste

ESTA measures waste by audit sampling and the proportion of recycling waste declined. In 2017–2018, waste has dropped slightly at 50 kg per FTE. Later in the year, ESTA renewed its recycling program with new bins and information in respect to recycling at all the SECCs. The Staff Consultative Committees support this initiative and the amount of recycling is expected to increase under this program.

GHG emissions

ESTA's GHG emissions per FTE decreased by 0.8 of a tonne during the 2017 - 2018 Financial Year.

Transport

ESTA employees use corporate vehicles to travel between the operating centres to attend meetings with suppliers or customers and to visit transceiver sites as part of their contract management obligations.

ESTA uses the State Government travel supplier when booking any air or rail travel. This use is included in the calculations of this report. In addition, ESTA employees are supported in their use of public transport between sites and continuous use of video conferencing to reduce travel demands between sites.

Sustainable procurement

ESTA's procurement strategy continues to include environmentally sustainable procurement activities, including environmental weighting factors in relevant tender evaluations. As a matter of policy, ESTA undertakes the recycling goods that are no longer required, including via donation, and it engages suppliers to dispose of goods by environmentally sound methods. These activities were in line with Victorian Government Procurement Board guidelines for recycling goods.

ESTA is working towards a renewed environment management strategy, which will align with the government's pledges.



Environment Aspect	Description	Unit of Measurement	Fin. Year 2017-18	Fin. Year 2016-17	Fin. Year 2015-16	Fin. Year 2014-15	Fin. Year 2013-14
Paper	% Recycled	%	99%	100%			
	Use per FTE	Reams per FTE	2.5	3.2	3.4	3.5	3.7
	Total Use	Reams	2092	2432	2628	2751	2823
	Total GHG emissions	Tonnes CO ₂ equivalent	7.3	8.5	9.2	9.6	9.9
Energy	Use per FTE	Mega joules per FTE	20,319	21,041	19,370	20,420	18,768
	Use per square metre of office space(2)	Mega joules per m ²	1720	1636	1535	1654	1649
	Total Use	Mega joules	16,702,207	16,201,529	14,914,883	16,061,141	14,733,228
	Total GHG emissions(1)	Tonnes CO ₂ equivalent	5051	5308	4886	3643	3341
	Green Power	%	0	0	33	25	25
Water	Consumption per FTE	Kilolitres per FTE	4.9	5.8	5.5	4.8	4.3
	Total Consumption	Kilolitres	4027	4454	4122	3771	3313
	Total GHG emissions	Tonnes CO ₂ equivalent	9.4	10.4	9.6	8.8	7.7
Waste	Generated per FTE	Kilograms per FTE	49	53	55	35	43
	Total Recycled	%	32	35	33	26	28
	Waste disposed of by destination						
		Landfill (kg)	27,554	27,078			
		Commingled (kg)	5920	6109			
		Cardboard/paper (kg)	7060	7531			
	Total GHG emissions	Tonnes CO ₂ equivalent	44.6	44.9	44.0	22.1	15.4
Transport	Fuel (petrol)	Litres	5805	6454	7254	7742	5530
	Operational	Km	295,078	73,336	82,447	88,687	49,700
	Vehicle and air kilometres travelled						
	Vehicle emissions	Tonnes CO ₂ equivalent/1000km	1.31	0.32	0.36	0.39	0.22
	Total GHG emissions	Tonnes CO ₂ equivalent	21.8	24.2	14.7	15.7	11.2
GHG Emissions	Total GHG emissions for Fin. Year	Tonnes CO ₂ equivalent	5134	5396	4964	3699	4196
	Total GHG emissions per FTE	Tonnes CO ₂ equivalent	6.2	7.0	6.4	4.7	5.3
FTE (3)			822	771	770	787.19	785.71

Notes:

(1) Emission Factor for electricity in Victoria is 1.08.

(2) Based on total office space for last 2+ years 9710.50 sq.m.

(3) FTE based upon 30 June.

CORPORATE GOVERNANCE

Emergency Services Telecommunications Authority and Committees

ESTA's corporate governance is oversighted by its Authority, supported by four specialist sub-committees. The government appointed two new Authority Members during the year, and three Members retired.

ESTA membership during 2017-18 comprised:

Ms Flavia Gobbo

(Chair)

Appointed as a Member of ESTA in February and as Chair in August 2017, Flavia Gobbo is a highly experienced legal practitioner and company director. She serves as the Chairperson of WorkCover Queensland and was previously Chair of QComp, the former Workers Compensation Regulator in Queensland. Ms Gobbo is also the Deputy Chair of Rowing Australia, and holds Directorships with Employers Mutual Ltd and SecondBite. Admitted as a legal practitioner of the Supreme Court of Victoria, Supreme Court of Queensland and the High Court of Australia, Ms Gobbo has extensive experience as a corporate lawyer. She was a member of Telstra Legal Services Senior Leadership team and held a number of senior roles at Telstra Corporation over 15 years. Ms Gobbo is a graduate of the Australian Institute of Company Directors.

Mr Howard Ronaldson

(Chairman until August 2017)

Howard Ronaldson was appointed full-time Chairman at ESTA in January 2016, a position he held until August 2017. Prior to his appointment he served as Administrator at Ambulance Victoria. Mr Ronaldson has extensive experience at the most senior level of government administration. He was Secretary of the Department of Innovation Industry and Regional Development in from 2008 to 2014. Prior to joining DIIRD, Mr Ronaldson was Secretary of the Department of Infrastructure, a position he held from December 2002. Mr Ronaldson also chaired the ESTA Advisory Committee and was a Member of its Finance Committee.

Ms Siobhan Boyd-Squires

(Member)

Appointed as a Member of ESTA in November 2016, Siobhan Boyd-Squires has held senior roles in health services, insurance and public sector agencies with a focus on government relations, operational policy and implementing significant legislative reforms. Ms Boyd-Squires currently serves as a Sessional Member of the Victorian Civil and Administrative Tribunal's Occupational and Business Regulation List, and has

until recently lead the implementation of the new compliance and enforcement functions of the Commission for Children and Young People. She provides consulting services to employers focused on dispute resolution, safety systems and injury management. She is a registered physiotherapist, a nationally accredited mediator and holds Masters degrees in both Law and Public Health. Ms Boyd-Squires has previously served as a statutory Conciliation Officer for the Accident Compensation Conciliation Service where she resolved disputes pertaining to workers compensation, and as an Audit and Risk Executive Committee Member for the Inner South Community Health Service. She is a Member of ESTA's Audit and Risk Management and Compliance Committee.

Ms Christine Collin

(Member)

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

Ms Mary Delahunty

(Member)

Appointed as a Member of ESTA in August 2015, Mary Delahunty has held senior roles in financial services and superannuation. She has a Masters of Applied Finance. She is currently the Head of Impact at industry superannuation fund HESTA. Ms Delahunty was elected as a Councillor at the City of Glen Eira in 2012 and has served as Mayor of the municipality. Ms Delahunty is Chair of the Women's Ministerial Advisory Council on Gender Equality and has also served as a Board Member and Chair at Reclink Australia, a national charitable organisation providing sporting, social and arts activities to support people experiencing disadvantage. Ms Delahunty is a 2015 Churchill fellow and in 2011, was the recipient of the Perpetual Foundation Company Directors Scholarship with the Australian Institute of Company Directors. Ms Delahunty Chairs ESTA's Finance Committee.

Ms Peita Duncan

(Member until January 2018)

Appointed as a Member of ESTA in November 2016, Peita Duncan is the Co-founder and Director of recruitment and consultancy group, Xcelerate Consulting, providing services in human resources, business development, general management and recruitment primarily for professional services. She also serves as a Non-Executive Director for Greyhound Racing Victoria, having previously been a Director of the Meadows Greyhound Racing Club, of Sacré Cœur girls school Glen Iris, and of the Cincinnati Club in Cincinnati Ohio. She was a Member of ESTA's Audit, Risk Management, and Compliance Committee.

Mr Toby Hemming

(Member until May 2018)

Appointed as a Member of ESTA in November 2016, Toby Hemming is a qualified lawyer and company secretary with significant experience in the Victorian public sector. Prior to being appointed General Counsel at the Department of Premier and Cabinet in May 2018, he was the Senior Executive Adviser to the Chief Judge of the County Court of Victoria and a Non-Executive Director on the board of the Victorian Managed Insurance Authority (VMIA). He is a graduate of the Australian Institute of Company Directors and has completed executive training at Harvard University's Kennedy School of Government. Mr Hemming was a Member of ESTA's Information and Communications Technology Committee.

Mr Paul Henderson

(Member)

Appointed as a Member of ESTA in May 2015. Paul Henderson is a lawyer of over 30 years' experience. He was a partner and director of Slater & Gordon Lawyers, retiring from the firm in February 2015. Paul is a partner at Gordon Legal and is an expert in personal injury law. Mr Henderson has served on the Specialist Board of Examiners, various Law Institute and Court Committees. He is on the Board of the Western Bulldogs Football Club Community Foundation and is a board member of the AFLPA Injury and Hardship Fund. He is a director of several private companies and is a graduate of the Australian Institute of Company Directors. Mr Henderson Chairs ESTA's Audit, Risk Management, and Compliance Committee.

Mr Gary Rothville

(Member)

Appointed as a Member of ESTA in August 2017, Gary Rothville has operated a private legal practice, Gary Rothville and Associates, and an advisory consultancy company, Garjen Pty Ltd, since 2007. Mr Rothville has more than 40 years' experience in the field of human resources and industrial relations, both in business and in legal practice, across both the public and private sectors. He also has broad commercial experience as a Director of national electrical services provider Oliver J Nilsen (Australia) Ltd. He previously established Arnold Bloch Leibler's Employment and Industrial Relations practice, and also was the foundation Partner of the national Employment and IR practices at Andersen Legal and Phillips Fox (now DLA Piper). Mr Rothville is a Chartered Member of the Australian Human Resources Institute (AHRI); a Life Member of the Industrial Relations Society of Victoria; and a former Committee Member of the Industrial Law Committee of the Law Council of Australia. He chairs the VicRoads Industrial Appeals Committee and also holds a Senior Legal Adviser position with Perth-based national advisory firm, Strategic Human Resources.

Dr Angela Williams

(Member)

Appointed as a Member of ESTA in November 2017, Angela Williams is a Consultant Forensic Physician at the Victorian Institute of Forensic Medicine. She also serves as a sessional member of both the Victorian Civil and Administrative Tribunal and the Superannuation Complaints Tribunal. Angela fulfils a number of roles at the Royal College of Pathologists of Australasia as a Fellow of its Faculty of Clinical Forensic Medicine. She is a Member of its Board of Professional Practice and Quality, and a Member of its Forensic Advisory Committee. Angela is Vice-President of the Board of Directors for OzChild and Chair of its Quality and Child Safety Committee. She serves as Chair of Standard Australia's Health Records (Paper & Digital) and is a Member of its Forensic Services Committee. Angela is also a Senior Lecturer at Monash University's Department of Forensic Medicine, and is a Fellow of the Faculty of Forensic and Legal Medicine (UK). She holds Masters in Public Health, Business Administration, Forensic Medicine and Health Management, as well as a Bachelor of Medicine/ Bachelor of Surgery and a Graduate Diploma in Law.

Committees

The Authority operated four committees in 2017-18:

- > ESTA Advisory Committee;
- > Audit, Risk Management, and Compliance Committee;
- > Finance Committee; and
- > Information and Communications Technology Committee.

ESTA Advisory Committee

The ESTA Advisory Committee is appointed by the Authority in accordance with Section 21 of the Emergency Services Telecommunications Act 2004. The functions of the Advisory Committee are to:

- (a) Advise the Authority of any specific requirements of, or issues relating to, the organisations represented on the committee; and,
- (b) Carry out any other functions that are conferred on the committee by this Act, by the regulations or by the Authority.

In 2017-18, the Advisory Committee comprised representatives from the following organisations:

- > Ambulance Victoria
- > CFA
- > DELWP
- > EMV
- > MFB
- > VICSES
- > Victoria Police

The Committee met four times during the year and was chaired by Ms Flavia Gobbo, Chair of the Authority, and attended by an IGEM observer.

Audit, Risk Management and Compliance Committee

The Audit, Risk Management and Compliance Committee's priorities are to:

- > focus on ESTA's major areas of risk and to monitor and review the actions, systems and processes in place to manage those risks;
- > oversee and advise on matters of accountability and internal control; and
- > review, ratify and oversee ESTA's audit and compliance activities including the scope of work, performance and independence of the internal auditor; and the scope of work and audit strategy of the external auditor.

Members of the Committee at 30 June were:

- > Mr Paul Henderson (Chair and Authority Member)
- > Ms Siobhan Boyd-Squires (Authority Member)
- > Mr John Gibbins (External Committee Member)
- > Ms Kerryn O'Brien (External Committee Member)
- > Mr John Rogan (External Committee Member)

Finance Committee

The priorities of the Finance Committee are:

- > the development and implementation of a base financial model to support forecasting, scenario planning
- > building a comprehensive understanding of costs and
- > achieving savings.

Members of the Finance Committee at 30 June were:

- > Ms Mary Delahunty (Chair and Authority Member)
- > Ms Flavia Gobbo (Authority Chair)
- > Professor Robert Officer (External Committee Member)

The meetings are also attended by advisers from the Department of Justice & Regulation, Mr Chris Breitzkreuz, Chief Financial Officer, and Chief Executive Officer EMV, Ms Marisa De Cicco.

Information and Communications Technology Committee

The priorities of the Information and Communications Technology Committee are:

- > Identifying how ICT supports ESTA's strategy and what investments and forward planning are required to deliver on strategy and mitigate risk;
- > Monitoring and oversight of technology and relevant system delivery to ensure ESTA's ICT is robust and productive;
- > Monitoring and oversight of ICT risks; and
- > Understanding, monitoring and reviewing operational ICT costs and benchmarks, including investments.

Members of the Committee at 30 June were:

- > Ms Christine Collin (Chair and Authority Member)
- > Ms Julie Fahey (External Committee Member)
- > Mr Bruce Moore (External Committee Member)

Mr Randall Straw resigned as an external committee member during the year.

Attendance at Authority and Committee meetings

	Authority		ESTA Advisory Committee		Audit, Risk Management & Compliance Committee		Finance Committee		Information & Communications Technology Committee	
	A	B	A	B	A	B	A	B	A	B
Authority Member Meeting Attendance										
Siobhan Boyd-Squires	10	9	-	1*	5	5				
Christine Collin	10	10							4	4
Mary Delahunty	10	9			3	2	5	5		
Peita Duncan	6	5			3	1				
Flavia Gobbo	10	9	4	4		4	5	5		4
Toby Hemming	8	6							3	3
Paul Henderson	10	9			5	4	-	1*		
Gary Rothville	10	7	-	2*						
Angela Williams	6	6								
External Committee Member Meeting Attendance										
Julie Fahey									4	3
John Gibbins					5	5				
Kerryn O'Brien					5	4				
John Rogan					5	5				
Robert Officer							3	2		
Bruce Moore									2	2

A – Number of meetings held during the time the Member held office during 2017-18.

B – Number of meetings attended.

* Member attended the Committee meeting by invitation.

A joint meeting of ESTA's Audit, Risk Management, and Compliance Committee and its Information and Communications Technology Committee, was also held during the year and was attended by all members of both committees, including the Authority Chair.

#Iam000

*"My 000 call was a surreal moment. I can recall every word that sweet life-saving voice gave me. I am forever grateful to that angel."
– comforted mum*



Statutory information

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

Publications

ESTA maintained a public website and also published information via Facebook, Twitter, LinkedIn, and Instagram throughout the year. An Annual Report for 2016-17 was published and presented to Parliament. ESTA also produced and distributed a summary of its Corporate Plan 2017-21, and internal publications for its employees.

Consultants

Details of consultancies (valued at \$10 000 or greater)

In 2017-18, there were 19 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2017-18 in relation to these consultancies is \$2,378,658.97 (excluding GST). Details of individual consultancies are outlined below.

Consultant	Purpose of consultancy	Total approved project fee (excl. GST)	Expenditure 2017-18 (excl. GST)	Future expenditure (excl. GST)
A.G. Coombs Advisory Pty Ltd	Assessment of proposed new site	28,200.00	28,200.00	-
Corporate Scorecard Pty Ltd	Financial and performance assessments	11,562.60	11,562.60	-
Deloitte Touche Tohmatsu	Payroll audit and IT structure review	165,600.00	165,600.00	-
DXC Consulting Pty Ltd	Data centre advisory services	89,000.00	89,000.00	-
Ernst and Young	Funding model review and risk assessment services	146,547.87	146,547.87	-
Hive Legal Pty Ltd	Legal advice for various matters	11,538.44	11,538.44	-
Lander and Rogers Lawyers	Legal advice for various matters	31,035.90	31,035.90	-
Maddocks Lawyers	Legal advice for various matters	80,800.00	77,700.00	3100.00
Marshall Day Acoustics	Acoustic assessment of operational call centres	13,250.00	13,250.00	-
Mercer Consulting (Australia) Pty Ltd	Executive review, agile and work organisation assessment	73,100.00	73,100.00	-
Mingara Australasia Pty Ltd	Project technical health check	27,831.28	27,831.28	-
Minter Ellison	Legal advice for various matters	884,344.65	884,344.65	-
Nous Group	Operational model review	197,000.00	31,995.16	165,004.84
Pitcher Partners	Commercial advisory services	121,400.00	70,374.16	51,025.84
Pixel Perfect Pty Ltd (T/A Courthealth Consulting)	Probity advice	65,404.87	35,091.12	30,313.75
Predictive Analytical Group Pty Ltd	Financial forecasting model review	125,945.60	125,945.60	-
PricewaterhouseCoopers	Internal audit services and Program and Project Delivery review	473,153.89	473,153.89	-
Sacon Group Pty Ltd	Risk assessments	37,500.00	37,500.00	-
Victorian Government Solicitors Office	Legal advice for various matters	44,888.30	44,888.30	-
Total		2,628,103.40	2,378,658.97	249,444.43

National Competition Policy

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

Purchasing

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

Details of consultancies under \$10 000

In 2017-18, there were eight consultancies engaged during the year, where the total fees payable to the individual consultancies were less than \$10,000. The total expenditure incurred during 2017-18 in relation to these consultancies was \$36,681.93 (excluding GST).

Consultant	Purpose of Consultancy	Start date	End date	Total approved project fee (excl. GST)	Expenditure 2017-18 (excl. GST)	Future expenditure (excl. GST)
ANNE DALTON & ASSOCIATES	Probity advice: CAD	11/7/2016	8/31/2017	2694.50	2694.50	-
BROCKHURST CONSULTING PTY LTD	Career coaching and transition to retirement	3/28/2018	4/27/2018	5700.00	5700.00	-
D&D TAXATION CONSULTING PTY LTD	Review of 2017-18 FBT Return	5/1/2018	6/30/2018	4372.50	4372.50	-
DEPARTMENT OF TREASURY AND FINANCE	Technical due diligence for WTC relocation	8/1/2017	10/31/2017	4800.00	4800.00	-
EMA CONSULTING PTY LTD	Best practice guide consultancy	1/1/2017	5/31/2017	5852.00	5151.43	700.57
GAIL MORLEY & ASSOCIATES PTY LTD	Training accreditation review			4500.00	4500.00	
KONEKT AUSTRALIA PTY LTD	Comprehensive Ergonomic Assessment	5/1/2018	5/1/2018	573.50	573.50	-
WISELY TRUST T/AS WISE WORKPLACE SOLUTIONS	Workplace cultural review	12/14/2017	2/8/2018	8890.00	8890.00	-
Grand Total				37,382.50	36,681.93	700.57

Information and communication technology expenditure

Details of information and communication technology (ICT) expenditure

For the 2017-18 reporting period, ESTA had a total ICT expenditure of \$110.4 million, with the details shown below.

All operational ICT expenditure				ICT expenditure related to projects to create or enhance ICT capabilities	
Business As Usual (BAU) ICT expenditure	Non-Business As Usual (non-BAU) ICT expenditure	Operational expenditure		Capital expenditure	
(Total)	(Total = Operational expenditure and capital expenditure)				
94,984	15,375	4696		10,679	

ICT expenditure refers to ESTA's costs in providing business enabling ICT services within the current reporting period. It comprises Business As Usual (BAU) ICT expenditure and Non-Business As Usual (Non-BAU) ICT expenditure. Non-BAU ICT expenditure relates to extending or enhancing ESTA's current ICT capabilities. BAU ICT expenditure is all remaining ICT expenditure which primarily relates to ongoing activities to operate and maintain the current ICT capability.

Freedom of Information

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

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

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

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

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

ESTA responded to 44 FOI requests during 2017-18 compared to 34 in 2015-16.

Ministerial Authorisation

ESTA also relies on Ministerial Authorisations to release information that would otherwise be confidential under the *Emergency Services Telecommunications Authority Act 2004 (ESTA Act)*. The Authorisations allows ESTA, in certain circumstances, to release triple zero call audio, and information for the purposes of:

- > Educating the community or any section of the community about the role of and the services offered by, the Authority;
- > Promoting public health and safety;
- > Responding to complaints, enquiries or compliments about or relating to the Authority, a member of or acting member of the Authority or an employee of the Authority;
- > Support for the staff of the Authority, which may include commendations or other recognition; and
- > Responding to requests for access to records under the *FOI Act* so far as the exemptions contained in that Act (other than that contained in s 38 of that Act) do not apply to the information.

Victoria's Charter of Human Rights and Responsibilities

ESTA seeks to act consistently with the human rights set out in the Victorian Charter of Human Rights and Responsibilities. The Charter sets out the basic rights, freedoms and responsibilities of all people in Victoria. It recognises that in some circumstances, some rights may be limited, and ESTA aims to ensure its provision of emergency services communications assistance to the community is consistent with the Charter and exceptions are limited to those that are necessary and reasonable.

Privacy legislation

ESTA is subject to the *Privacy and Data Protection Act 2014* and the *Health Records Act 2001* and is committed to protecting the privacy of all personal and health information it collects and handles.

ESTA uses personal information provided for responding to emergencies and related activities. This information may also be used for research and statistical analysis purposes.

ESTA operates telephone call recording equipment. Recordings may be provided to emergency services agencies, law enforcement bodies, the Courts and judicial officers or may be used for purposes authorised by the *Telecommunications Act*, the *ESTA Act* and Ministerial Authorisations.

Information about ESTA's privacy policies and practices is available on its website esta.vic.gov.au. ESTA welcomes any queries about its approach to privacy. People wanting to make a privacy inquiry may write to:

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

Protected Disclosure Act 2012

ESTA is not a public service body prescribed under the Act to receive a protected disclosure. Disclosures about ESTA, its employees, officers or members should be made directly to the Independent Broad-Based Anti-Corruption Commission (IBAC).

Address: IBAC, GPO Box 24234, Melbourne, Victoria, 3001
Website: www.ibac.vic.gov.au
Phone: 1300 735 135

ESTA includes information about protected disclosures procedures on its website at www.esta.vic.gov.au

Discrimination

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

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

Bullying and harassment

ESTA will not tolerate any bullying or harassing behaviour towards another person or a group of people, or any behaviour that is unwanted or unwelcome and uninvited and is likely to offend, embarrass, insult, humiliate or intimidate another person or a group of people.

ESTA has policies and procedures in place that detail arrangements for the reporting of any discrimination, bullying or harassment to line managers, more senior managers, or People and Culture representatives, and for the investigation and resolution of these matters. ESTA has a Zero Tolerance Bullying program in place, including the policy, manager toolkits, communication and reference materials for all employees. A customised training package is delivered to employees.

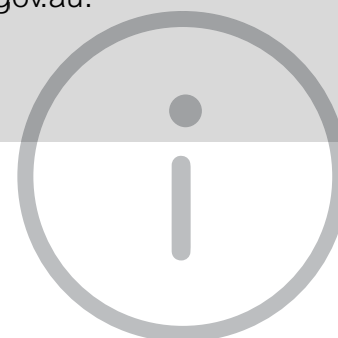
People with a disability

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

ESTA's commitment to people with a disability and our responsibilities under the *Disability Discrimination Act 1992* include:

- > Promoting its Reasonable Adjustment Policy to improve access to employment opportunities within ESTA and the ongoing employment of employees with a disability;
- > Our ongoing review of employment and other organisation policies and procedures, to ensure they are compliant with the *Disability Discrimination Act*;
- > Ensuring access to all ESTA workplaces;
- > Providing a website that satisfies disability access standards; and
- > Providing access to publicly available ESTA documents in formats suitable for people with a disability.

Information about ESTA's privacy policies and practices is available on its website esta.vic.gov.au.



Attestation for financial management compliance with Ministerial Standing Direction 5.1.4

Emergency Services Telecommunications Authority Financial Management Compliance Attestation Statement

I, Flavia Gobbo, Chair on behalf of the Authority, certify that the Emergency Services Telecommunications Authority has complied with the applicable Standing Directions of the Minister for Finance under the *Financial Management Act 1994* and Instructions except for the following material compliance deficiencies:

Instruction 3.4 – Internal control system, 7.1 managing payroll

- (a) bona fide payments to employees, including recoupment of overpayment of salaries and
- (b) correct payment made based on the rate in accordance with any written law, industrial award or industrial agreement, and for hours worked.

The compliance deficiencies relate to the application of rostering and payroll practices that have been deemed by ESTA to be inconsistent with its *Operational Employees Enterprise Agreement 2015* (EA) (and predecessor agreements). To validate ESTA's interpretation, ESTA is in consultation with staff, unions and the Fair Work Commission to reach a common interpretation of the EA clauses in question. These practices may have resulted in incorrect payments made to employees during the term of the agreements.

There is a likelihood that the interpretation of the relevant causes will need to be agreed to as part of the enterprise bargaining process for a new EA currently underway.

The ESTA Authority has approved that any overpayments resulting from the inconsistent interpretation of the EA clauses will not be recouped from staff.

ESTA has developed and is implementing a detailed action plan to address governance, rostering and payroll processing. The actions identified have been segmented into those that can be implemented without dependency on the consultation process and those that are dependent on the EA currently under negotiation.

The Audit, Risk Management and Compliance Committee will review and monitor actions taken to address the material compliance deficiencies.



Flavia Gobbo
Chair

#Iam000

"You just take every call as a blank sheet, a new situation. You've just gotta do your best to get the right help to them."





FINANCIAL STATEMENTS

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Authority member's, accountable officer's and chief finance and accounting officer's declaration

The attached financial statements for the Emergency Services Telecommunications Authority have been prepared in accordance with Direction 5.2 of the Standing Directions of the Minister for Finance under 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 2018 and financial position of the Emergency Services Telecommunications Authority at 30 June 2018.

At the time of signing, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 30 August 2018.



Flavia Gobbo
Chair
Melbourne
30 August 2018



Marty Smyth
Chief Executive Officer
Melbourne
30 August 2018



Jim Strilakos
Chief Financial Officer
Melbourne
30 August 2018



Independent Auditor's Report

To the Board of the Emergency Services Telecommunications Authority

Opinion	<p>I have audited the financial report of the Emergency Services Telecommunications Authority (the authority) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2018 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • authority member's, accountable officer's and chief finance and accounting officer's declaration. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2018 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the financial report	<p>The Board of the authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

**Auditor's
responsibilities
for the audit
of the financial
report**

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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 authority's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the authority to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



MELBOURNE
3 September 2018

Travis Derricott
as delegate for the Auditor-General of Victoria

COMPREHENSIVE OPERATING STATEMENT

for the financial year ended 30 June 2018	Notes	2018 \$'000	2017 \$'000
Income from transactions			
Revenue	2.1	235,548	198,405
Total income from transactions		235,548	198,405
Expenses from transactions			
Employee expenses	3.1	98,228	90,809
Depreciation and amortisation	4.1.2	14,884	15,851
Other operating expenses	3.2	96,311	83,892
Interest expense	6.1.1	-	34
Transfer of EAS assets	3.3	173	-
Total expenses from transactions		209,596	190,586
Net result from transactions (net operating balance)		25,952	7,819
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	8.2	4	2
Other gains/(losses) from other economic flows	8.2	(13)	349
Total other economic flows included in net result		(9)	351
Net result		25,943	8,170
Comprehensive result		25,943	8,170

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

BALANCE SHEET

as at 30 June 2018	Notes	2018 \$'000	2017 \$'000
Assets			
Financial assets			
Cash and deposits	6.3.1	1,514	1,814
Short term investments	6.3.1	47,653	30,721
Receivables	5.1	23,256	8,496
Total financial assets		72,423	41,031
Non-financial assets			
Other non-financial assets	5.2	5,861	2,265
Non-financial physical assets classified as held for sale	8.4	35	-
Plant and equipment	4.1	26,718	19,656
Intangible assets	4.2	513	2,000
Total non-financial assets		33,127	23,921
Total assets		105,550	64,952
Liabilities			
Payables	5.3	21,493	14,991
Borrowings	6.1	167	124
Provisions	3.1.2, 5.4	20,191	17,880
Liabilities directly associated with assets classified as held for sale	8.4	35	-
Total liabilities		41,886	32,995
Net assets		63,664	31,957
Equity			
Accumulated surplus/(deficit)	8.5	(23,488)	(45,868)
Contributed capital	8.5	78,435	72,671
Contract contingency reserve	8.5	8,717	5,154
Net worth		63,664	31,957

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

STATEMENT OF CHANGES IN EQUITY

for the financial year ended 30 June 2018	Notes	Accumulated surplus/ (deficit) \$'000	Contributed Capital \$'000	Contract Contingency Reserve \$'000	Total \$'000
Balance at 1 July 2016		(54,065)	72,671	5,181	23,787
Net result for the year		8,170	-	-	8,170
Transfer from Contract contingency reserve	8.5	27	-	(27)	-
Balance at 30 June 2017		(45,868)	72,671	5,154	31,957
Net result for the year		25,943	-	-	25,943
Capital appropriations		-	5,764	-	5,764
Transfer to Contract contingency reserve	8.5	(3,563)	-	3,563	-
Balance at 30 June 2018		(23,488)	78,435	8,717	63,664

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

CASH FLOW STATEMENT

for the financial year ended 30 June 2018	Notes	2018 \$'000	2017 \$'000
Cash flows from operating activities			
Receipts			
Grants		30,284	56,519
Receipts from customers		207,097	163,710
Interest received		932	682
Total receipts		238,313	220,911
Payments			
Payments to suppliers and employees		(199,996)	(200,714)
Goods and Services Tax paid to the ATO		(7,039)	(4,081)
Total payments		(207,035)	(204,795)
Net cash flows from/(used in) operating activities	6.3.2	31,277	16,116
Cash flows from investing activities			
Purchases of non-financial assets		(20,410)	(5,697)
Sales of non-financial assets		73	318
Net cash flows from/(used in) investing activities		(20,337)	(5,379)
Cash flows from financing activities			
Repayment of borrowings and finance leases		(73)	(1,979)
Owner contributions by State Government - appropriation for capital expenditure purposes		5,764	-
Net cash flows from/(used in) financing activities		5,691	(1,979)
Net increase/(decrease) in cash and cash equivalents		16,632	8,758
Cash and cash equivalents at the beginning of the financial year		32,535	23,777
Cash and cash equivalents at the end of the financial year	6.3	49,167	32,535

The above cash flow statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

1. About this report

The Emergency Services Telecommunications Authority (ESTA) is a statutory authority created by the *Emergency Services Telecommunications Act 2004* and commenced operations on 1 July 2005.

ESTA's principal address is:

ESTA
33 Lakeside Drive
Burwood East VIC 3151

A description of the nature of ESTA's operations and its principal activities is included in the Report of Operations which does not form part of these financial statements.

1.1 Basis of preparation

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

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

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

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

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

- > Net Present Value assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates.

Consistent with AASB 13 *Fair Value Measurement*, ESTA determines the policies and procedures for both recurring fair value measurements such as 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.

Consistent with the requirements of AASB 1004 *Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and therefore, do not form part of the income and expenses of ESTA. Additions to the net asset which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions to or distributions by owners have also been designated as contributions by owners.

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the settlement of liabilities in the normal course of business. These financial statements cover ESTA as an individual reporting entity.

Operating and cash flow budgets for the forthcoming year indicate that ESTA is able to continue to operate as a going concern, as it has received additional baseline funding of \$31.6 million as part of the 2018-19 State Budget.

The accounting policies set out below have been applied in preparing the statements for the year ended 30 June 2018 and the comparative information presented for the year ended 30 June 2017.

1.2 Statement of compliance

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA) and applicable AASs which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of the AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied.

1.3 Scope and presentation of financial statements

Comprehensive operating statement

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

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

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

- > gains and losses from disposals of non-financial assets;
- > revaluations and impairments of non-financial physical and intangible assets; and
- > gains and losses from the revaluation of the present value of the long service leave liability due to changes in the bond interest rates.

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

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

'Transactions' and 'other economic flows' are defined by the Australian System of Government Finance Statistics: Concepts, Sources and Methods, 2005 (ABS Catalogue No. 5514.0).

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

Balance sheet

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

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

Cash flow statement

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

Statement of changes in equity

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

Rounding of amounts

Amounts in the financial statements have been rounded to the nearest \$1,000, unless otherwise stated. Figures in the financial statements may not equate due to rounding.

2. Funding of our services

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

ESTA's main purpose is to provide the critical link between the community and emergency services for triple zero and partner with agencies to improve service delivery to the community.

2.1 Income from transactions

	Note	2018 \$'000	2017 \$'000
Call-taking and dispatch (CTD) services revenue		119,589	119,751
Project revenue		4,243	3,779
State service contracts revenue		108,841	72,464
Other operating revenue		1,943	1,729
Interest on deposits	7.1.6	932	682
Total Income from transactions		235,548	198,405

Income from transactions

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

Revenue from the provision of services

The service charges levied upon the Emergency Services Organisations for both CTD services and the State contracts form a fixed monthly fee and are therefore recognised monthly. Other ad hoc charges for work undertaken as requested by the Emergency Services Organisations are recognised at the time when services have been rendered or goods have been supplied.

Interest revenue

Interest revenue includes interest received on bank term deposits, interest from investments, and other interest received. Interest revenue is recognised using the effective interest method which allocates the interest over the relevant period.

Net realised and unrealised gains and losses on the revaluation of investments do not form part of income from transactions, but are reported as part of income from other economic flows in the net result or as unrealised gains and losses taken direct to equity, forming part of the total change in net worth of the comprehensive result.

3. The cost of delivering services

Introduction

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

Structure

- 3.1 Expenses incurred in the delivery of services
- 3.2 Other operating expenses
- 3.3 Transfer of EAS assets

3.1 Expenses incurred in the delivery of services

	2018	2017
	\$'000	\$'000
Employee expenses	98,228	90,809
Other operating expenses	96,311	83,892
Transfer of EAS assets	173	-
Total expenses incurred in the delivery of services	194,712	174,701

3.1.1 Employee expenses in the comprehensive operating statement

	2018	2017
	\$'000	\$'000
Defined contribution superannuation expense	7,381	6,865
Termination benefits	567	445
Salaries and wages, annual leave and long service leave	90,280	83,499
Total employee expenses	98,228	90,809

Employee expenses comprise all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments, WorkCover premiums and superannuation contributions. These are recognised when incurred.

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

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

3. The cost of delivering services (continued)

3.1.2 Employee benefits in the balance sheet

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, time in lieu and long service leave for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

Employee expenses and provision for outstanding employee benefits

	2018 \$'000	2017 \$'000
Current		
Annual leave and time in lieu:		
Unconditional and expected to be settled within 12 months	5,002	4,534
Unconditional and expected to be settled after 12 months	1,296	1,064
Long service leave:		
Unconditional and expected to be settled within 12 months	1,035	1,111
Unconditional and expected to be settled after 12 months	4,263	4,006
On-costs:		
Unconditional and expected to be settled within 12 months	871	852
Unconditional and expected to be settled after 12 months	845	804
Total current employee benefits and on-costs	13,312	12,371
Non-current		
Conditional long service leave	3,880	2,765
On-costs	632	452
Total non-current provisions	4,512	3,217
Total provisions for employee benefits	17,824	15,588

Reconciliation of movement in on-costs provision

	2018 \$'000
Opening balance	2,108
Additional provisions recognised	1,627
Additions due to transfer in	3
Reductions arising from payments/other sacrifices of future economic benefits	(1,388)
Unwind of discount and effect of changes in the discount rate	(2)
Closing balance	2,348
Current	1,716
Non-current	632

Wages and salaries, annual leave and time in lieu

Liabilities for wages and salaries, including non monetary benefits annual leave, time in lieu and on-costs, are all recognised in the provision for employee benefits as 'current liabilities', because ESTA does not have an unconditional right to defer settlements of these liabilities.

The liability for salaries and wages are recognised in the balance sheet at remuneration rates which are current at the reporting date. As ESTA expects the liabilities to be wholly settled within 12 months of reporting date, they are measured at undiscounted amounts.

The annual leave and time in lieu liabilities are classified as current liabilities and measured at the undiscounted amount expected to be paid, as ESTA does not have an unconditional right to defer settlement of the liabilities for at least 12 months after the end of the reporting period.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the comprehensive operating statement as it is taken.

Employment on-costs such as payroll tax, workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

3. The cost of delivering services (continued)

Long Service Leave

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

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

The components of this current LSL liability are measured at:

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

Conditional LSL 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'.

3.1.3 Superannuation expenses

All ESTA employees are entitled to benefits under accumulation funds. Employees are covered under Vic Super, Australian Super or another superannuation scheme. Employees have the opportunity to make personal contributions to the funds at a self-nominated rate or amount. The employer contributions to the fund, pursuant to the Superannuation Guarantee Charge, was 9.5 per cent for the period 1 July 2017 and 30 June 2018.

	2018 \$'000	2017 \$'000
Employer contributions		
Australian Super	706	629
Vic Super	5,324	5,117
Other superannuation funds	1,313	1,067
Total employer contributions	7,343	6,813
 Outstanding contributions	 38	 52
Total	7,381	6,865

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

3. The cost of delivering services (continued)

3.2 Other operating expenses

	Note	2018 \$'000	2017 \$'000
Staff costs other		1,464	940
Contractors and professional services		10,837	6,594
Communications		4,340	4,197
Information technology and infrastructure		8,084	7,400
Payments under state service contracts		63,598	58,431
Property		4,995	4,577
Office equipment		1,725	627
Travel and accommodation		174	135
Stationery		101	88
Finance and insurance costs		398	397
Audit services		452	329
Ex-gratia expense	8.1	45	10
Other		98	167
Total other operating expenses		96,311	83,892

Other operating expenses generally represent the day-to-day running costs incurred in normal operations and includes supplies and services costs, which are recognised as an expense in the reporting period in which they are incurred.

Audit fees of \$33,800 in 2018 (\$33,000 in 2017) were paid or payable to the Victorian Auditor-General's Office for the audit of the Annual Financial Report of ESTA.

3.3 Transfer of Emergency Alerting System (EAS) assets

	2018 \$'000	2017 \$'000
Transfer of EAS assets	173	-
Total transfer of EAS assets	173	-

Under the EAS operate and maintain contract commencing November 2012 (previously under a Public Private Partnership contract), the State now owns the assets. ESTA funded the construction of EAS assets in Dandenong during 2018. This was transferred to the Department of Justice and Regulation as assets given free of charge in 2018. This aligns to the Department of Justice and Regulation's treatment of assets received via free of charge transfer. There were no assets transferred free of charge in 2017.

4. Key assets available to support activities

Introduction

This section outlines those assets that ESTA controls, reflecting investing activities in the current and prior years.

Structure

4.1 Plant and equipment

4.2 Intangible assets

4.1 Plant and Equipment

Classified as 'Public safety and environment' Purpose Group - Carrying amounts

2018	Gross Carrying Amount	Accumulated Depreciation	Carrying Amount
	\$'000	\$'000	\$'000
Computers and communications equipment at fair value	75,347	(62,942)	12,405
Leased motor vehicles at fair value	182	(16)	166
Leased communications equipment at fair value	172,969	(172,969)	-
Plant and equipment at fair value	462	(420)	42
Leasehold improvements at fair value	18,607	(14,583)	4,024
Capital works in progress at cost	10,081	-	10,081
Total Plant and Equipment	277,648	(250,930)	26,718

2017	Gross Carrying Amount	Accumulated Depreciation	Carrying Amount
	\$'000	\$'000	\$'000
Computers and communications equipment at fair value	68,184	(53,793)	14,391
Leased motor vehicles at fair value	153	(30)	123
Leased communications equipment at fair value	172,969	(172,969)	-
Plant and equipment at fair value	442	(429)	13
Leasehold improvements at fair value	17,019	(12,283)	4,736
Capital works in progress at cost	393	-	393
Total Plant and Equipment	259,160	(239,504)	19,656

Recognition and Measurement

Initial Recognition

All non-financial physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition.

The cost of leasehold improvements is capitalised and depreciated over the shorter of the remaining term of the lease or their estimated useful lives.

The initial cost for non-financial physical assets under a finance lease is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The cost of leasehold improvements is capitalised when incurred.

Subsequent Measurement

All non-financial physical assets are subsequently measured at fair value less accumulated depreciation and impairment. Non-financial physical assets are measured at fair value with regard to the asset'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.

The fair value of communications and computer equipment is normally determined by reference to the asset's depreciated replacement cost. For plant and equipment, leasehold improvements and vehicles, existing depreciated historical cost is generally a reasonable proxy for depreciated replacement cost because of the short lives of the assets concerned.

4. Key assets available to support activities (continued)

4.1.1 Impairment

Assets are assessed annually for indications of impairment. This is undertaken during the asset stocktake. If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as an other economic flow. The recoverable amount for assets is measured at the higher of depreciated replacement cost and fair value less cost to sell.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However, this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years. 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.

4.1.2 Depreciation and amortisation

	2018	2017
	\$'000	\$'000
Computers and communications equipment	11,055	8,392
Leased motor vehicles	29	30
Leased communications equipment	-	1,822
Plant and equipment	13	14
Leasehold improvements	2,300	2,140
Software	1,487	3,453
Total Depreciation and amortisation	14,884	15,851

All plant and equipment and other non-financial physical assets (excluding items under operating leases, assets held for-sale) that have finite useful lives are depreciated. Leasehold improvements are depreciated over the shorter of the remaining term of the lease or the estimated useful life of the improvements using the straight-line method. Assets held for sale are not depreciated.

Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated remaining useful life. 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 useful lives of assets are used in the calculation of depreciation and amortisation for the current year and prior years, unless otherwise stated:

Asset	Useful life
Computers and communications equipment	3 years
Computers and communications equipment (under MMR/MDN contracts)	2 - 7 years (i) (ii)
Leased motor vehicles	1 - 3 years
Leased communications equipment	2 - 7 years (i) (ii)
Plant and equipment	5 - 10 years
Leasehold improvements	5 - 10 years
Software (Intergraph)	9 years
Software (Other)	3 - 9 years

(i) Based on the life of the contract.

(ii) MMR assets are finance lease assets. The MMR contract was renegotiated during 2018 for a further term of seven years. MMR assets capitalised during 2018 after the new contract was signed have been assigned a useful life of seven years. The previous contract had a term of four years. AASB 117 Leases requires ESTA to apply the shorter of the lease term or useful life. In both instances, MMR assets have an actual useful life greater than the lease terms. ESTA has applied the lease term. There has been no change to ESTA's accounting policy.

The ESTA capitalisation threshold is \$5,000. The consequence of this threshold where a significant number of technology items used in the provision of services fall below this level is that expenditure on such items are accounted for in operating expenses.

4. Key assets available to support activities (continued)

4.1.3 Classified as 'Public safety and environment' Purpose Group (i) - Movement in carrying amounts

2018	Computers and communications equipment at fair value	Leased motor vehicles at fair value	Leased communications equipment at fair value	Plant and equipment at fair value	Leasehold improvements at fair value	Capital work in progress at cost	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	14,391	123	-	13	4,736	393	19,656
Additions	-	117	-	-	-	23,648	23,765
Disposals	-	(10)	-	(1)	(22)	-	(33)
Assets constructed on behalf of DJR (ii)	-	-	-	-	-	173	173
Assets transferred to DJR free of charge (ii)	-	-	-	-	-	(173)	(173)
Depreciation/ amortisation expense	(11,055)	(29)	-	(13)	(2,300)	-	(13,397)
Transfer to expense	-	-	-	-	-	(3,238)	(3,238)
Transfer to disposal group held for sale	-	(35)	-	-	-	-	(35)
Capitalisation of works in progress	9,069	-	-	43	1,610	(10,722)	-
Closing balance	12,405	166	-	42	4,024	10,081	26,718

2017	Computers and communications equipment at fair value	Leased motor vehicles at fair value	Leased communications equipment at fair value	Plant and equipment at fair value	Leasehold improvements at fair value	Capital work in progress at cost	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	8,346	146	1,822	27	6,860	9,409	26,610
Additions	-	66	-	-	-	6,107	6,173
Disposals	-	(59)	-	-	(260)	-	(319)
Depreciation/ amortisation expense	(8,392)	(30)	(1,822)	(14)	(2,140)	-	(12,398)
Transfer of expense	-	-	-	-	-	(410)	(410)
Capitalisation of works in progress	14,437	-	-	-	276	(14,713)	-
Closing balance	14,391	123	-	13	4,736	393	19,656

ESTA classifies all of its assets within one purpose group - Public Safety and Environment

- (i) Fair value assessments have been performed for all classes of assets in this purpose group and the decision was made that changes were not material for a full revaluation.
- (ii) ESTA purchased assets on behalf of the State. These assets were transferred to the State (Department of Justice and Regulation) free of charge during 2017-18.

4. Key assets available to support activities (continued)

4.2 Intangible Assets

	CAD software licences		Other		Total	
	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross carrying amount						
Opening balance	5,200	5,200	18,394	18,394	23,594	23,594
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Closing balance	5,200	5,200	18,394	18,394	23,594	23,594
Accumulated amortisation and impairment						
Opening balance	(4,797)	(4,219)	(16,797)	(13,922)	(21,594)	(18,141)
Amortisation	(403)	(578)	(1,084)	(2,875)	(1,487)	(3,453)
Impairment	-	-	-	-	-	-
Closing balance	(5,200)	(4,797)	(17,881)	(16,797)	(23,081)	(21,594)
Net book value at the end of the financial year	-	403	513	1,597	513	2,000

Initial recognition

Purchased intangible assets are initially recognised at cost. When the recognition criteria in AASB 136 Intangible Assets is met, internally generated intangible assets are recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Depreciation and amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, the following are demonstrated:

- > the technical feasibility of completing the intangible asset so that it will be available for use or sale
- > an intention to complete the intangible asset and use or sell it
- > the ability to use or sell the intangible asset
- > the intangible asset will generate probable future economic benefits
- > the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- > the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Subsequent measurement

Intangible produced assets with finite useful lives are depreciated as an 'expense from transactions' on a straight line basis over their useful lives.

Impairment of intangible assets

Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified. The policy in connection with testing for impairment is outlined in section 4.1.1.

Significant intangible assets

ESTA has capitalised the computer aided dispatch (CAD) software licences. The carrying amount of the software licences is \$5.2 million. Its useful life is 9 years and has been fully amortised in 2018.

5. Other assets and liabilities

Introduction

This section sets out other assets and liabilities that arise from the ESTA's operations.

Structure

- 5.1 Receivables
- 5.2 Other non-financial assets
- 5.3 Payables
- 5.4 Other provisions

5.1 Receivables

	2018 \$'000	2017 \$'000
Contractual		
Services	17,446	1,793
Accrued investment income	74	80
Provision for doubtful contractual receivables	-	-
Advance to the Department of Treasury and Finance	379	-
Other receivables	4,097	5,311
	21,996	7,184
Statutory		
GST input tax credit recoverable	1,260	1,312
	1,260	1,312
Total receivables	23,256	8,496
Represented by:		
Current receivables	23,256	8,496
Non-current receivables	-	-

Trade receivables comprise almost exclusively amounts due from Victorian Government agencies. Receivables consist of:

- > Contractual receivables which are classified as financial instruments and categorised as 'loans and receivables'. They are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement they are measured at amortised cost using the effective interest method, less any impairment.
- > Statutory receivables which do not arise from contracts and are recognised and measured similarly to contractual receivable (except for impairment), but are not classified as financial instruments.

Trade terms for general receivables are 14 days from date of invoice and 10 days for invoices related to the State Services contracts managed by ESTA. The latter terms are set out in Agency Agreements made between the Minister, the Emergency Service Organisations and ESTA.

Receivables are assessed for bad and doubtful debts on a regular basis. A provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified. In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 *Impairment of Assets*.

A provision is made for estimated irrecoverable amounts from services when there is objective evidence that an individual receivable is impaired. The increase in the provision for the year is recognised in the net result.

Bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts not written off, but included in the provision for doubtful debts, are classified as other economic flows in the net result.

ESTA reviewed all receivables during 2017-18 and did not identify any where a provision for doubtful debt or bad debt needed to be recognised (2016-17 nil).

5. Other assets and liabilities (continued)

5.1.1 Ageing analysis of contractual receivables

	Carrying amount	Not past due and not impaired	Past due but not impaired			
			Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2018						
Services	17,446	17,335	19	-	92	-
Accrued investment income	74	74	-	-	-	-
Advance to the Department of Treasury and Finance	379	379	-	-	-	-
Other receivables	4,097	4,097	-	-	-	-
Total	21,996	21,885	19	-	92	-
2017						
Services	1,793	1,771	21	1	-	-
Accrued investment income	80	80	-	-	-	-
Advance to the Department of Treasury and Finance	-	-	-	-	-	-
Other receivables	5,311	5,311	-	-	-	-
Total	7,184	7,162	21	1	-	-

The carrying amounts disclosed here exclude statutory amounts (e.g. GST input tax credit recoverable).

There are no material financial assets that are individually determined to be impaired. ESTA 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 amount as indicated.

5.2 Other non-financial assets

	2018	2017
	\$'000	\$'000
Current		
Prepayments	903	1,884
Total current other non-financial assets	903	1,884
Non-current		
Prepayments	4,958	381
Total non-current other non-financial assets	4,958	381
Total other non-financial assets	5,861	2,265

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

5. Other assets and liabilities (continued)

5.3 Payables

	2018 \$'000	2017 \$'000
<i>Contractual</i>		
Supplies and services	10,493	3,033
Unearned income	1,080	2,392
Accrued expenses	7,937	7,597
	19,510	13,022
<i>Statutory</i>		
Payroll tax payable	432	395
GST payable	1,552	1,574
	1,984	1,969
Total payables	21,493	14,991
Represented by:		
Current payables	21,493	14,991
Non-current payables	-	-

Payables consist of:

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

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

Payables for supplies and services have an average credit period of 30 days.

5.3.1 Maturity analysis of contractual payables

	Carrying amount \$'000	Nominal amount \$'000	Maturity dates			
			Less than 1 month \$'000	1 - 3 months \$'000	3 months - 1 year \$'000	1 - 5 years \$'000
2018						
Supplies and services	10,493	10,493	10,295	108	88	2
Other payables	7,937	7,937	7,937	-	-	-
Total	18,430	18,430	18,232	108	88	2
2017						
Supplies and services	3,033	3,033	2,609	218	204	2
Other payables	7,597	7,597	7,597	-	-	-
Total	10,630	10,630	10,206	218	204	2

The carrying amounts disclosed here exclude statutory amounts (e.g. payroll tax payable and GST payable).

5. Other assets and liabilities (continued)

5.4 Other provisions

	2018 \$'000	2017 \$'000
Current		
Lease incentive (i)	95	95
Total current provisions	95	95
Non-current		
Lease incentive (i)	426	521
Make-good provision (ii)	1,846	1,676
Total non-current provisions	2,272	2,197
Total other provisions	2,367	2,292

- (i) The provision for the Lease incentive represents the value of the rent free period under the lease agreement at 33 Lakeside Drive, Burwood East.
- (ii) In accordance with the lease agreement at 33 Lakeside Drive, Burwood East and Level 3, 637 Flinders Street, ESTA must restore the premises and all services in the premises back to base building condition at the end of the lease term. A provision has been recognised for this purpose.

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

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

5.4.1 Reconciliation of movements in other provisions

	Lease incentive \$'000	Make-good provision \$'000	Total 2018 \$'000
Opening balance	616	1,676	2,292
Additional provision recognised	-	180	180
Reduction arising from payments	(95)	-	(95)
Unwind of discount and effect of changes in the discount rate	-	(10)	(10)
Closing balance	521	1,846	2,367

6. How we financed our operations

Introduction

ESTA's operations are financed through a variety of sources. Recurrent operations are generally financed from cash flows from operating activities (see cash flow statement). Asset investment operations are generally financed from a combination of surplus cash flows from operating activities, finance leases and contributions from owners.

This section provides information on the balances related to the financing of ESTA's operations, including financial commitments at year-end.

Structure

- 6.1 Borrowings
- 6.2 Finance Leases
- 6.3 Cash flow information and balances
- 6.4 Commitments for expenditure

6.1 Borrowings

	2018 \$'000	2017 \$'000
Current finance lease liability		
- PPP related finance lease liability:		
Communications equipment	-	-
- Non-PPP related finance lease liability:		
Motor vehicles	28	35
Total current finance leases	28	35
Non current finance lease liability		
- PPP related finance lease liability:		
Communications equipment	-	-
- Non-PPP related finance lease liability:		
Motor vehicles	139	89
Total non-current finance leases	139	89
Total finance leases	167	124

Assets held under finance leases are recognised as assets at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included on the balance sheet as a finance lease obligation.

Borrowings are secured by the assets leased. Finance leases are effectively secured, as the rights to the leased assets revert to the lessor in the event of default.

Leased assets relate primarily to assets transferred under PPP contracts and are amortised over the term of these contracts.

6.1.1 Interest expense

	2018 \$'000	2017 \$'000
Finance lease interest	-	34
Total interest expense	-	34

Interest expense includes the interest component of finance lease repayments.

Interest expenses are recognised in the period in which they are incurred and include finance lease charges.

6. How we financed our operations (continued)

6.1.2 Maturity analysis of borrowings

	Carrying amount	Nominal amount	Maturity dates			
			Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2018						
Finance lease liabilities	167	167	2	5	21	139
Total	167	167	2	5	21	139
2017						
Finance lease liabilities	124	124	2	5	29	88
Total	124	124	2	5	29	88

6.2 Finance leases

	Minimum future lease payments (i)		Present value of minimum future lease payments	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
PPP related finance lease liabilities payable				
Not longer than 1 year	-	-	-	-
Longer than 1 year but not longer than 5 years	-	-	-	-
Longer than 5 years	-	-	-	-
Other finance lease liabilities payable				
Not longer than 1 year	32	39	28	35
Longer than 1 year but not longer than 5 years	145	92	139	89
Longer than 5 years	-	-	-	-
Minimum finance lease payments	177	131	167	124
Less future finance charges	(10)	(7)	-	-
Present value of minimum lease payments	167	124	167	124
Included in the financial statements as:				
Current borrowings lease liabilities (Note 6.1)			28	35
Non-current borrowings lease liabilities (Note 6.1)			139	89
Total			167	124

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

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 leased property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease.

The leased asset is accounted for as a non-financial physical asset and depreciated over the shorter of the estimated useful life of the asset or the term of the lease.

Minimum finance lease payments are apportioned between the reduction of the outstanding lease liability and the periodic finance expense which is calculated using the interest rate implicit in the lease and charged directly to the comprehensive operating statement.

The PPP finance leases relate to communications equipment with a lease term of two to seven years and the other finance lease relates to motor vehicles with a lease term of one to three years. ESTA has an option to purchase the former equipment at the expiry of the lease term.

6. How we financed our operations (continued)

6.3 Cash flow information and balances

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

6.3.1 Reconciliation of cash and cash equivalents

	2018 \$'000	2017 \$'000
Cash at bank and on hand	1,514	1,814
Term deposits	47,653	30,721
Balance as per cash flow statement (i)	49,167	32,535

(i) Balance as per cash flow statement include:

- > Provisions held for employee entitlements and funds held for specific funded projects.
- > Short term investments include non discretionary funds held for third parties. These are funds held in contingency reserves for the State managed contracts: MDN, MMR and EAS. The funds in reserves are quarantined specifically for the purpose under which these reserves has been established for State managed PPP and Operate and Maintain contracts. The balance of these reserves at 30 June 2018 is \$8.72 million (\$5.15 million in 2017).

6.3.2 Reconciliation of net result for the period to net cash flow from operating activities

	2018 \$'000	2017 \$'000
Net result for the period	25,943	8,170
Non-cash movements:		
Depreciation and amortisation	14,884	15,851
Doubtful debts	-	-
Movements included in investing and financing activities		
Loss/(gain) on sale of assets	(4)	(2)
Movements in assets and liabilities:		
Decrease (increase) in receivables	(14,762)	10,563
Decrease (increase) in prepayments	(3,597)	(845)
Increase (decrease) in payables	7,814	(18,368)
Increase (decrease) in unearned income	(1,312)	(527)
Increase (decrease) in provisions	2,311	1,274
Net cash flows from/(used in) operating activities	31,277	16,116

6.3.3 Non-cash financing and investing activities

During the reporting period ESTA acquired motor vehicles through a finance lease arrangement to the value of \$117k (\$66k in 2017). The assumption of the related assets and liabilities is not reflected in the cash flow statement.

6. How we financed our operations (continued)

6.4 Commitments for expenditure

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

6.4.1 Total commitments payable

	2018 \$'000	2017 \$'000
(a) Capital expenditure commitments		
Total capital expenditure contracted for the purchase and implementation of infrastructure at balance date but not provided for in the accounts.		
Not longer than 1 year	1,370	5,450
Longer than 1 year and not longer than 5 years	-	-
Longer than 5 years	-	-
	1,370	5,450
(b) Property lease commitments		
Commitments in relation to property leases contracted for at the reporting date but not recognised as liabilities, payable.		
Not longer than 1 year	3,156	3,081
Longer than 1 year and not longer than 5 years	10,847	11,711
Longer than 5 years	1,181	3,473
	15,184	18,265
(c) IT equipment operating lease commitments		
All IT equipment lease agreements have finite lease terms, no renewal clauses or purchase options. The lease terms do not contain any further restrictions.		
Not longer than 1 year	240	316
Longer than 1 year and not longer than 5 years	218	489
Longer than 5 years	-	-
	458	805
(d) Software licence and services commitments (i)		
A commitment exists in relation to software licensing with various vendors and the software licensing and support agreement for Call-Taking and Dispatch held with Intergraph Corporation Pty Ltd.		
Not longer than 1 year	3,374	3,127
Longer than 1 year and not longer than 5 years	195	80
Longer than 5 years	-	-
	3,569	3,207

6. How we financed our operations (continued)

	2018 \$'000	2017 \$'000
(e) PPP operation and service commitments (ii)		
Not longer than 1 year	47,388	44,716
Longer than 1 year and not longer than 5 years	148,270	13,727
Longer than 5 years	79,063	-
	274,721	58,443
(f) Operate and maintain contract commitments (iii)		
Not longer than 1 year	6,559	3,364
Longer than 1 year and not longer than 5 years	45,138	-
Longer than 5 years	4,249	-
	55,946	3,364
(g) Other expenditure commitments		
Not longer than 1 year	1,608	1,868
Longer than 1 year and not longer than 5 years	3,050	4,522
Longer than 5 years	-	-
	4,658	6,390
Total commitments for expenditure (exclusive of GST)	355,906	95,924
Plus GST recoverable from the Australian Taxation Office	35,591	9,592
Total commitments for expenditure (inclusive of GST)	391,497	105,516

- (i) The agreement with Integraph Corporation Pty Ltd is renewed annually in March.
- (ii) This expenditure is offset by equivalent amounts in revenue.
- (iii) This expenditure is offset by equivalent amounts in revenue under the EAS Operate and Maintain contract. The EAS contract was renewed on 8 November 2017 for 5 years.

6. How we financed our operations (continued)

6.4.2 Public private partnership (service concession arrangements)

The State from time to time enters into certain arrangements with private sector participants to design and construct or upgrade assets used to provide public services. These arrangements usually include the provision of operational and maintenance services for a specified period of time.

These arrangements are often referred to as either public private partnerships (PPPs) or service concession arrangements (SCAs).

These SCAs usually take one of two main forms. In the more common form, the State pays the operator over the arrangement period, subject to specified performance criteria being met. At the date of commitment to the principal provisions of the arrangement, these estimated periodic payments are allocated between a component related to the design and construction or upgrading of the asset and components related to the ongoing operation and maintenance of the asset. The former component is accounted for as a lease payment in accordance with the leases accounting policy.

The remaining components are accounted for as commitments for operating costs which are expensed in the comprehensive operating statement as they are incurred.

Public private partnership commitments (i) (ii)

	2018			2017		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Minimum lease payments Discounted value	Other commitment Present Value	Commitments Nominal Value	Minimum lease payments Discounted value	Other commitment Present Value	Commitments Nominal Value
Commissioned						
MDN	-	12,521	12,736	-	32,617	32,617
MMR	-	495	503	-	25,826	25,826
Sub-total	-	13,016	13,239	-	58,443	58,443
Uncommissioned (iii)						
MMR - extension	45,854	171,067	261,481	-	-	-
Sub-total	45,854	171,067	261,481	-	-	-
Total commitments for public private partnerships	45,854	184,083	274,720	-	58,443	58,443

- (i) The minimum lease payments of commissioned public private partnerships (PPP) are recognised on the balance sheet and are not disclosed as a commitment.
- (ii) The discounted values of the minimum lease payments for uncommissioned PPPs have been discounted to the expected dates of commissioning and the present values of other commitments have been discounted to 30 June of the respective financial years. After adjusting for GST, the discounted values of minimum lease payments reflect the expected impact on the balance sheet when the PPPs are commissioned.
- (iii) The total commitments will not equal the sum of the minimum lease payments and other commitments because they are discounted, whereas total commitments are at nominal value.

7. Risks, contingencies and valuation judgements

Introduction

ESTA is exposed to risks from both its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements.

This section presents information on financial instruments, contingent assets and liabilities, and fair value determinations on ESTA's assets and liabilities.

Structure

- 7.1 Financial instruments
- 7.2 Contingent assets and contingent liabilities
- 7.3 Fair value determination

7.1 Financial instruments

Introduction

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of ESTA's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 Financial Instruments: Presentation. Where relevant, for note disclosure purposes, a distinction is made between those financial assets and financial liabilities that meet the definition of financial instruments in accordance with AASB 132 and those that do not.

The main purposes for ESTA to hold financial instruments are:

- > for liquidity management purposes;
- > to manage financial risk; and
- > to fund ESTA's capital expenditure program.

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

The loans and receivables category includes cash and deposits, term deposits with maturity greater than three months, trade receivables, loans and other receivables, but not statutory receivables.

Financial assets and liabilities at fair value through the operating statement

Financial instrument liabilities are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method.

Financial assets are categorised as fair value through profit or loss at trade date if they are classified as held for trading or designated as such upon initial recognition. Financial instrument assets are designated at fair value through profit or loss on the basis that the financial assets form part of a group of financial assets that are managed based on their fair values, and have their performance evaluated in accordance with documented risk management and investment strategies.

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

7. Risks, contingencies and valuation judgements (continued)

Financial liabilities at amortised cost

Financial liabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability, using the effective interest rate method (refer to Note 6.1 Borrowings).

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

Derecognition of financial assets and liabilities

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
- > ESTA 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
- > ESTA has transferred its rights to receive cash flows from the asset and either:
 - has transferred substantially all the risks and rewards of the asset; or
 - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred the control of the asset.

Where ESTA has retained substantially all the risks and rewards and not transferred control, the asset is recognised to the extent of ESTA's continuing involvement in the asset.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

Impairment of financial assets

At the end of each reporting period, ESTA assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

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

Reclassification of financial instruments

Subsequent to initial recognition and under rare circumstances, non-derivative financial instruments assets that have been designated at fair value through profit or loss upon recognition, may be reclassified out of the fair value through profit or loss category, if they are no longer held for the purpose of selling or repurchasing in the near term.

Financial instrument assets that meet the definition of receivables may be reclassified out of the fair value through profit and loss category into the receivables category, where they would have met the definition of receivables had they not been required to be classified as fair value through profit and loss. In these cases, the financial instrument assets may be reclassified out of the fair value through profit and loss category, if there is the intention and ability to hold them for the foreseeable future or until maturity.

7. Risks, contingencies and valuation judgements (continued)

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

7.1.1 Categorisation of financial instruments

	2018 \$'000	2017 \$'000
Contractual financial assets - loans and receivables and cash		
Cash and deposits	1,514	1,814
<i>Receivables: (i)</i>		
Services	17,446	1,793
Other	4,097	5,311
Accrued investment income	74	80
Advance to the Department of Treasury and Finance	379	-
Investments and other contractual financial assets:		
Term deposits	47,653	30,721
Total contractual financial assets	71,163	39,719
Contractual financial liabilities at amortised cost		
<i>Payables: (i)</i>		
Supplies and services	10,493	3,033
Accruals	7,937	7,597
<i>Borrowings:</i>		
Finance lease liabilities	167	124
Total contractual financial liabilities	18,597	10,754

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

7.1.2 Financial risk management

As a whole, ESTA's financial risk management program seeks to manage financial risks and the associated volatility of its financial performance.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 7.3.

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

ESTA's main financial risks include credit risk, liquidity risk and interest rate risk. ESTA manages its financial risks in accordance with its risk management policy. ESTA uses different methods to measure and manage the different risks to which it is exposed.

7.1.3 Credit risk

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

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

In addition, ESTA does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash and deposits, which are mainly cash at bank and deposits with the Treasury Corporation of Victoria (TCV). ESTA's policy is to only deal with banks with credit ratings higher than AA-.

Provision for impairment for contractual financial assets is recognised when there is objective evidence that ESTA will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts that are more than 90 days overdue and changes in debtor credit ratings.

7. Risks, contingencies and valuation judgements (continued)

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

Currently ESTA does not hold any collateral as security nor credit enhancements relating to any of its financial assets. There has been no material change to the ESTA's credit risk profile in 2017-18.

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

	Financial institutions (AA- credit rating)	Government agencies (AAA credit rating)	Other	Total
	\$'000	\$'000	\$'000	\$'000
2018				
Cash	1,514	-	-	1,514
Receivables	-	21,626	370	21,996
Term deposits	-	47,653	-	47,653
Total contractual financial assets	1,514	69,279	370	71,163
2017				
Cash	1,812	-	2	1,814
Receivables	-	6,913	271	7,184
Term deposits	-	30,721	-	30,721
Total contractual financial assets	1,812	37,634	273	39,719

7.1.4 Liquidity risk

Liquidity risk arises when ESTA is unable to meet its financial obligations as they fall due. ESTA operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, makes payments within 30 days from the date of resolution. It also continuously manages risk through monitoring future cash flows.

ESTA is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet.

ESTA's exposure to liquidity risk is deemed insignificant based on prior period data and current assessment of the risk.

Refer to Note 5.3.1 and 6.1.2 for the carrying amount of financial liabilities and the maturity analysis of those financial liabilities.

7.1.5 Interest rate risk

ESTA is exposed to interest rate risk through finance leases and investments in interest bearing financial assets, such as deposits.

Interest rate risk could be in the form of fair value risk or cash flow risk:

- > Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. It relates to financial instruments with fixed interest rates, measured at fair value and represents the most significant interest rate risk for ESTA.
- > Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Only a small portion of ESTA's financial instruments are exposed to cash flow interest rate risk and these arise from financial assets and financial liabilities with floating interest rates, which are measured at amortised cost.

The interest rate exposure table provides details of the carrying amounts of financial assets and liabilities that expose ESTA to either interest rate fair value risk or interest rate cash flow risk.

Interest rate exposure of financial instruments

Exposure to interest rate risk is insignificant and might arise primarily through ESTA's interest bearing liabilities. Minimisation of risk is achieved by mainly undertaking fixed rate or non-interest bearing financial instruments. For financial liabilities, ESTA mainly undertakes financial liabilities with relatively even maturity profiles.

ESTA's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and liabilities is shown in the following table.

Exposures arise predominantly from assets and liabilities bearing variable interest rates.

7. Risks, contingencies and valuation judgements (continued)

Interest rate exposure as at 30 June

	Weighted avg. annual effective interest rate %	Carrying amount \$'000	Fixed interest rate \$'000	Variable interest rate \$'000	Non- interest bearing \$'000
2018					
Financial assets					
Cash	1.50%	1,514	-	1,514	-
<i>Receivables (i):</i>					
Services		17,446	-	-	17,446
Other receivables		4,097	-	-	4,097
Accrued investment income		74	-	-	74
Advance to the Department of Treasury and Finance		379	-	-	379
<i>Investments and other contractual financial assets:</i>					
Term deposits	1.77%	47,653	37,422	10,231	-
Total contractual financial assets		71,163	37,422	11,745	21,996
Financial liabilities					
<i>Payables (i):</i>					
Supplies and services		10,493	-	-	10,493
Other payables		7,937	-	-	7,937
<i>Borrowings:</i>					
Finance lease liabilities	3.25%	167	167	-	-
Total contractual financial liabilities		18,597	167	-	18,430
2017					
Financial assets					
Cash	1.47%	1,814	-	1,812	2
<i>Receivables (i):</i>					
Services		1,793	-	-	1,793
Other receivables		5,311	-	-	5,311
Accrued investment income		80	-	-	80
Advance to the Department of Treasury and Finance		-	-	-	-
<i>Investments and other contractual financial assets:</i>					
Term deposits	1.75%	30,721	26,565	4,156	-
Total contractual financial assets		39,719	26,565	5,968	7,186
Financial liabilities					
<i>Payables (i):</i>					
Supplies and services		3,033	-	-	3,033
Other payables		7,597	-	-	7,597
<i>Borrowings:</i>					
Finance lease liabilities	3.52%	124	124	-	-
Total contractual financial liabilities		10,754	124	-	10,630

(i) The carrying amounts disclosed here exclude statutory amounts (e.g. GST input tax credit recoverable and taxes payable).

7. Risks, contingencies and valuation judgements (continued)

Interest rate risk sensitivity

		-50 basis points	+50 basis points
	Carrying amount	Net result	Net result
	\$'000	\$'000	\$'000
2018			
Contractual financial assets			
Cash (i)	1,514	(8)	8
Term deposits (ii)	10,231	(51)	51
Total impact	11,745	(59)	59
2017			
Contractual financial assets			
Cash (i)	1,812	(9)	9
Term deposits (ii)	4,156	(21)	21
Total impact	5,968	(30)	30

- (i) Cash includes funds in the operating account that is exposed to floating rate movements. Sensitivities to these movements are calculated as follows:
- > 2018: \$1,514 thousand x -0.005 = (\$8) thousand; and \$1,514 thousand x 0.005 = \$8 thousand.
 - > 2017: \$1,812 thousand x -0.005 = (\$9) thousand; and \$1,812 thousand x 0.005 = \$9 thousand.
- (ii) Term deposits includes funds in a deposit that is exposed to floating rate movements. Sensitivities to these movements are calculated as follows:
- > 2018: \$10,231 thousand x -0.005 = (\$51) thousand; and \$10,231 thousand x 0.005 = \$51 thousand.
 - > 2017: \$4,156 thousand x -0.005 = (\$21) thousand; and \$4,156 thousand x 0.005 = \$21 thousand.

7. Risks, contingencies and valuation judgements (continued)

7.1.6 Net holding gain/(loss) on financial instruments by category

	Net holding gain/(loss)	Total interest income/ (expense)	Fee income/ (expense)	Total
	\$'000	\$'000	\$'000	\$'000
2018				
Contractual financial assets				
Financial assets - loans and receivables	-	932	-	932
Total contractual financial assets	-	932	-	932
Contractual financial liabilities				
Financial liabilities at amortised cost	-	-	-	-
Total contractual financial liabilities	-	-	-	-
2017				
Contractual financial assets				
Financial assets - loans and receivables	-	682	-	682
Total contractual financial assets	-	682	-	682
Contractual financial liabilities				
Financial liabilities at amortised cost	-	34	-	34
Total contractual financial liabilities	-	34	-	34

The net gains or losses on financial assets and liabilities are determined as follows:

- > for loans and receivables, the net gain or loss is calculated by taking the interest revenue, plus or minus fee income or expense, and minus any impairment recognised in the net result; and
- > for financial liabilities measured at amortised cost, the net gain or loss is calculated by taking the interest expense, plus or minus losses arising from the revaluation of financial liabilities measured at amortised cost.

7.2 Contingent assets and contingent liabilities

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

7.2.1 Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within ESTA's control. These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

ESTA has no contingent asset as of 30 June 2018 (Nil 2017).

7.2.2 Contingent liabilities

Contingent liabilities are:

- > possible obligations that arise from past events, whose existence will be confirmed only the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- > present obligations that arise from past events but are not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or
 - the amount of the obligation cannot be measured with sufficient reliability.

ESTA has assessed a contingent liability as at 30 June 2018 and 30 June 2017 that has arisen due to rostering and payroll practices not aligning with the provisions of the *Emergency Services Telecommunications Authority Operational Employees Enterprise Agreement 2015* (and predecessor agreements). This may have resulted in under-payments for hours worked in excess of the capped number of ordinary hours, and in some cases, over-payments associated with rotational overtime to current and former staff. ESTA is working with staff, the unions and the Fair Work Commission to come to a common interpretation of the enterprise agreement clauses. This matter is on-going. ESTA estimates a potential outflow of \$1.3 million to \$1.6 million.

7. Risks, contingencies and valuation judgements (continued)

7.3 Fair value determination

This section sets out information on how ESTA determines fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair values are determined for the following assets and liabilities:

- > financial assets and liabilities at fair value through operating result
- > leasehold improvements, plant and equipment.

In addition, the fair values of other assets and liabilities are determined for disclosure purposes (financial assets and liabilities carried at amortised cost).

ESTA determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

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

Fair value hierarchy

In determining fair values a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- > 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.

ESTA determines whether transfers have occurred between levels in the hierarchy by reassessing 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.

How this section is structured

For those assets and liabilities for which fair value determination is applied, the following disclosures are provided:

- > carrying amount and the fair value (which would be the same for those assets measured at fair value);
- > which level of the fair value hierarchy was used to determine the fair value;
- > in respect of those assets and liabilities subject to fair value determination using Level 3 inputs:
 - a reconciliation of the movements in fair values from the beginning of the year to the end; and
 - details of significant unobservable inputs used in the fair value determination.

This section is divided between financial instruments (refer to Note 7.3.1) and non-financial physical assets (refer to Note 7.3.2).

7.3.1 Fair value determination of financial assets and liabilities

The fair values of ESTA's financial assets and liabilities are determined as follows:

- > Level 1 – the fair value of the financial instruments with standard terms and conditions and traded in an active liquid market are determined with reference to quoted market prices;
- > Level 2 – the fair value of financial instruments 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 of financial instruments is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

ESTA 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 short-term nature or with the expectation that they will be paid in full by the end of the 2017-18 reporting period.

7. Risks, contingencies and valuation judgements (continued)

Fair value of financial instruments

	2018		2017	
	Carrying amount	Net fair value	Carrying amount	Net fair value
	\$'000	\$'000	\$'000	\$'000
Contractual financial assets				
Cash	1,514	1,514	1,814	1,814
<i>Receivables (i):</i>				
Services	17,446	17,446	1,793	1,793
Accrued investment income	4,097	4,097	5,311	5,311
Other receivables	74	74	80	80
Advance to the Department of Treasury and Finance	379	379	-	-
<i>Investments and other contractual financial assets:</i>				
Term deposits	47,653	47,653	30,721	30,721
Total contractual financial assets	71,163	71,163	39,719	39,719
Contractual financial liabilities				
<i>Payables (i):</i>				
Supplies and services	10,493	10,493	3,033	3,033
Other payables	7,937	7,937	7,597	7,597
<i>Borrowings:</i>				
Finance lease liabilities	167	167	124	124
Total contractual financial liabilities	18,597	18,597	10,754	10,754

(i) The carrying amounts disclosed here exclude statutory amounts (e.g. GST input tax credit recoverable and taxes payable).

Financial assets measured at fair value

	Carrying amount	Fair value measurement at the end of reporting period using:		
		Level 1	Level 2	Level 3
	\$'000	\$'000	\$'000	\$'000
2018				
Financial assets				
Cash and cash equivalents	49,167	49,167	-	-
	49,167	49,167	-	-
2017				
Financial assets				
Cash and cash equivalents	32,535	32,535	-	-
	32,535	32,535	-	-

There have been no transfers between levels during the period.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

7. Risks, contingencies and valuation judgements (continued)

7.3.2 Fair value determination of non-financial physical assets

	Carrying amount	Fair value measurement at the end of reporting period using:		
		Level 1 (i)	Level 2 (i)	Level 3 (i)
	\$'000	\$'000	\$'000	\$'000
2018				
Computers and communications equipment (ii)				
Computers and communications equipment at fair value	75,347	-	-	75,347
Less: accumulated depreciation	(62,942)	-	-	(62,942)
	12,405	-	-	12,405
Leased motor vehicles (iii)				
Motor Vehicles Leased	182	-	-	182
Less: accumulated amortisation	(16)	-	-	(16)
	166	-	-	166
Leased communications equipment (iv)				
Communications equipment leased	172,969	-	-	172,969
Less: accumulated amortisation	(172,969)	-	-	(172,969)
	-	-	-	-
Plant and equipment (v)				
Plant and equipment at fair value	462	-	-	462
Less: accumulated depreciation	(420)	-	-	(420)
	42	-	-	42
Leasehold improvements (v)				
Leasehold improvements at fair value	18,607	-	-	18,607
Less: accumulated amortisation	(14,583)	-	-	(14,583)
	4,024	-	-	4,024
Capital works in progress (vi)				
Capital works in progress at cost	10,081	-	-	-
Net carrying amount of plant and equipment	26,718	-	-	16,637

7. Risks, contingencies and valuation judgements (continued)

7.3.2 Fair value determination of non-financial physical assets

	Carrying amount	Fair value measurement at the end of reporting period using:		
		Level 1 (i)	Level 2 (i)	Level 3 (i)
	\$'000	\$'000	\$'000	\$'000
2017				
Computers and communications equipment (ii)				
Computers and communications equipment at fair value	68,184	-	-	68,184
Less: accumulated depreciation	(53,793)	-	-	(53,793)
	14,391	-	-	14,391
Leased motor vehicles (iii)				
Motor Vehicles Leased	153	-	-	153
Less: accumulated amortisation	(30)	-	-	(30)
	123	-	-	123
Leased communications equipment (iv)				
Communications equipment leased	172,969	-	-	172,969
Less: accumulated amortisation	(172,969)	-	-	(172,969)
	-	-	-	-
Plant and equipment (v)				
Plant and equipment at fair value	442	-	-	442
Less: accumulated depreciation	(429)	-	-	(429)
	13	-	-	13
Leasehold improvements (v)				
Leasehold improvements at fair value	17,019	-	-	17,019
Less: accumulated amortisation	(12,283)	-	-	(12,283)
	4,736	-	-	4,736
Capital works in progress (vi)				
Capital works in progress at cost	393	-	-	-
Net carrying amount of plant and equipment	19,656	-	-	19,263

(i) Classified in accordance with the fair value hierarchy.

(ii) Computers and communications equipment

ESTA's computers and communications equipment is generally modified and specialised in use such that it is rarely sold. Fair value is determined using the depreciated replacement cost method.

(iii) Leased motor vehicles

Leased motor vehicles are valued using the depreciated replacement cost method. ESTA acquires new vehicles and at times disposes of them before the end of their economic life.

The process of acquisition and disposal is managed by experienced fleet managers at the Department of Treasury and Finance who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

(iv) Leased communications equipment

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

7. Risks, contingencies and valuation judgements (continued)

(v) Plant and equipment and Leasehold improvement

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

(vi) Capital works in progress

Capital works in progress is measured at cost.

There was no change to the valuation technique of non-financial physical assets during the period to 30 June 2018.

During 2017 ESTA made changes to the valuation technique of computers and communication equipment. Some of the computers and communications equipment owned by ESTA is required to be modified before it becomes fit for purpose while the majority of ESTA's computers and communications equipment is highly specialised. There are limited active markets for these assets. The Authority has assessed that due to the modifications and highly specialised nature of the computers and communications equipment, the depreciated replacement cost approach is the most appropriate.

As a result, computers and communications equipment was transferred from Level 2 to Level 3 during the period to 30 June 2017.

There were no other changes to the valuation techniques for the other asset classes.

There were no other transfers between levels during the period.

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

7.3.3 Reconciliation of Level 3 fair value movements

	Computers and commu- nications equipment (i)	Leased motor vehicles	Leased commu- nications equipment	Plant and equipment	Leasehold improve- ments	Total
2018						
Opening balance	14,391	123	-	13	4,735	19,262
Purchases (sales)	9,069	103	-	42	1,589	10,803
Transfers in (out) of Level 3 (ii)	-	(35)	-	-	-	(35)
Gains or losses recognised in net result	-	4	-	-	-	4
Depreciation	(11,055)	(29)	-	(13)	(2,300)	(13,397)
Impairment loss	-	-	-	-	-	-
Subtotal	12,405	166	-	42	4,024	16,637
Gains or losses recognised in other economic flows - other comprehensive income						
Revaluation	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Closing balance	12,405	166	-	42	4,024	16,637
Unrealised gains/(losses) on non-financial assets	-	-	-	-	-	-

7. Risks, contingencies and valuation judgements (continued)

7.3.3 Reconciliation of Level 3 fair value movements

	Computers and communications equipment (i)	Leased motor vehicles	Leased communications equipment	Plant and equipment	Leasehold improvements	Total
2017						
Opening balance	-	146	1,822	27	6,859	8,854
Purchases (sales)	14,437	5	-	-	16	14,458
Transfers in (out) of Level 3	8,346	-	-	-	-	8,346
Gains or losses recognised in net result	-	2	-	-	-	2
Depreciation	(8,392)	(30)	(1,822)	(14)	(2,140)	(12,398)
Impairment loss	-	-	-	-	-	-
Subtotal	14,391	123	-	13	4,735	19,262
Gains or losses recognised in other economic flows - other comprehensive income						
Revaluation	-	-	-	-	-	-
Subtotal						
Closing balance	14,391	123	-	13	4,735	19,262
Unrealised gains/(losses) on non-financial assets	-	-	-	-	-	-

- (i) During 2016-17, computers and communications equipment were transferred from level 2 to level 3.
- (ii) This transfer is due to the transfer to assets held for sale category.

7.3.4 Description of significant unobservable inputs to Level 3 valuations

	Valuation technique	Significant unobservable inputs
Computers and communications equipment (i)	Depreciated replacement cost	Cost per unit Useful life of Computers and communications equipment
Leased motor vehicles	Depreciated replacement cost	Cost per unit Useful life of Leased motor vehicles
Leased communications equipment	Depreciated replacement cost	Cost per unit Useful life of Leased communications equipment
Plant and equipment	Depreciated replacement cost	Cost per unit Useful life of Plant and equipment
Leasehold improvements	Depreciated replacement cost	Cost per unit Useful life of Leasehold improvements

- (i) During 2016-17, computers and communications equipment were transferred from level 2 to level 3.

Significant unobservable inputs have remained unchanged since 2017 for all other asset classes.

7. Risks, contingencies and valuation judgements (continued)

7.3.5 Non-financial physical assets classified as held for sale

The following table provides the fair value measurement hierarchy of ESTA's non-financial physical assets held for sale.

	Carrying amount as at 30 June	Fair value measurement at end of reporting period using:		
		Level 1 (i)	Level 2 (i)	Level 3 (i)
2018				
Motor vehicles (ii)	35	-	35	-
2017				
Motor vehicles	-	-	-	-

(i) Classified in accordance with the fair value hierarchy

(ii) Motor vehicles held for sale is reported in Note 8.4.

8. Other disclosures

Introduction

This section includes those additional disclosures required by accounting standards or otherwise, that are material, for the understanding of this financial report.

Structure

- 8.1 Ex-gratia expenses
- 8.2 Other economic flows included in the net result
- 8.3 Disaggregated information
- 8.4 Non-current assets held for sale
- 8.5 Equity and reserves
- 8.6 Responsible persons
- 8.7 Remuneration of executives
- 8.8 Related parties
- 8.9 Subsequent events
- 8.10 Other accounting policies
- 8.11 Australian Accounting Standards issued that are not yet effective
- 8.12 Glossary of technical accounting terms

8.1 Ex-gratia expenses

	Note	2018 \$'000	2017 \$'000
Forgiveness or waiver of debt	3.2	45	10
Total ex-gratia expenses		45	10

Ex-gratia expenses includes both individual items and items in aggregate that are greater than or equal to \$5,000.

ESTA forgave debt to:

- > a vendor after exhausting avenues of debt collection and determining it was uneconomical to pursue (2018)
- > staff members as it would have otherwise caused financial hardship (2017).

8. Other disclosures (continued)

8.2 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.

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

	2018 \$'000	2017 \$'000
Net gain/(loss) on non-financial assets		
Net gain/(loss) on disposal of plant and equipment	4	2
Total net gain/(loss) on non-financial assets	4	2
Net gain/(loss) on financial instruments		
Impairment of:		
Loans and receivables	-	-
Total net gain/(loss) on financial instruments	-	-
Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of long service liability	(13)	349
Total other gains/(losses) from other economic flows	(13)	349

8.3 Disaggregated information

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

8.3.1 Comprehensive operating statement - Lines of business (iv)

	CTD Operations and Corporate Overheads (i)		Operational Communications (ii)		Projects (iii) (iv)		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income from transactions								
Service revenue	129,089	128,624	102,216	66,002	-	-	231,305	194,626
Project revenue	-	-	-	-	4,243	3,779	4,243	3,779
Total Income from transactions	129,089	128,624	102,216	66,002	4,243	3,779	235,548	198,405
Expenses from transactions								
Employee expenses	94,709	88,148	1,270	1,353	2,249	1,308	98,228	90,809
Depreciation and amortisation	5,458	8,465	9,426	7,386	-	-	14,884	15,851
Other operating expenses	28,320	22,371	63,929	58,587	4,062	2,934	96,311	83,892
Interest expense	-	1	-	33	-	-	-	34
Transfer of EAS assets	-	-	173	-	-	-	173	-
Total Expenses from transactions	128,487	118,985	74,798	67,359	6,311	4,242	209,596	190,586
Net result from transactions (net operating balance)	602	9,639	27,418	(1,357)	(2,068)	(463)	25,952	7,819
Other economic flows included in net result								
Net gain/(loss) on non-financial assets	4	2	-	-	-	-	4	2
Other gains/(losses) from other economic flows	(13)	343	-	-	-	6	(13)	349
Total other economic flows included in net result	(9)	345	-	-	-	6	(9)	351
Net result	593	9,984	27,418	(1,357)	(2,068)	(457)	25,943	8,170
Comprehensive result	593	9,984	27,418	(1,357)	(2,068)	(457)	25,943	8,170

8. Other disclosures (continued)

(i) CTD (Call-Taking and Dispatch) Operations

Based on the objectives of ESTA departments, their costs are largely allocated to CTD Operations. The functions provided by these departments are directed to support CTD Operations.

(ii) Operational Communications

Operational Communications represents revenue and expenses for the State service contracts managed by ESTA on behalf of the Department of Justice and Regulation. Across the contracts there are different contract terms, and different financing and depreciation cycles.

(iii) Projects

ESTA manages various projects funded by the State, Emergency Services Organisations and State Contract Contingency reserves. Accordingly, revenue and expenditures related to projects and the Project Management Office responsible for project delivery are allocated to the Projects line of business.

(iv) ESTA's project management office functions supports agency funded and ESTA funded projects. In 2018 these functions were funded as part of the CTD Operations and Corporate Overheads. The 2017 related costs have been realigned and restated on a consistent basis to enable comparison.

8.4 Non-current assets held for sale

	2018 \$'000	2017 \$'000
<i>Current assets</i>		
Motor vehicles	35	-
Total non-financial physical assets classified as held for sale	35	-
<i>Current liabilities</i>		
Motor vehicles	35	-
Total liabilities directly associated with assets classified as held for sale	35	-

Non-financial physical assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than 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 within 12 months from the date of classification.

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

8.5 Equity and reserves

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions or distributions have also been designated as contributed capital.

Since the establishment of ESTA a progressive transition of responsibility for the management and delivery of three Private Public Partnership projects from the Department of Justice and Regulation has been completed. The transition included the transfer and recognition of revenues that are specific purpose funding. The funding may only be applied by the recommendation of multi agency contract management committees and may only be applied for the purpose of the project to which it was allocated. ESTA holds no discretion over the funds and may not apply them to operational purposes.

8. Other disclosures (continued)

8.6 Responsible persons

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

The persons who held the positions of Minister, Authority Members and Accountable Officer at ESTA are as follows:

Minister for Emergency Services - The Hon. James Merlino, MP	1 July 2017 to 30 June 2018
Chairman - Mr Howard Ronaldson (i)	1 July 2017 to 8 August 2017
Chair - Ms Flavia Gobbo	9 August 2017 to 30 June 2018
Chief Executive Officer - Ms Julia Oxley (ii)	1 July 2017 to 5 August 2017
Chief Executive Officer (Acting) - Mr Ben Piper	6 August 2017 to 15 October 2017
Chief Executive Officer - Mr Marty Smyth	16 October 2017 to 30 June 2018
Authority Member - Ms Mary Delahunty	1 July 2017 to 30 June 2018
Authority Member - Mr Paul Henderson	1 July 2017 to 30 June 2018
Authority Member - Ms Christine Collin	1 July 2017 to 30 June 2018
Authority Member - Ms Siobhan Boyd-Squires	1 July 2017 to 30 June 2018
Authority Member - Ms Peita Duncan	1 July 2017 to 9 January 2018
Authority Member - Ms Flavia Gobbo	1 July 2017 to 8 August 2017
Authority Member - Mr Toby Hemming	1 July 2017 to 29 May 2018
Authority Member - Mr Gary Rothville	9 August 2017 to 30 June 2018
Authority Member - Dr Angela Williams	22 November 2017 to 30 June 2018

- (i) The previous Chairman's remuneration was paid by the Department of Justice and Regulation and is therefore not included in table 8.6.1.
- (ii) Ben Piper was the Chief Executive Officer (Acting) from 1 July 2017 to 5 August 2017. His remuneration has been included in Note 8.7.1.

The total remuneration received or receivable by the Accountable Officer in connection with the management of ESTA during the reporting period was in the following range:

	2018 No.	2017 No.
\$160,000 - \$169,999	1	
\$220,000 - \$229,999	1	
\$290,000 - \$299,999		1

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered, and is disclosed in the following categories:

- > Short-term employee benefits - includes amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.
- > Post-employment benefits - includes pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.
- > Other long-term benefits - include long service leave, other long service benefits or deferred compensation.
- > Termination benefits - includes termination of employment payments, such as severance packages.

8. Other disclosures (continued)

8.6.1 Remuneration of Authority Members and the Accountable Officer

	2018	2017
	\$'000	\$'000
Short-term benefits	544	422
Post-employment benefits	49	41
Other long-term benefits	6	8
Termination benefits	103	-
Total remuneration	702	471
Total number of Authority Members and the Accountable Officer (i)	13	9
Total annualised employee equivalents (ii)	8.4	7.3

(i) The total number of Authority Members and the Accountable Officer includes persons who meet the definition of Key Management Personnel of the entity under AASB 124 *Related Party Disclosures* and are also reported within the related parties note disclosure (refer to Note 8.8).

(ii) Annualised employee equivalent is based on the time fraction worked over the reporting period.

The remuneration of the Minister is reported in the financial statements of the Department of Premier and Cabinet.

8.7 Remuneration of executives

The number of executive officers, other than the Minister, Accountable Officers and Authority Members, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provides a measure of full time equivalent executive officers over the reporting period.

The total remuneration payable to executives over the year was higher than the previous year as there has been an increase in the number of executive positions as well as payments associated with an executive termination (i.e annual leave and long service leave payout).

8.7.1 Remuneration of executive officers

	2018	2017
	\$'000	\$'000
Short-term benefits	1,562	1,332
Post-employment benefits	124	100
Other long-term benefits	28	30
Termination benefits	73	73
Total remuneration	1,787	1,535
Total number of executives (i)	11	7
Total annualised employee equivalents (ii)	6.7	6.4

(i) The total number of executive officers includes persons who meet the definition of Key Management Personnel of the entity under AASB 124 *Related Party Disclosures* and are also reported within the related parties note disclosure (refer to Note 8.8).

(ii) Annualised employee equivalent is based on the time fraction worked over the reporting period.

8. Other disclosures (continued)

8.8 Related parties

ESTA is a wholly owned and controlled entity of the State of Victoria.

8.8.1 Significant transactions with government related entities

During the year ESTA had the following Victorian government-related entity transactions:

Department of Environment, Land, Water and Planning

ESTA provides emergency alerting system services to the Department of Environment, Land, Water and Planning.

Department of Justice and Regulation

ESTA received government funding for the management of state contracts for emergency operational communications, which has been recognised as revenue, through the Department of Justice and Regulation.

Department of Treasury and Finance

ESTA provided an advance to the Department of Treasury and Finance (DTF) to draw down on with regards to ESTA's World Trade Centre relocation project. ESTA also leases a number of vehicles with VicFleet which is managed by DTF.

Ambulance Victoria

Ambulance Victoria (AV) provides pre-hospital treatment and ambulance transport for people in urgent medical emergencies.

ESTA provides call taking and dispatch services to AV which is recognised as revenue. During the year, an Executive Officer was seconded from AV to ESTA. ESTA reimburses AV the cost of the Executive Officer's salary and wages. The reimbursement is recognised as an expense.

Country Fire Authority

Country Fire Authority (CFA) is a volunteer and community based fire and emergency services organisation.

ESTA provides call taking and dispatch services to CFA which is recognised as revenue.

Metropolitan Fire and Emergency Services Board

The Metropolitan Fire and Emergency Services Board (MFESB) provides fire and emergency management services.

ESTA provides call taking, dispatch and alarm monitoring services to MFESB which is recognised as revenue.

Treasury Corporation Victoria

ESTA invests with the Treasury Corporation Victoria with transactions based on market interest rates. Treasury Corporation Victoria also provides advisory and administrative services under normal commercial terms (these services are included in the interest rate).

Victoria Police

Victoria Police provides policing services to the Victorian community. ESTA provides call taking and dispatch services to Victoria Police which is recognised as revenue.

Victoria State Emergency Service

Victoria State Emergency Service (VicSES) is a volunteer based emergency service that responds to floods, severe storms, earthquakes, tsunamis, road rescue and search and rescue.

ESTA provides call taking and dispatch services to VicSES which is recognised as revenue.

Victorian Managed Insurance Authority

ESTA is insured by the Victorian Managed Insurance Authority (VMIA). Insurance payments to VMIA are recognised as an expense.

Victorian Rail Track

Victorian Rail Track (VicTrack) provides core services to the transport sector. Its specialist delivery groups include property, telecommunications and project delivery.

ESTA uses VicTrack's communication services which is recognised as an expense.

8. Other disclosures (continued)

	2018 \$'000	2017 \$'000
Receipts recognised as revenue		
Department of Environment, Land, Water and Planning	102	-
Department of Justice and Regulation	45,324	49,692
Ambulance Victoria	44,663	32,747
Country Fire Authority	36,617	26,767
Metropolitan Fire and Emergency Services Board	12,006	9,375
Treasury Corporation Victoria	777	522
Victoria Police	89,139	74,278
Victoria State Emergency Service	3,467	3,184
	232,095	196,565
Payments recognised as expense		
Ambulance Victoria	236	178
Department of Treasury and Finance	629	76
Victorian Managed Insurance Authority	34	461
Victorian Rail Track	118	118
	1,017	833
Receivables		
Ambulance Victoria	2,787	41
Country Fire Authority	2	1,230
Department of Justice and Regulation	15,040	-
Metropolitan Fire and Emergency Services Board	232	-
Treasury Corporation Victoria	74	80
Victoria Police	3,111	324
Victoria State Emergency Service	393	37
	21,639	1,712
Payables		
Ambulance Victoria	113	100
Department of Treasury and Finance	6	-
Metropolitan Fire and Emergency Services Board	-	16
Victorian Managed Insurance Authority	34	-
Victorian Rail Track	17	11
	170	127

All other transactions with Victorian government related party entities were made on normal commercial terms and conditions.

8. Other disclosures (continued)

8.8.2 Key management personnel

Key management personnel of ESTA includes the Minister for Emergency Services, The Hon James Merlino, MP, Authority members, the Chief Executive Officers and the members of the Executive Leadership Team, which includes:

Chief Operations Officer (Acting) - Mr Ben Piper	1 July 2017 to 5 August 2017
Chief Operations Officer (Acting) - Dr Ameer Morgans	6 August 2017 to 15 October 2017
Chief Operations Officer (Acting) - Mr Ben Piper	16 October 2017 to 8 April 2018
Executive Director, Emergency Communications Centres (Acting) - Mr Tim Madigan	9 April 2018 to 30 June 2018
Executive Director, Operations Support - Dr Ameer Morgans	2 February 2018 to 30 June 2018
Chief Financial Officer - Mr Jim Strilakos	1 July 2017 to 30 June 2018
Chief Information Officer - Mr Paul Duffer	1 July 2017 to 6 April 2018
Chief Information Officer (Acting) - Mr John Dousset	7 April 2018 to 30 June 2018
Executive Director, Corporate Affairs and Corporate Secretary - Ms Rosemary Mullaly	1 July 2017 to 30 June 2018
Executive Director, People and Culture - Mr Ari Cassarchis	1 July 2017 to 30 June 2018
Executive Director, Strategy and Risk - Mr Jerome Thevenon	1 July 2017 to 30 June 2018
Executive Director, Strategic Partnerships and Program Management - Mr Ben Piper	9 April 2018 to 3 June 2018
Executive Director, Strategic Partnerships and Program Management (Acting) - Mr Paul Taylor	4 June 2018 to 30 June 2018
Head of Delivery - Mr Jim Vavaroutsos	1 July 2017 to 11 August 2017

The titles of various members of ESTA's Executive Leadership Team changed on 9 April 2018 to better align with ESTA's strategic direction.

Remuneration for the Authority Members and the Accountable Officer is disclosed in Note 8.6.1.

Remuneration for the executive officers is disclosed in Note 8.7.1.

8.8.3 Transactions and balances with key management personnel and other related parties

Given the breadth and depth of the Victorian government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

Outside of normal citizen type transactions with ESTA, there were no related party transactions that involved key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

8.9 Subsequent events

There were no subsequent events (Nil 2017).

8.10 Other accounting policies

8.10.1 Contributions by owners

Consistent with the requirements of AASB 1004 Contributions, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of ESTA.

Additions to net assets that have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions to or distributions by owners have also been designated as contributions by owners.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

8.10.2 Foreign currency transactions

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign monetary items existing at the end of the reporting period are translated at the closing rate at the date of the end of the reporting period.

8. Other disclosures (continued)

8.11 Australian Accounting Standards issued that are not yet effective

The following AASs become effective for reporting periods commencing after the operative dates stated.

Certain new Australian Accounting Standards (AAS) have been published which are not mandatory for the 30 June 2018 reporting period. The Department of Treasury and Finance assesses the impact of all these new standards and advises ESTA of their applicability and early adoption where applicable.

Standard / Interpretation	Summary	Applicable for annual reporting period beginning on	Impact on ESTA's 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 hedge accounting model and a revised impairment loss model to recognise expected impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 January 2018	The assessment has identified that the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals. The initial application of AASB 9 is not expected to significantly impact the financial position however there will be a change to the way financial instruments are classified and new disclosure requirements.
AASB 2014-1 <i>Amendments to Australian Accounting Standards [Part E Financial Instruments]</i>	Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018, and to amend reduced disclosure requirements.	1 January 2018	This amending standard will defer the application period of AASB 9 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2014-7 <i>Amendments to Australian Accounting Standards arising from AASB 9</i>	Amends various AASs to incorporate the consequential amendments arising from the issuance of AASB 9.	1 January 2018	The assessment has indicated that there will be no significant impact for ESTA.
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. Note that amending standard AASB 2015-8 <i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i> has deferred the effective date of AASB 15 to annual reporting periods beginning on or after 1 January 2018, instead of 1 January 2017.	1 January 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.
AASB 2014-5 <i>Amendments to Australian Accounting Standards arising from AASB 15</i>	Amends the measurement of trade receivables and the recognition of dividends as follows: <ul style="list-style-type: none"> > Trade receivables that do not have a significant financing component, are to be measured at their transaction price, at initial recognition. > Dividends are recognised in the profit and loss only when: <ul style="list-style-type: none"> - the entity's right to receive payment of the dividend is established - it is probable that the economic benefits associated with the dividend will flow to the entity - the amount can be measured reliably. 	1 January 2018, except amendments to AASB 9 (December 2009) and AASB 9 (December 2010)	The assessment has indicated that there will be no significant impact for ESTA.

8. Other disclosures (continued)

Standard / Interpretation	Summary	Applicable for annual reporting period beginning on	Impact on ESTA's financial statements
AASB 2015-8 <i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i>	This Standard defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018.	1 January 2018	This amending standard will defer the application period of AASB 15 for for-profit entities to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2016-7 <i>Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities</i>	This Standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.	1 January 2019	This amending standard will defer the application period of AASB 15 for not-for-profit entities to the 2019-20 reporting period.
AASB 2016-8 <i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</i>	<p>AASB 2016-8 inserts Australian requirements and authoritative implementation guidance for not-for-profit-entities into AASB 9 and AASB 15.</p> <p>This Standard amends AASB 9 and AASB 15 to include requirements to assist not-for-profit entities in applying the respective standards to particular transactions and events.</p>	1 January 2019	<p>This standard clarifies the application of AASB 15 and AASB 9 in a not-for-profit context. The areas within these standards that are amended for not-for-profit application include:</p> <p>AASB 9</p> <ul style="list-style-type: none"> > statutory receivables are recognised and measured similarly to financial assets <p>AASB 15</p> <ul style="list-style-type: none"> > the “customer” does not need to be the recipient of goods and/or services > the “contract” could include an arrangement entered into under the direction of another party > contracts are enforceable if they are enforceable by legal or “equivalent means > contracts do not have to have commercial substance, only economic substance > performance obligations need to be “sufficiently specific” to be able to apply AASB 15 to these transactions.

8. Other disclosures (continued)

Standard / Interpretation	Summary	Applicable for annual reporting period beginning on	Impact on ESTA's financial statements
AASB 16 <i>Leases</i>	The key changes introduced by AASB 16 include the recognition of operating leases (which are currently not recognised) on balance sheet.	1 January 2019	<p>The assessment has indicated that most operating leases, with the exception of short term and low value leases will come on to the balance sheet and will be recognised as right of use assets with a corresponding lease liability.</p> <p>In the operating statement, the operating lease expense will be replaced by depreciation expense of the asset and an interest charge.</p> <p>There will be no change for lessors as the classification of operating and finance leases remains unchanged.</p>
AASB 1058 <i>Income of Not-for-Profit Entities</i>	<p>AASB 1058 standard will replace the majority of income recognition in relation to government grants and other types of contributions requirements relating to public sector not-for-profit entities, previously in AASB 1004 Contributions.</p> <p>The restructure of administrative arrangement will remain under AASB 1004 and will be restricted to government entities and contributions by owners in a public sector context, AASB 1058 establishes principles for transactions that are not within the scope of AASB 15, where the consideration to acquire an asset is significantly less than fair value to enable not-for-profit entities to further their objective.</p>	1 January 2019	<p>The current revenue recognition for grants is to recognise revenue up front upon receipt of the funds.</p> <p>This may change under AASB 1058, as capital grants for the construction of assets will need to be deferred. Income will be recognised over time, upon completion and satisfaction of performance obligations for assets being constructed, or income will be recognised at a point in time for acquisition of assets. The revenue recognition for operating grants will need to be analysed to establish whether the requirements under other applicable standards need to be considered for recognition of liabilities (which will have the effect of deferring the income associated with these grants). Only after that analysis would it be possible to conclude whether there are any changes to operating grants.</p> <p>The impact on current revenue recognition of the changes is the phasing and timing of revenue recorded in the profit and loss statement.</p>

8. Other disclosures (continued)

Standard / Interpretation	Summary	Applicable for annual reporting period beginning on	Impact on ESTA's financial statements
AASB 1059 <i>Service Concession Arrangements: Grantor</i>	<p>This standard applies to arrangements that involve an operator providing a public service on behalf of a public sector grantor. It involves the use of a service concession asset and where the operator manages at least some of the public service at its own direction. An arrangement within the scope of this standard typically involves an operator constructing the asset used to provide the public service or upgrading the assets and operating and maintaining the assets for a specified period of time.</p> <p>ESTA/the State has social infrastructure PPPs whereby ESTA/the State makes payments to the operator upon commencement of services and the:</p> <ul style="list-style-type: none"> > operator finances and constructs the infrastructure > ESTA/the State pays unitary service payments over the term. 	1 January 2019	<p>For an arrangement to be in scope of AASB 1059 all of the following requirements are to be satisfied:</p> <ul style="list-style-type: none"> > operator is providing public services using a service concession asset > operator manages at 'least some' of public services under its own discretion > ESTA/the State controls/regulates: <ul style="list-style-type: none"> - what services are to be provided - to whom - at what price > ESTA/the State controls any significant residual interest in the asset. <p>If the arrangement does not satisfy all the above requirements the recognition will fall under the requirements of another applicable accounting standard.</p> <p>Currently the social infrastructure PPPs are only recognised on the balance sheet at commercial acceptance. The arrangement will need to be progressively recognised as and when the asset is being constructed. This will have the impact of progressively recognising the financial liability and corresponding asset as the asset is being constructed.</p>

In addition to the new standards and amendments, the AASB has issued a list of other amending standards that are not effective for the 2017-18 reporting period (as listed below). In general, these amending standards include editorial and reference changes that are expected to have insignificant impacts on public sector reporting.

8. Other disclosures (continued)

8.12 Glossary of technical accounting terms

Amortisation

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

Borrowings

Refers to interest bearing liabilities mainly from finance leases arrangements.

Commitments

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

Comprehensive result

The amount included in the operating statement representing total change in net worth other than transactions with owners as owners.

Current grants

Are amounts payable or receivable for current purposes for which no economic benefit of equal value are receivable or payable in return.

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'.

Employee benefits expenses

Includes 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

Mean the voluntary payment of money or other non-monetary benefit (e.g. a 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

Is any asset that is:

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

Financial instrument

Is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial liability

Is any liability that is:

- (a) a contractual obligation:
 - to deliver cash or another financial asset to another entity; or
 - 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:
 - 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
 - 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.

8. Other disclosures (continued)

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 paragraph 38 of AASB 101 *Presentation of Financial Statements*; and
- (g) a statement of financial position 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 paragraph 41 of AASB 101.

Grant expenses and other transfers

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

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

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

General government sector

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

Interest expense

Represents costs incurred in connection with borrowings. It includes the interest components of finance lease repayments.

Interest income

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

Leases

Are rights 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 infrastructure, property, plant and equipment are classified as finance 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.

Net acquisition of non-financial assets

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

Net financial liabilities

Is calculated as liabilities less financial assets. This measure is broader than net debt as it includes significant liabilities, other than borrowings (e.g. accrued employee liabilities such as superannuation and long service leave entitlements).

Net financial worth

Is equal to financial assets minus liabilities. It is a broader measure than net debt as it incorporates provisions made (such as superannuation, but excluding depreciation and bad debts) as well as holdings of equity. Net financial worth includes all classes of financial assets and liabilities, only some of which are included in net debt.

Net operating balance or net result from transactions

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

8. Other disclosures (continued)

Net result

Is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those classified as 'other non-owner movements in equity'.

Net worth

Is calculated as assets less liabilities, which is an economic measure of wealth.

Non-financial assets

Are all assets that are not financial assets. It includes prepayments, plant and equipment and intangibles.

Operating result

Is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other non-owner movements in equity'. Refer also 'net result'.

Other economic flows included in net result

Are changes in the volume or value of an asset or liability that do not result from transactions. In simple terms, other economic flows are changes arising from market remeasurements. They include gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets; fair value changes of financial instruments and agricultural assets; and depletion of natural assets (non-produced) from their use or removal.

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. They include changes in physical asset revaluation surplus; share of net movement in revaluation surplus of associates and joint ventures; and gains and losses on remeasuring available-for-sale financial assets.

Payables

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

Receivables

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

Sales of goods and services

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

Supplies and services

Generally represent cost of goods sold and the day to day running costs, including maintenance costs, incurred in the normal operations of ESTA.

Taxation

Expense represents funds paid to the State Revenue Office and includes:

- > payroll tax, land tax and duties
- > motor vehicle taxes, including registration fees and duty on registrations and transfers.

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 into an entity such as depreciation, where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the Government.

ACRONYMS

ACMA – Australian Communications & Media Authority

ATO – Australian Taxation Office

CAD – Computer Aided Dispatch

CALD – Culturally and Linguistically Diverse

CFA – Country Fire Authority

CTD – Call-taking and Dispatch

DELWP – Department of Environment, Land, Water & Planning

DRUP – Digital Radio Upgrade Program

EAS – Emergency Alerting System

ECSAC – Emergency Call Service Advisory Committee

EMOC – Emergency Management Operational Communications

EMV – Emergency Management Victoria

ESOs – Emergency Services Organisations

ESTA – Emergency Services Telecommunications Authority

FRD – Financial Reporting Directions

FTE – Full Time Equivalents

GHG – Greenhouse Gas

GPS – Global Positioning System

GST – Goods and Services Tax

IGEM – Inspector-General for Emergency Management

LEAP – Law Enforcement Assistance Program

LSL – Long Service Leave

MACG – Multi-Agency Communications Gateway

MDN – Mobile Data Network

MFB – Metropolitan Fire Brigade

MMR – Metropolitan Mobile Radio

MOLI - Mobile Origin Location Information

MURL – Melbourne Underground Rail Loop

PMO – Program Management Office

PPP – Public Private Partnership

PSO – Protective Service Officers

SECCs – State Emergency Communications Centres

VAGO – Victorian Auditor-Generals Office

VICSES – Victoria State Emergency Service

APPENDIX

ESTA 12 Month Rolling Staff Turnover

Staff Turnover: excluding the board, transfers between operations and support office and contractors from agencies.

Jun-18	Current Employees	Voluntary	Redundant/ Terminated	12 Month Attritions	Turnover - Voluntary	Turnover - Redundant/ Terminated	Total Turn-over	Gender - F	Gender - M	Gender Ratio F:M
Operations	775	57	24	81	7.4%	3.1%	10.5%	541	234	2.3 : 1
Support	176	24	1	25	13.6%	0.6%	14.2%	93	83	1.1 : 1
ESTA total	951	81	25	106	8.5%	2.6%	11.1%	634	317	2 : 1

Annualised total salary, by \$20,000 bands, for executives and senior employees

Income band (salary)	Executives	Band 7	Senior Managers
Less than \$160 000	0	2	0
\$160 000 - \$179 999	3	4	5
\$180 000 - \$199 999	0	0	0
\$200 000 - \$219 999	1	0	0
\$220 000 - \$239 999	1	0	0
\$240 000 - \$259 999	0	0	0
\$260 000 - \$279 999	0	0	0
\$280 000 - \$299 999	1	0	0

Executives Executive leadership team

Senior Managers All other senior employees who are on GSERP employment contracts

ESTA Details of employment levels in June 2017 and 2018

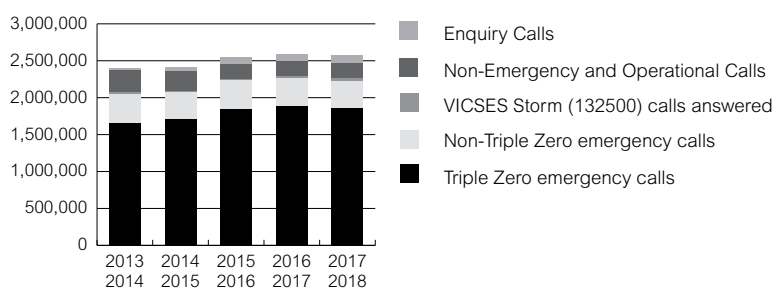
Jun-18								
	All employees			Ongoing			Fixed term & Casual	
	Number			Full-time	Part-time		Number	
	(headcount)	FTE	(headcount)	(headcount)	FTE	(headcount)	FTE	
Demographic Data	Gender							
	Male	317	299	285	16	290	16	9
	Female	634	523	452	145	508	37	15
	Age							
	15-24	56	51	52	2	51	2	0
	25-34	375	323	300	57	316	18	7
	35-44	253	211	173	62	202	18	9
	45-54	191	172	154	29	166	8	5
	55-64	71	62	54	10	59	7	2
	65+	5	3	4	1	3	0	0
Classification Data	Operations Grades	775	660	601	147	656	27	3
	Call-taker 1	102	97	99	2	97	1	0
	Call-taker 2	52	45	46	4	45	2	0
	Call-taker 3	107	72	63	33	71	11	1
	Call-taker 4	47	40	37	7	39	3	1
	Dispatcher 1	51	48	48	3	48	0	0
	Dispatcher 2	39	33	31	6	33	2	0
	Dispatcher 3	240	196	156	76	195	8	1
	Dispatcher 4	35	31	23	12	31	0	0
	Assistant TL	57	54	55	2	54	0	0
	Team leader 1	11	11	11	0	11	0	0
	Team leader 2	34	32	32	2	32	0	0
	Support Grades	159	146	129	14	135	16	11
	Band 1	9	7	6	1	6	2	0
	Band 2	38	33	24	4	26	10	7
	Band 3	33	31	27	5	30	1	1
	Band 4	34	33	31	0	30	3	3
	Band 5	38	36	34	4	36	0	0
	Band 6	7	7	7	0	7	0	0
	Senior employees	17	17	7	0	7	10	10
	Executives	6	6	1	0	1	5	5
	Band 7	6	6	5	0	5	1	1
	Senior Managers	5	5	1	0	1	4	4
		Total employees	951	822	737	161	798	53

Jun-17								
	All employees		Ongoing			Fixed term & Casual		
	Number		Full-time	Part-time		Number		
	(headcount)	FTE	(headcount)	(headcount)	FTE	(headcount)	FTE	
Demographic Data	Gender							
	Male	300	285	273	14	278	13	7
	Female	595	486	431	137	477	27	9
	Age							
	15-24	45	40	43	0	40	2	0
	25-34	361	304	291	56	302	14	2
	35-44	236	197	166	59	192	11	4
	45-54	180	165	144	27	157	9	8
	55-64	68	61	55	9	59	4	2
	65+	5	4	5	0	4	0	0
Classification Data	Operations Grades	747	633	583	139	630	25	2
	Call-taker 1	86	77	85	1	77	0	0
	Call-taker 2	64	56	52	8	55	4	1
	Call-taker 3	114	81	68	34	80	12	1
	Call-taker 4	34	27	26	7	27	1	0
	Dispatcher 1	26	25	26	0	25	0	0
	Dispatcher 2	36	31	25	10	31	1	0
	Dispatcher 3	261	218	187	67	218	7	0
	Dispatcher 4	38	32	26	12	32	0	0
	Assistant TL	45	43	45	0	43	0	0
	Team leader 1	9	9	9	0	9	0	0
	Team leader 2	34	33	34	0	33	0	0
	Support Grades	130	120	116	12	119	2	1
	Band 1	11	8	7	2	7	2	1
	Band 2	32	29	26	6	29	0	0
	Band 3	24	23	24	0	23	0	0
	Band 4	25	24	25	0	24	0	0
	Band 5	33	31	30	3	31	0	0
	Band 6	5	5	4	1	5	0	0
	Senior employees	18	18	5	0	5	13	13
	Executives	8	8	0	0	0	8	8
	Band 7	5	5	5	0	5	0	0
	Senior Managers	5	5	0	0	0	5	5
		Total employees	895	771	704	151	755	40

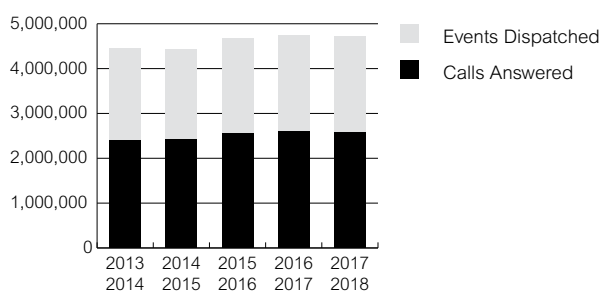
Call-taking and dispatch activity

Activity	2013-14	2014-15	2015-16	2016-17	2017-18	Growth on LY	Four Year CAGR	Four Year Growth
Calls Answered	2,406,433	2,413,335	2,544,708	2,595,126	2,570,282	-1.0%	1.7%	6.8%
Triple Zero emergency calls	1,657,441	1,707,209	1,849,042	1,884,077	1,864,504	-1.0%	3.0%	12.5%
Non-Triple Zero emergency calls	387,419	363,295	381,909	373,426	360,365	-3.5%	-1.8%	-7.0%
VICSES Storm (132500) calls answered	31,911	22,335	19,902	32,345	29,275	-9.5%	-2.1%	-8.3%
Non-Emergency and Operational Calls	290,193	262,852	204,883	201,734	210,412	4.3%	-7.7%	-27.5%
Enquiry Calls	39,469	57,644	88,972	103,544	105,726	2.1%	27.9%	167.9%
<i>Average calls per day</i>	<i>6593</i>	<i>6612</i>	<i>6953</i>	<i>7110</i>	<i>7042</i>	<i>-1.0%</i>	<i>1.7%</i>	<i>6.8%</i>
<i>Average Triple Zero emergency calls per day</i>	<i>4541</i>	<i>4677</i>	<i>5052</i>	<i>5162</i>	<i>5108</i>	<i>-1.0%</i>	<i>3.0%</i>	<i>12.5%</i>
Events Dispatched	2,053,332	2,013,273	2,133,502	2,161,706	2,145,038	-0.8%	1.1%	4.5%
Emergency Calls – Triple Zero, Direct and Storm	2,076,771	2,092,839	2,250,853	2,289,848	2,254,144	-1.6%	2.1%	8.5%

ESTA total calls answered



CTD volumes



Calls answered per agency

Agency	2013-14	2014-15	2015-16	2016-17	2017-18	Growth on LY	Four Year CAGR	Four Year Growth
Victoria Police	1,245,593	1,296,049	1,416,144	1,428,728	1,369,121	-4.2%	1.9%	9.9%
Ambulance Victoria	911,467	879,147	893,686	914,453	945,757	3.4%	0.7%	3.8%
CFA	134,713	141,415	143,622	149,362	156,669	4.9%	3.1%	16.3%
VICSES	66,654	50,683	49,758	69,498	64,125	-7.7%	-0.8%	-3.8%
MFB	48,006	46,041	41,498	33,085	34,610	4.6%	-6.3%	-27.9%
Total	2,406,433	2,413,335	2,544,708	2,595,126	2,570,282	-1.0%	1.3%	6.8%

Agency	2017-18	% of total
Victoria Police	1,369,121	53.3%
Ambulance Victoria	945,757	36.8%
CFA	156,669	6.1%
VICSES	64,125	2.5%
MFB	34,610	1.3%
Total	2,570,282	100.0%

Dispatch events per agency

Agency	2013-14	2014-15	2015-16	2016-17	2017-18	Growth on LY	Four Year CAGR	Four Year Growth
Victoria Police	1,224,283	1,224,283	1,325,856	1,366,105	1,321,165	-3.3%	1.9%	7.9%
Ambulance Victoria	720,552	680,493	699,675	676,237	705,069	4.3%	-0.5%	-2.1%
CFA	44,768	44,768	45,664	44,876	48,531	8.1%	2.0%	8.4%
MFB	40,184	40,184	40,435	41,244	42,017	1.9%	1.1%	4.6%
VICSES	23,545	23,545	21,872	33,244	28,256	-15.0%	4.7%	20.0%
ESTA TOTAL Events Dispatched	2,053,332	2,013,273	2,133,502	2,161,706	2,145,038	-0.8%	1.1%	4.5%

Agency	2017-18	% of total
Victoria Police	1,321,165	61.6%
Ambulance Victoria	705,069	32.9%
CFA	48,531	2.3%
MFB	42,017	1.9%
VICSES	28,256	1.3%
ESTA TOTAL Events Dispatched	2,145,038	100%

AV Emergency includes ERT C3 from 2013-14.

Events Dispatched	FY2015	FY2016	FY2017	FY2017 Variance
AV - Code 1 - Emergency	346,138	272,960	279,819	2.51%
AV - Code 2 - Emergency	181,300	206,679	218,353	5.6%
ERTCOMM - Code 3	35,304	42,751	41,898	-2.0%
VICPOL - Priority 1	124,958	132,270	132,347	0.1%
VICPOL - Priority 2	784,762	804,497	781,292	-2.9%
VICPOL - Priority 3	416,136	429,338	407,526	-5.1%
VicSES - Other Agency Priority 1	1824	2288	2295	0.3%
VicSES - Other Agency Priority 2	3845	5545	4469	-19.4%
VicSES - Other Agency Priority 3	8077	10,168	4483	-55.9%
VicSES - Rural Priority 2	470	1212	1642	35.5%
VicSES - Rural Priority 3	1201	2368	2321	-2.0%
VicSES - Urban Priority 2	1026	2115	2970	40.4%
VicSES - Urban Priority 3	5429	9548	10,076	5.5%
MFB - Priority 1 - Alarms	11,129	12,636	12,546	-0.7%
MFB - Priority 1 - EMR	5840	5475	5923	8.2%
MFB - Priority 1 - Telephone Events	12,647	11,097	12,596	13.5%
MFB - Priority 1 - Other Agency	10,819	12,036	10,952	-9.0%
CFA - Priority 1 - Alarms	6331	6798	6414	-5.6%
CFA - Priority 1 - EMR	1102	1611	2913	80.8%
CFA - Priority 1 - Rural	5629	4544	6002	32.1%
CFA - Priority 1 - Urban	10,097	8616	9807	13.8%
CFA - Priority 3 - Rural	2222	1326	1854	39.8%
CFA - Priority 3 - Urban	3492	2915	3616	24.0%
CFA - Priority 1 - Other Agency	16,791	19,066	17,925	-6.0%
Ambulance Victoria - Patient Transport	136,933	153,847	164,999	7.2%
Total Events Dispatched	2,133,502	2,161,706	2,145,038	-0.8%

Events Dispatched by Agency	FY2015	FY2016	FY2017
VICPOL	62.1%	63.2%	61.6%
AMBULANCE	32.8%	31.3%	32.9%
MFB	1.9%	1.9%	1.9%
CFA	2.1%	2.1%	2.3%
VICSES	1.0%	1.5%	1.3%
Total Events Dispatched	2,133,502	2,161,706	2,145,038

Calls Answered											
Category	FY2015	FY 2016	FY 2017	FY2017 Variance	% of total	Agency	FY2015	FY2016	FY2017	FY2015 Variance	% of total
A	381,909	373,426	360,365	-3.5%	14.0%	CFA	143,622	149,362	156,669	4.9%	6.1%
B	1,849,042	1,884,077	1,864,504	-1.0%	72.5%	ERTCOMM	737,941	760,986	782,008	2.8%	30.4%
						MFB	41,498	33,085	34,610	4.6%	1.3%
C	19,902	32,345	29,275	-9.5%	1.1%	NETCOMM	155,745	153,467	163,749	6.7%	6.4%
N	155,745	153,467	163,749	6.7%	6.4%	VICPOL	1,416,144	1,428,728	1,369,121	-4.2%	53.3%
O	49,138	48,267	46,663	-3.3%	1.8%	VICSES	49,758	69,498	64,125	-7.7%	2.5%
Q	88,972	103,544	105,726	2.1%	4.1%	Total	2,544,708	2,595,126	2,570,282	-1.0%	100.0%
Total	2,544,708	2,595,126	2,570,282	-1.0%							
TZ %	72.7%	72.6%	72.5%	-0.1%							
Call every X seconds	12.4	12.2	12.3	0.7%							
Calls Per Day	6971.8	7090.5	7041.9	-0.7%							
000 Calls Per Day	5065.9	5147.8	5108.2	-0.8%							

Call Answer Performance (Emergency Calls)¹

Agency	Benchmark	2016-2017	2017-2018	Change	Answer Time (secs)		
					Average	50th Percentile	90th Percentile
Victoria Police	80 per cent answered within 5 seconds ²	86.3%	88.3%	2.0%	5.2	1	10
Ambulance	90 per cent answered within 5 seconds ³	93.0%	93.1%	0.1%	3.7	1	2
CFA	90 per cent answered within 5 seconds	97.2%	96.4%	-0.8%	2.9	1	2
MFB	90 per cent answered within 5 seconds	96.4%	96.0%	-0.4%	3.1	1	2
VicSES	90 per cent answered within 20 seconds	77.6%	86.8%	9.2%	26.2	1	16

Time to Dispatch Performance (Emergency Events)

Agency	Benchmark	2016-2017	2017-2018	Change	Dispatch Time (secs)		
					Average	50th Percentile	90th Percentile
Victoria Police (state-wide) priority one events	80 per cent dispatched within 160 seconds ⁴	90.3%	89.7%	-0.6%	78.8	50	163
Ambulance (state-wide) code one events	90 per cent dispatched within 150 seconds ⁵	83.0%	85.4%	2.4%	114.2	99	167
CFA priority one events ⁶	90 per cent dispatched within benchmark	94.3%	93.2%	-1.1%			
P1 Urban					80.2	68	130
P1 Rural					122.9	83	177
Alarms					8.8	8	11
Other Agency					30.7	22	51
EMR					8.8	7	13
MFB priority one events ⁷	90 per cent dispatched within benchmark	95.1%	94.6%	-0.5%			
Telephone					85.6	71	136
Alarms					9.8	8	11
Other Agency					25.3	20	40
EMR					8.9	7	12
VicSES priority one events	90 per cent dispatched within 60 seconds	85.8%	89.2%	3.4%	60.7	19	64

Time to Dispatch Performance⁸ (Lower Priority Events)

Agency	Benchmark	2016- 2017	2017- 2018	Change	Dispatch Time (secs)		
					Average	50th Percentile	90th Percentile
Victoria Police (state-wide) priority two events	80 per cent dispatched within 300 seconds ⁹	88.7%	88.2%	-0.5%	148.7	90	328
Victoria Police (state-wide) priority three events	80 per cent dispatched within 900 seconds ¹⁰	98.2%	98.1%	-0.1%	266.9	156	711
Ambulance (state-wide) code two events	90 per cent dispatched within 300 seconds ¹¹	93.9%	94.6%	0.7%	163.1	125	242
CFA priority three events ¹²	90 per cent dispatched within benchmark	90.4%	90.5%	0.1%			
Urban					110.1	87	162
Rural					127.4	105	209
VicSES priority two and three events ¹³	90 per cent dispatched within benchmark	94.5%	94.9%	0.4%			
Urban					217.5	182	338
Rural					223.6	190	358
Other Agency					153.2	35	139

Footnotes

- 1 Technical limitations within ESTA's Emergency Telephone System prevent accurate determination of call answer time where Triple Zero calls to ESTA via the Emergency Call Service calls are subject to re-presentation. ESTA uses a mathematical formula to estimate the overall call answer time for these calls, based on a number of assumptions. Figures stated for average, 50th, and 90th percentile call answer times include these estimated times and should be considered indicative only.
- 2 ESTA's services are provided statewide and the figures displayed reflect statewide activity and performance against the standard as presented.
- 3 ESTA's services are provided statewide and the figures displayed reflect statewide activity and performance against the standard as presented. However, for the 2016/17 FY , this standard applied to Metropolitan Service Delivery only.
- 4 ESTA's services are provided statewide and the figures displayed reflect statewide activity and performance against the standard as presented.
- 5 ESTA's services are provided statewide and the figures displayed reflect statewide activity and performance against the standard as presented. However, for the 2016/17 FY , this standard applied to Metropolitan Service Delivery only.
- 6 Emergency Medical Response / Alarm Events – 28 seconds, Urban Telephone Events – 120 seconds, Rural Telephone Events – 190 seconds, Other Agency Events – 60 seconds.
- 7 Emergency Medical Response / Alarm Events – 28 seconds, Telephone Events – 120 seconds, Other Agency Events – 60 seconds.
- 8 Where reference is made to dispatch performance, it should be noted that following the upgrade of the ESTA CAD system to Version 9v11, there was a period where the 'Create Event' button timestamp was not available for measurement. Resultantly ESTA had to change how it determined Event Create Time, instead measuring from the first update to the event form.
- 9 ESTA's services are provided statewide and the figures displayed reflect statewide activity and performance against the standard as presented.
- 10 ESTA's services are provided statewide and the figures displayed reflect statewide activity and performance against the standard as presented.
- 11 ESTA's services are provided statewide and the figures displayed reflect statewide activity and performance against the standard as presented. However, for the 2016/17 FY , this standard applied to Metropolitan Service Delivery only.
- 12 Urban Events – 160 seconds, Rural Events – 230 seconds.
- 13 Urban Priority 2 & 3 Events – 460 seconds, Rural Priority 2 & 3 Events – 460 seconds, Other Agency Events – 230 seconds.

Cumulative performance

Call taking	Benchmark	FY2015		FY2016		FY2017	
		Compliant Month Count	Cumulative 12 Month Performance	Compliant Month Count	Cumulative 12 Month Performance	Compliant Month Count	Cumulative 12 Month Performance
AV Emerg (S.Wide)	90 per cent answered within 5 seconds ²	11	92.20%	12	93.00%	12	93.10%
AV Non-emerg (S.Wide)	90 per cent answered within 30 seconds ²	12	96.60%	12	95.90%	12	94.50%
Vic Pol (S.Wide)	80 per cent answered within 5 seconds ³	10	82.90%	12	86.30%	12	88.30%
CFA Emerg	90 per cent answered within 5 seconds	12	95.40%	12	97.20%	12	96.40%
CFA Non-Emerg / Operational	90 per cent answered within benchmark	12	93.90%	12	94.00%	12	95.20%
SES Emerg	90 per cent answered within 20 seconds	2	77.20%	8	77.60%	8	86.80%
SES Non-Emerg / Operational	80 per cent answered within 20 seconds	11	88.70%	12	90.50%	12	90.90%
MFB Emerg	90 per cent answered within 5 seconds	10	94.20%	12	96.40%	12	96.00%
MFB Non-Emerg / Operational	90 per cent answered within benchmark	12	95.40%	12	96.60%	12	96.30%

Dispatch	Benchmark	FY2015		FY2016		FY2017	
AV Emerg (Code 1) (S.Wide)	90 per cent dispatched within 150 seconds ²	0	78.30%	0	83.00%	0	85.40%
AV Emerg (Code 2) (S.Wide)	90 per cent dispatched within 300 seconds ²	12	91.40%	12	93.90%	12	94.60%
Vic Pol (Priority 1) (S.Wide)	80 per cent dispatched within 180 seconds ³	12	89.60%	12	90.30%	12	89.70%
Vic Pol (Priority 2) (S.Wide)	80 per cent dispatched within 300 seconds ³	12	87.80%	12	88.70%	12	88.20%
Vic Pol (Priority 3) (S.Wide)	80 per cent dispatched within 900 seconds ³	12	97.80%	12	98.20%	12	98.10%
SES (Priority 1)	90 per cent dispatched within 60 seconds	0	83.80%	0	85.80%	4	89.20%
SES (Priority 2&3)	90 per cent dispatched within benchmark	12	96.80%	11	94.50%	12	94.90%
MFB (Priority 1)	90 per cent dispatched within benchmark	11	93.40%	12	95.10%	12	94.60%
CFA (Priority 1)	90 per cent dispatched within benchmark	11	91.50%	12	94.30%	12	93.20%
CFA (Priority 3)	90 per cent dispatched within benchmark	0	87.20%	8	90.40%	7	90.50%

2 ESTAs services are provided Statewide and the figures displayed reflect Statewide activity and performance against the standard as presented. However, Ambulance service the standard is applied to Metropolitan Service Delivery only.

3 ESTAs services are provided Statewide and the figures displayed reflect Statewide activity and performance against the standard as presented. However, prior to the 2016/17 FY , the Victoria Police standards applied to Metropolitan Service Delivery only.

Call answer percentiles	Count	AvgCAS	MAX CAS	50th Percentile	80th Percentile	90th Percentile
CFA EMERGENCY	44,264	2.9	395	1	2	2
CFA Enquiry	105,726	17.9	2086	1	5	51
CFA Op/Field	6679	8.0	982	5	8	13
ERTCOMM	782,008	3.7	397	1	2	2
MFB EMERGENCY	29,476	3.1	335	1	2	2
MFB Enquiry	-	-	-	-	-	-
MFB Op/Field	5134	6.6	311	4	7	9
NETCOMM	163,749	9.2	2769	3	4	5
VICSES Op/Field	34,850	12.0	2647	5	8	15
VICSES STORM	29,275	26.2	6570	1	2	16
VP EMERGENCY	1,369,121	5.2	429	1	2	10

Dispatch percentiles	Count	AvgTTD	MAX_TTD	PC50	PC80	PC90
MFB						
Phone Events	12,596	85.6	6571	71	106	136
Alarms	12,546	9.9	4139	8	9	11
Other Agency	10,952	25.3	5416	20	31	40
EMR	5923	8.9	1455	7	9	12
ERTCOMM STATEWIDE						
CODE 1	279,819	114.3	537,182	99	138	167
CODE 2	218,353	163.1	39,683	125	188	242
VICPOL STATEWIDE						
Priority 1	132,347	78.8	6458	50	110	163
Priority 2	781,292	148.7	57,621	90	225	328
Priority 3	407,526	267.0	238,699	156	510	711
VICSES						
P1 - Other Agency	2295	60.7	17,823	19	40	64
P2 & 3 - Other Agency	8952	153.2	639,150	35	75	139
P2 & 3 - Urban	13,046	217.4	12,699	182	265	338
P2 & 3 - Rural	3963	223.6	3109	190	277	358
CFA						
P1 Urban - Phone	9807	80.2	2279	68	101	130
P1 Rural - Phone	6002	122.9	122,393	83	133	177
Alarms	6414	8.8	3381	8	9	11
Other Agency	17,925	30.7	2477	22	38	51
EMR	2913	8.8	190	7	10	13
P3 Urban - Phone	3616	110.1	26,264	86.5	128	161.5
P3 Rural - Phone	1854	127.4	1496	105	161	208.7

Sundry events	FY 2015	FY 2016	FY 2017	
AV Code 1 Events	346,138	272,960	279,819	Based on IGEM Code 1, code 1 implies lights and siren's emergency ambulance response
Police Pursuits	414	859	658	Based on SP or TP POLICE TYCOD
Cardiac Events	7239	8016	8758	Based on Card 9 Events ERTCOMM Report
Burnoffs Regd	80,071	96,437	100,623	FSV Burnoffs CAD9 function
Assist with babies born	109	109	116	Baby born Event Report

MMR RADIO CALLS

Agency	2013-14	2014-15	2015-16	2016-17	2017-18	2017-18 % Change	CAGR %
Ambulance Victoria	4,845,668	4,920,994	5,117,652	5,325,844	5,828,435	9.44%	4.72%
Metropolitan Fire Brigade	1,349,385	1,369,772	1,426,602	1,398,821	1,507,935	7.80%	2.82%
Victoria Police	12,795,681	13,372,916	13,456,971	13,594,628	14,099,906	3.72%	2.46%
TOTAL Calls	18,990,734	19,600,421	20,001,225	20,319,293	21,436,276	5.50%	3.07%

MDN TRANSACTIONS

Transaction Type	2013-14	2014-15	2015-16	2016-17	2017-18	2017-18 % Change	CAGR %
CAD – Ambulance Victoria	492,861	493,375	506,139	512,668	533,571	4.08%	2.00%
CAD – Victoria Police	1,404,837	1,789,337	1,853,145	2,030,132	2,081,368	2.52%	10.33%
LEAP inquiries	5,972,495	7,669,210	7,681,627	8,817,130	9,444,769	7.12%	12.14%
Sheriff's Office	6571	7404	6990	6371	3114	-51.12%	-17.03%
TOTAL Transactions	7,876,764	9,848,996	10,047,901	11,366,301	12,062,822	6.13%	11.24%

EAS MESSAGING VOLUMES

Message Priority	2013-14	2014-15	2015-16	2016-17	2017-18	2017-18 % Change	CAGR %	2017-18 Delivery Success
Emergency	520,456	558,269	482,654	443,927	486,853	9.67%	-1.65%	99.997%
Non-Emergency	442,853	600,884	646,106	832,120	747,920	-10.12%	14.00%	99.997%
Administrative	169,631	139,367	152,185	125,155	288,918	130.85%	14.24%	99.972%
TOTAL Messages	1,132,940	1,298,520	1,280,945	1,401,202	1,523,691	8.74%	7.69%	99.992%



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ESTA 000
Saving Time Saving Lives