ESTA ANNUAL REPORT 2018-19

Emergency Services Telecommunications Authority









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Chairperson's foreword

ESTA's development of a multi-year strategic plan during 2018-19 represents significant progress in meeting the needs and expectations of the Victorian community and our emergency services partners now and into the future.

Our Integrated Strategic Plan (ISP2023) charts the actions we are taking over the next four years to help us to progress our journey to the digital future.

ESTA's ISP2023 includes major initiatives with significant benefits to ESTA, the community and the emergency services sector. We have started strengthening our Computer-Aided Dispatch (CAD) system, and relocating our World Trade Centre operations to a new, purpose-built facility at Williams Landing. We are also giving increased focus to the wellbeing of our people and our organisational culture. This has included the development of new ESTA values: we are bold, we are kind and we are better together. It also saw the re-establishment of a Board committee focused on our people, culture, and capability.

There have been many highlights throughout the year. ESTA improved its call-taking and dispatch performance, in several cases above benchmarks, despite an increase in call and dispatch volumes, and several severe weather events.

We introduced a new Information Technology Services operating model and restructured the department to make it more responsive our day-to-day operations as well as better able to support delivery of ESTA's strategic plan. At the same time, we continued to work with our agency partners and government to improve and modernise Victoria's emergency services response.

ESTA supported Victoria Police with the introduction of the Police Assistance Line and Online Reporting platform, which provides the community with two additional channels to report non-urgent crimes and events.

We successfully delivered the Multi-Agency Communications Gateway program, implementing a real-time interface between CAD and the police BlueConnect program, which included the successful rollout of 10,000 iPhones or iPad minis to frontline police and Protective Services Officers.

ESTA also supported Ambulance Victoria to deliver better patient outcomes with the roll-out of the GoodSAM application, which alerts off-duty health professionals to cases of suspected cardiac arrest.

Strengthening our governance and sector collaboration have been welcome themes throughout the year. We developed a forum for Victoria's emergency services Chairs, the Chief Commissioner and the Emergency Management Commissioner to meet on a regular basis, and were grateful to the Minister for Police and Emergency Services for attending that forum in 2019. ESTA also refreshed its Advisory Committee to become a forum for sector Chiefs and CEOs to meet and consider shared strategies and goals.

ESTA has also changed its internal governance to better empower its senior managers to drive the day-to-day operations of the organisation.

We sincerely thank our Authority colleagues for their many contributions and support in 2018-19, along with our management team and especially all the ESTA people who provide our critical 24-hour service to link the community with the right emergency response. We also thank our colleagues in our partner agencies and in government for your engagement and support throughout the year.

Flavia Gobbo

Chair

Marty Smyth CEO



ESTA's mission

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

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

Key stakeholders during 2018-19 included:

- > The people of Victoria
- > Emergency Service Organisations:
 - 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 Police and Emergency Services
 - Minister for Health and Ambulance Services
 - Emergency Management Commissioner
 - Inspector-General for Emergency Management
 - Emergency Management Victoria
 - Department of Justice and Community Safety
 - 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
- > Federal Government
 - Department of Communications and the Arts
- > Australian Communications and Media Authority

ESTA'S Corporate Plan

ESTA has created the Integrated Strategic Plan 2023 as an overarching strategy that aligns with ESTA's vision. ESTA's annual corporate plan supports the Integrated Strategic Plan, outlining what will be achieved for the year.

In 2018-19, ESTA's Corporate Plan focused on designing and implementing the Integrated Strategic Plan 2023.

Key achievements included:

- > completing a 360-degree review of triple zero callers' experience of ESTA's services
- > reviewing ESTA's values and supporting an Enterprise Capability Framework
- making progress in sustaining ESTA's digital core (the Computer-Aided Dispatch system)
- > progressing building of the new Williams Landing State Emergency Control Centre, a key component of ESTA's estate management
- > developing a strategic and tactical workforce plan that will help improve service delivery

ESTA's Corporate Plan is designed to help achieve five specific and linked goals:

 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.

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.

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

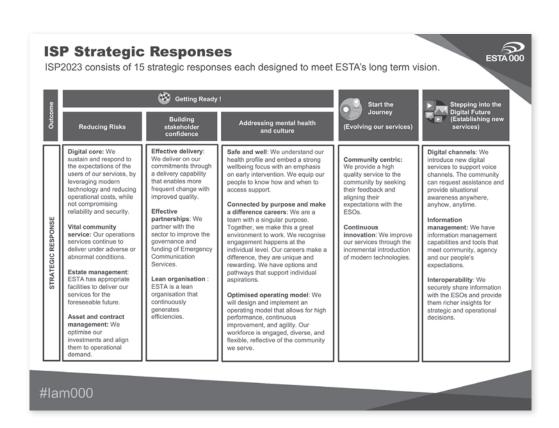
ESTA operates in a complex, highly integrated and volatile demand environment. It needs to prioritise and be flexible in the management of resources against demand. It must also be open and transparent about what it can do and how it will do it.

Initiatives in the plan will reflect clear, transparent and evidencebased, 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.

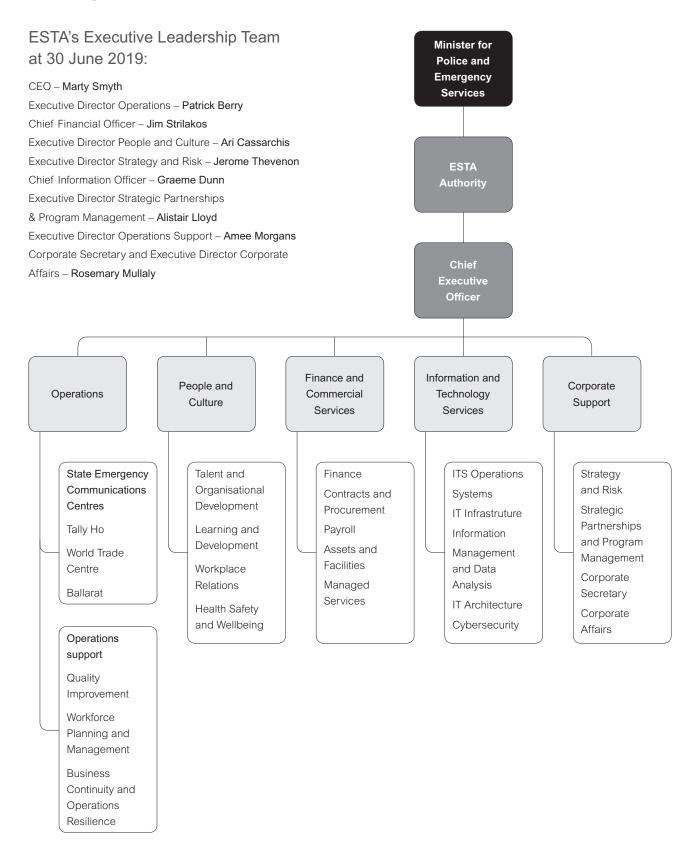
To deliver consistent and reliable services by building organisational capability and resilience.

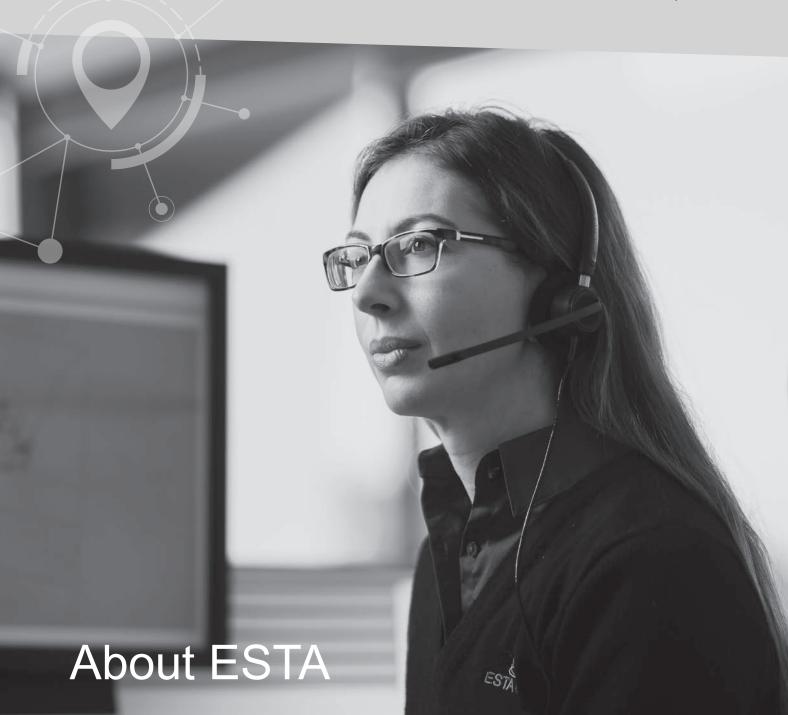
The community and agencies expect resilient and effective services that represent value for money and compliance with public sector standards. Increasing demand pressure, as well as the appetite for change throughout the sector, requires ESTA to do more with existing capabilities. Work to strengthen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

ESTA's Integrated Strategic Plan 2023 delivers outcomes linked to each of 15 strategic responses.



Organisational chart





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 more than 2.6 million calls for assistance in 2018-19; on average, this is a call every 12 seconds or more than 7100 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 2.2 million events, an average of more than 6100 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 25 million radio calls over the Metropolitan Mobile Radio Service (MMR), supporting almost 12 million data transactions on the Mobile Data Network (MDN) and delivering 1.4 million messages to CFA, VICSES and Ambulance Victoria volunteers and staff via the State-wide Emergency Alerting System (EAS).

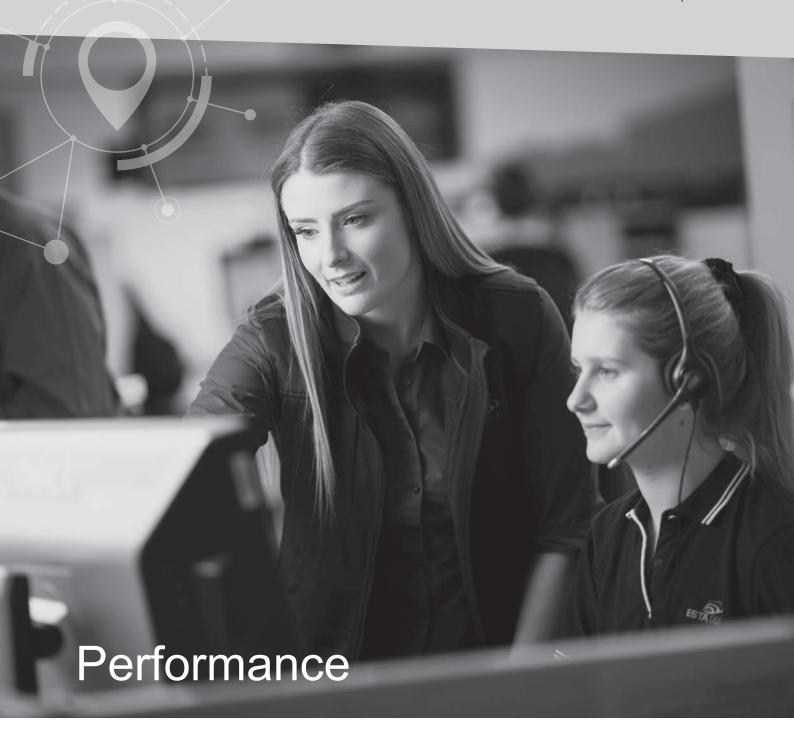
This integration of emergency services communications within ESTA is unique in Australia. It reflects the Victorian Government's vision for centralised emergency management including the alignment of strategy, planning and investment across emergency service agencies and the promotion of unified information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

ESTA has a key role in facilitating interoperability for multiagency 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.



Words can't express our gratitude. Not just for the job our operator did, but his caring attitude and support. – Appreciative daughter



ESTA is proud to have provided a high-quality call-taking and dispatch service for all emergency services in Victoria. This has provided Victorian communities with consistent public health and safety services, keeping our communities safe and well.

Each year ESTA responds to more than 2.5 million calls. Our key challenge is to ensure that we continue to deliver a high quality performance into the future in the face of an increasing demand for service.

The continued strengthening of relationships between ESTA and our key emergency service organisational partners further facilitates

collaboration, accountability and co-ordinated solutions aimed at providing the best service delivery for the Victorian community.

ESTA's performance standards comprise qualitative and quantitate measures and benchmarks for the provision of call-taking and dispatch services to Ambulance Victoria, the Country Fire Authority, Metropolitan Fire Brigade, Victoria Police and the Victoria State Emergency Service.

In 2018-19, ESTA received 2.6 million calls for all emergency, operational and non-emergency calls. This represents an increase of 1.4 per cent on last year and eight per cent over the past four years.

ESTA dispatched 2.2 million events for all emergency services, which represents an increase of 4.1 per cent on last year.

ESTA experienced several 'surge' events in the last 12 months (including a period of severe weather) which were challenging. A severe cold front on 17 July drew 799 calls for VICSES help; heavy rain and flooding on 6 November and 20 November saw 647 and 842 SES calls respectively, and a severe thunderstorm and rain on 14 December drew 955 SES calls.

ESTA activated its Critical Incident Response Plan on 7 and 23 July and 13 December because of severe weather.

Victoria experienced an increase in fire activity during the first week of March 2019. This was influenced by lightning strikes and strong winds that ignited new bushfires, while increasing the size and impact of existing blazes. Emergency Management Victoria was monitoring its standing risk assessments as part of its seven-day readiness plan, and activated its tier risk rating according to the conditions.

ESTA call-takers answered thousands of emergency calls and dispatched almost 1500 urban and rural events in that week. Fire emergency calls increased by 70.6 per cent compared to the previous week. ESTA met the call answer target time for CFA emergency calls for more than 90 per cent of calls during that period. ESTA also achieved its dispatch target times for the MFB for priority one events.



Without her, our son wouldn't be here today. She did a fantastic job – we are forever grateful.

- Grateful mum

ESTA call-taking and dispatch service performance

Inspector-General for Emergency Management (IGEM) monitors performance standards for ESTA's call-taking and dispatch operations. 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 2018-19, and made significant improvement in benchmarks that have historically proved difficult to meet.

Victoria Police

ESTA:

- exceeded the performance benchmark of answering
 80 per cent of emergency calls in all 12 months
- > answered 86.2 per cent of calls for the year within five seconds
- exceeded the dispatch performance benchmark on a state-wide basis in each of the 12 months
- > dispatched 89.9 per cent of priority one Victoria Police events within the state-wide benchmark time of 160 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 94.4 per cent of ambulance non-emergency patient transport calls within 30 seconds
- > dispatched 85.7 per cent of code one events across the state within the metropolitan benchmark time of 150 seconds, compared with 85.4 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.

CFA and MFB

ESTA:

- exceeded the emergency call answer performance standard in each of the 12 months for CFA and for 11 months for MFB
- > answered 96.3 per cent (CFA) and 95.9 per cent (MFB) of emergency calls within five seconds
- dispatched 94.3 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 93.6 per cent of CFA priority one events dispatched within the benchmark
- met the CFA priority three dispatch standard in eight months of the year; however, the cumulative 12 month performance was 91.0 per cent, above the standard of 90 per cent of events dispatched within timeframes, and an improvement on 2017-18.

VICSES

ESTA:

- > complied with the emergency call answer speed performance benchmark in seven of the 12 months
- achieved 88.3 per cent as the 12-month cumulative emergency call answer speed performance,
 a 1.5 percentage point improvement compared to the 2017-18 cumulative 12-month performance.

Call activity to the VICSES storm queue is extremely dynamic, with adverse weather often resulting in significant surges in call volume, with limited notice as well as unpredictable surge activity; this is the main driver of monthly non-compliance. For example, VICSES storm emergency calls offered to ESTA varied from just seven to 946 calls per day; six days in the year exceeded 600 calls, more than 10 times the average daily call activity rate for the year.

Of note:

- > priority one (other agency) events dispatch speed reported compliance in 10 months in 2018-19, after meeting performance in just four months in 2017-18, and not meeting compliance in any month in 2016-17
- dispatch speed for priority two and three events met the standard in all of the 12 months.

ESTA, VICSES and IGEM worked collectively to determine a new performance methodology to reflect dispatch performance more accurately for events that are changed in type. ESTA began reporting SES performance against the new methodology, on 1 July 2017.



The ESTA Quality Improvement Team (QIT) collects quality data and trend analytics to identify opportunities for continuous improvement. In the past year, the quality of services has improved and the adverse event risk profile has reduced, compared with the previous year, as evaluated by IGEM.

Potential adverse events

ESTA's process for potential adverse events enables its people to identify events which require review and support continuous improvement processes. Potential adverse events refer to instances where ESTA's actions, systems or processes may be a contributing factor to a negative outcome. All cases are

reviewed by ESTA QIT and assigned a risk category(s) in accordance with IGEM's risk methodology framework, with 15 identified risks to the business as shown below. Events with a high impact or critical risk assessment outcome require reporting to ESTA's assurance body, IGEM.

As shown below, of the 653 ESTA generated Event of Interest notifications received from June 2018 until June 2019, seven were classified as high risk and therefore required notification to IGEM. This translates into an adverse event rate of just under three reportable adverse events per million calls answered. There were no extreme adverse events identified.



Audit Activities

Key Performance Indicator	Description	Number of Audits	Compliant (%)	Target
All service delivery audits	% compliant	21536	95.59	90
Ambulance emergency call-taking service delivery audits	% compliant (call-taking and call-taker call-back)	2705	92.62	90
Ambulance emergency dispatch service delivery audits	% compliant (dispatch and post-dispatch)	1508	97.33	90
Ambulance non-emergency call-taking service delivery audits	% compliant (call-taking and call-taker call-back)	994	94.63	90
Ambulance non-emergency dispatch service delivery audits	% compliant (dispatch and post-dispatch)	351	98.29	90
Police call-taking service delivery audits	% compliant	6191	96.03	90
Police dispatch service delivery audits	% compliant	3929	95.19	90
Fire call-taking service delivery audits	% compliant	2061	91.31	90
Fire dispatch service delivery audits	% compliant (dispatch and turnout dispatcher)	3797	98.03	90

ESTA received 923 agency-generated adverse event notifications or 'observation reports' in 2018-2019, which has slightly decreased from the previous year. ESTA has recently reviewed and revised the observation report policy, which should help to further define and streamline the overall process.

Potential Adverse Event Source	Description	12 months
ESTA-generated Event of Interest notifications	Number of Event of Interest notifications received from ESTA staff	653
Agency-generated observation reports	Number of new observation reports submitted by agencies	923
ESTA public complaint notifications	New complaints received from the community	39

ESTA Quality Improvement Team also performs an audio data governance function. It assisted with more than 1250 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	568	
Audio requests for ESOs	Requests from agencies for audio of telephone calls or radio dispatch	720	



ESTA is supporting Victoria Police with the introduction of a Police Assistance Line and Online Reporting platform (PAL & OLR) which provide the Victorian community with two additional channels to report non-urgent crimes and events.

For the community it means an easy and convenient way to engage with police. For Victoria Police it means a more modern policing service, and having more time to focus on local priorities and high-value policing.

PAL has an impact on ESTA, as ESTA police call-takers transfer appropriate calls to PAL, and receive calls from PAL for events that require timely police attendance. PAL is designed to redirect non-urgent events away from the emergency communications centres, allowing police call-takers and dispatchers to focus on urgent event types and reduce the number of calls to triple zero for non-urgent events.

At the end of 2018-19, 8048 suitable calls had been transferred from ESTA police to the PAL, and 6126 calls transferred from PAL to ESTA that were determined to require timely police attendance.

ESTA undertook or participated in various activities supporting operations, ranging from thunderstorm asthma research to implementing processes which helped reduce the risk of adverse events.

Adverse events

ESTA has centralised reporting and management of adverse events. This initiative addressed the risk of systems failure, risk of loss of data, and enabled centralisation of data. It has reduced administrative burden and drives continuous improvement.

The severity of adverse events has decreased year on year, while the number of low impact and near miss adverse events has increased, reflecting a positive reporting culture.

The thunderstorm asthma coronial investigation has concluded; the Coroner was satisfied with the actions taken by ESTA since the event and made no recommendations.



Business Continuity and Resilience (BCR)

ESTA improved its business continuity ratings. This was achieved via assessment against critical infrastructure frameworks through a joint initiative with Emergency Management Victoria. This has benchmarked ESTA against a whole of government standard and resulted in increased awareness of ESTA's risk profile and strategic inclusion of ESTA in state resilience activities and resource planning.

ESTA also facilitated five key business continuity scenario exercises testing sector resilience in cybersecurity, operational capability during surge, bushfire risk, infrastructure risk, and participated in a joint exercise with Ambulance Victoria and DHHS to test thunderstorm asthma preparedness.

Management information and reporting

ESTA collaborated with the Bureau of Meteorology on thunderstorm asthma research, overlaying ESTA data with bureau radar images to indicate possible alerts for the phenomenon.

Workforce Management

This year ESTA has refreshed staff availability live reporting to flag Health and Safety risks to operations management, resulting in improved use of Peer Support, wellness breaks and counselling services. The workforce management real time desk is now operating over longer hours of coverage to support faster leave planning and approval processes, reducing administration load. Process automation was also delivered, resulting in 76 per cent of operational staff leave now auto-approved, creating a better experience for staff and improving leave access.



CAD Sustain

The Computer Aided Dispatch (CAD) system provides critical support for ESTA's call-taking and dispatch operations.

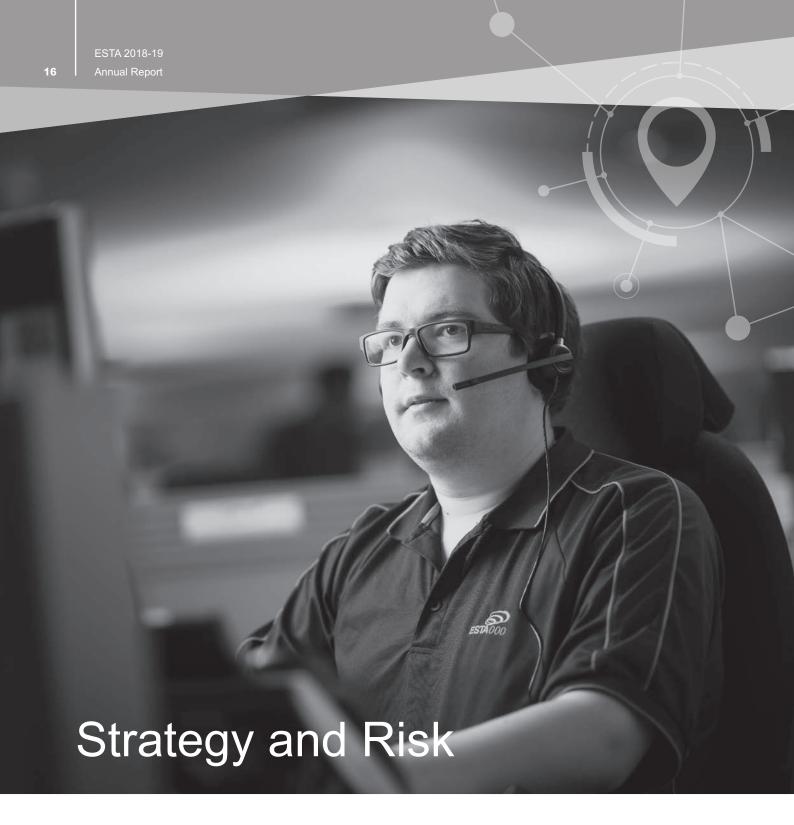
During 2018-19, as part of the CAD transformation project,
ESTA released an Expression of Interest to gauge market offerings and future opportunities for the CAD system.

In parallel with the EOI process, ESTA engaged an external specialist to review the current CAD system (version 9.1.1). The report identified significant opportunities to upgrade the current CAD system (to version 9.4) to further enhance stability and security and simplify processes and workflows.

As a result of both of these activities, ESTA recognised the need to update the current system before undertaking significant transformation. The CAD Sustain program was introduced in December 2018 to upgrade the current platform to version 9.4. Importantly, this upgrade will provide a strong foundation for the future transformation of the CAD system.

ESTA worked closely with the current CAD supplier, Hexagon, on undertaking discovery activities (including the production of an onsite 9.4 discovery environment) to inform the project scope and objectives; it also engaged KPMG as a program delivery partner to prepare a business case for CAD Sustain. The agencies were briefed and consulted on CAD Sustain and a framework for continued communication and engagement established.

ESTA formed a community of practice, comprising peers across Australia and New Zealand, to collaborate and share lessons learnt from recent CAD upgrades.



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.

Strategy and Architecture

The Strategy and Architecture team has led the development of the Integrated Strategic Plan 2023, which charts the organisation's vision for the next four years. The team developed a roadmap for the strategy and extracted high-priority initiatives for the Corporate Plan 2018-19.

To understand better community expectations and opportunities to improve ESTA's services, it researched best practice internationally and developed user journey maps for all ESTA services, involving the community, ESTA employees, and agency field responders.

The team reviewed its processes to maximise stakeholders' ownership in ESTA's plans and empower senior managers in decision-making. It also established an enterprise architecture governance framework to support better design of ESTA services, and supported the development of ESTA's budget submission to government.



Data Science

The Data Science team reviewed the methodology of demand forecasting to make outlooks for police more specific. It also improved its analysis of call-taking and dispatch performance, and improved its understanding of the impact of peak activity on service levels, call-takers, dispatchers, and ICT systems.

The team also supported key projects with data analysis.

Enterprise Risk and Assurance

The Enterprise Risk and Assurance Team commenced a Risk Management Maturity Program to improve ESTA's risk culture, including the establishment of risk champions to standardise risk management practices across the organisation.

It assessed potential risks on critical issues surrounding operational performance, cybersecurity and continuity of operations and supported ESTA's Audit and Risk Management, and Compliance Committee with a range of reports on risk and assurance.

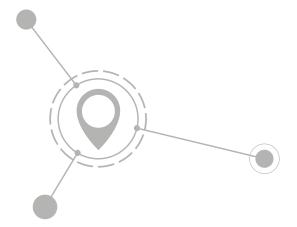
The team managed the relationship with PwC to deliver ESTA's 2018-19 Internal Audit Program.

Statement of Expectations

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

Highlights included:

- > progressing radio and pager coverage remediation across Melbourne
- working with Emergency Management Victoria on the renegotiation and award of the MMR and EAS contract extensions
- meeting Emergency Management Victoria's and emergency services agency expectations as part of the emergency management Strategic Action Plan.



She kept me calm and focused. Those who are there to help are not given enough praise – you are all legends.

- Thankful neighbour



The Strategic Partnerships and Program Management (SPPM) team leads programs of change and engagement across ESTA and the sector.

SPPM focuses on developing enduring and cooperative relationships with emergency services organisations and realising significant reform through the delivery of multiple, varied capital and operational investments in technology, services, infrastructure and facilities.

SPPM comprises three divisions:

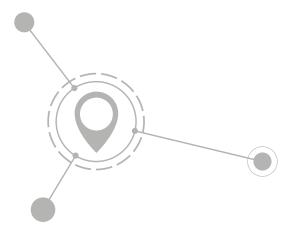
Strategic Partnerships maintains close working relationships
with executives across each emergency services organisation,
to ensure alignment of strategic intent and tactical work plans.
 Team members represent ESTA at industry forums, develop
business plans with agency partners and ensure ESTA
maintains a progressive, sector-wide perspective.

- - Program Management plans, delivers and reports all
 project and program activity. They provide shared program
 management office services, integrated pipeline and
 portfolio management, and manage relationships with
 commercial delivery partners.
 - Service Delivery manages change and release processes with a focus on operational process and systems improvement. They work closely with sector partners and ESTA technology and operational functions to facilitate the planning, realisation and implementation of changes.

SPPM has strong working relationships across all functions at ESTA, and throughout the sector. Key integration points are with Information Technology Services, Finance and Commercial Services, and Operations. SPPM works closely with Strategy and Risk to ensure there is a pragmatic and achievable bridge between strategy development and realisation.

SPPM began two Integrated Strategic Plan 2023 initiatives during the year:

- Effective Delivery is aimed at growing and maturing ESTA's program and project management delivery capabilities. Activities to be continued into 2019-20 include the development of improved organisational skills and commercial partnerships, and improvements in governance and controls. This will position ESTA to lead rolling programs of change driven by ISP2023 and sector reform.
- Effective Partnerships is aimed at determining innovative and contemporary administrative arrangements and alliances across the sector, redefining ESTA's role as a vital emergency services partner. This initiative will define the governing and financial model that positions ESTA for sustainable growth and provides emergency services organisations with clarity on services and commercial operations. The focus for 2019-20 will be to develop the framework for the reform of ESTA's administrative arrangements, which defines the provision of services to agencies.



My heartfelt thanks to the operator that guided me through CPR. My husband not only survived but did so without damage. – Grateful wife

Overview

ESTA continues to work towards the vison articulated in its People Strategy.

It has defined the enterprise-wide people capabilities required to achieve its Integrated Strategic Plan 2023.

ESTA undertook significant consultation to define its preferred culture, which led to the development of new draft values: we are bold, kind and better together.

ESTA and the unions reached agreement on the support Enterprise Agreement, covering administrative team members, in late 2018 and the agreement has been implemented. The parties have also reached in-principle agreement for the operational Enterprise Agreement, which covers call-takers and dispatchers. The agreement will be put to a ballot in 2019-20, and will become effective once supported by ballot.



Developing our Leaders

The Lead ESTA program has continued throughout 2019 with excellent feedback from leaders.

ESTA rolled out additional topics to 55 operational and support leaders, including:

- > coaching for success
- > leadership conversations
- > self-awareness
- > managing mental health

ESTA conducted six sessions for leaders and team members in operations to improve culture, team cohesiveness and promote a safe and inclusive workforce. As a result Team Leaders have facilitated internal workshops to embed further the preferred cultural message. About 50 leaders participated in cultural uplift sessions. A total of 25 executives and senior leaders have begun participating in the Leadership Circle Profile 360 program to support individual development planning. Nine leaders from across the business have begun the Diploma of Leadership and Management.

Culture

ESTA undertook a highly consultative process to develop a new Enterprise Capability Framework and draft values to support the realisation of the Integrated Strategic Plan 2023.

The draft new values - We are bold, kind and better together – are intended to guide the culture and behaviour to which we aspire.

The framework encompasses leadership, innovation and change, capability development, collaboration and community centricity (providing focus for the capabilities we need at ESTA to deliver on our Integrated Strategic Plan).

ESTA also enabled a cultural transformation of its Information Technology Services (ITS) department by conducting a series of workshops for all ITS employees to aid the new structure.

Learning and Development

ESTA conducted 56 accredited training courses (342 learners) through the ESTA Registered Training Organisation. This included 31 call-taking courses, 25 dispatch courses and 112 learners through CPR courses.

It introduced new technology, including the launch of the ESTA Learning Portal, which has enabled automated reporting, and has allowed ESTA to introduce more innovative and engaging training packages.

The training evaluation satisfaction rate, tracked through the new VETsurvey platform, is greater than 90 per cent.

The ESTA Learning Centre delivered 49 training packages and 66 other initiatives. This represents 10.4 learning and development touch points per operator and 7.7 touch points per Support Office employee.

Permanent Support Office employees now can complete their accredited CPR certificate with ESTA's registered training organisation, which offers the four-hour course on a quarterly basis, guided by ESTA's accredited trainers. ESTA has put 112 employees through CPR courses this financial year.

ESTA Learning Centre representation on the training advisory committee for the public safety training package review will likely result in changes to the qualification structure for our call-taking induction courses.

ESTA hosted the Enterprise Registered Training Organisation Association in November 2018, featuring CEOs and managers from McDonalds, Air Services Australia, Victoria Police, Mazda, Builders Academy, Department of Justice and Community Safety, Metro and V/Line.

ESTA has secured positions on the Department of Justice and Community Safety RTO, and the Enterprise RTO Association committee.

Through the Resuscitation Quality Improvement for Telecommunicators program, ESTA completed the Australian-first pilot system to increase cardiac survival rates in the community by strengthening operators' ability to give CPR instructions over the phone to people who call triple zero.



Safe and Well

ESTA places the highest priority on the safety and wellbeing of its people so they can deliver for the community.

ESTA participated in the Beyond Blue Answering the Call national survey in 2018-19. It also:

- > participated in a program which helped managers identify and support people with mental health issues in the workplace
- increased access to support services surrounding the Black Saturday 10-year anniversary
- > engaged a new Employee Assistance Program provider which offers increased access to a range of holistic and comprehensive health and wellbeing support services
- > developed and implemented a suite of new and refreshed online training packages
- > delivered leadership training in managing conversations about family violence
- > provided the annual Influenza Vaccination Program to improve workplace health
- ensured safe design was incorporated in the planning, building and equipment selection stages of the new Williams Landing centre.

Safety data

ESTA's workplace safety focus remained on developing a reporting culture for hazards and incidents, and completing investigations to ensure corrective and preventative controls are implemented as early as possible. Based on this data, ESTA has continued to focus on workstation ergonomics, lighting and acoustics, in addition to the development and implementation of several strategies around mental health.

Psychological injuries comprise most Lost Time Injuries (LTI), reflecting the demanding nature of the work. As of June 2019, the LTI frequency rate was 9.6.



It's probably the worst time of their life and you're the first port of call to their emergency. – ESTA operator



A focus on communication is helping ESTA achieve its strategic goals. ESTA actively fosters a positive communication culture that supports its leaders and people to be open, informed and engaged.

Integrated Strategic Plan 2023 Communications Strategy

ESTA developed and implemented a strategy to promote the Integrated Strategic Plan 2023, comprising roadshows at all worksites, online engagement, and collateral including posters and printed information sheets.

Enterprise social media

ESTA extended the Workplace internal communications platform to more than 1000 employees to help its people and teams be more connected. More than 100 groups have formed to collaborate, access updates, chat and use instant messaging, and engage in conversations across the workplace. 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 27 June at Parliament House. The awards, which are in their fifteenth year, recognise young people for their bravery and clear thinking in emergencies.

A total of 28 young Victorians aged between three and 16 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 Police and Emergency Services, Lisa Neville, and Emergency Management Commissioner Andrew Crisp, 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 continued to increase 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.

The number of ESTA Facebook followers and likes each grew by 23 per cent.

Twitter – The number of ESTA Twitter followers grew by 9.7 per cent.

ESTA also invested effort to build its YouTube and Instagram engagement.

Triple zero awareness

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

This year, it also participated in the SAFE program, a regional event aimed at promoting the function of emergency services among rural primary school students.

Other activities

ESTA has again 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 during 2018-19.

Emergency Call, which screened in late 2018, focused on the critical work of ESTA call-takers, the types of calls they answer, and how they arrange the right emergency help.

Paramedics focuses on the work of ambulance employees but includes vision of ESTA's call-takers, signifying their critical role in the emergency response process. The first season premiered in late 2018, and the second season is filming currently, with an expanded role for ESTA's call-takers.

ESTA continued its participation in the Royal Children's Hospital Good Friday Appeal telethon, taking calls and volunteering; this year ESTA's people raised more than \$7000.

ESTA's people also participated in many other fundraising activities in the year.



ESTA has improved the capability of the ITS function to enable support and delivery of ISP2023 and mitigate risks identified in an independent report last year. On 1 July 2019, the ITS department implemented a new operating model focused on improved cybersecurity, service delivery, uplifting ITS capability and management of ITS demand.

ITS attention has also been on our people as we perform a critical role in delivering ESTA services. The recent organisational change identified current situation, opportunities for improvement, our new ITS vision and ITS values. These workshops and activities provided an ability for ITS to align to the wider ESTA vision and strategic priorities.

Resilience and cybersecurity

ITS continued to engage in the testing of disaster recovery activities striving to identify risks and improve system resilience. In addition, this year has seen an increased focus on cybersecurity, investing in people, process and technology through initiatives that comply with the Victorian Protective Data Security Framework. Initiatives have included threat vulnerability assessment, improved vulnerability monitoring, integrating security into all processes and a new security training package. As a result, the ICT security lifecycle controls have achieved a 33 per cent improvement.

Service delivery and capability

There has been an emphasis on the implementation and maturing of Information Technology Infrastructure Library processes to improve service delivery. The new operating model provides a new demand and engagement focus to develop business relationship management and customer engagement. Updated ITIL processes include release management, problem management and technical design and improvements to incident and change to improve system reliability.

Enhancements to service validation, or testing, is being defined through a set of policies, methodologies and templates with "how to" information for projects and operations. The first major project involving the area is already following the new process and using the deliverables from this work stream.

MACG program

ESTA successfully delivered the MACG (Multi-Agency Communications Gateway) program, implementing an interface between ESTA's CAD application and a component of Victoria Police's BlueConnect program.

From an ESTA perspective, this involved the design and implementation of a real time, two-way interface between ESTA and Victoria Police, providing officers interactive maps from their mobile device and the ability to view essential information.

Telephony platform review

ESTA undertook a strategic review of its current telephony platform to ensure alignment with the changing digital world and to ensure it could enable ESTA's ongoing strategic direction as outlined in the ISP2023.

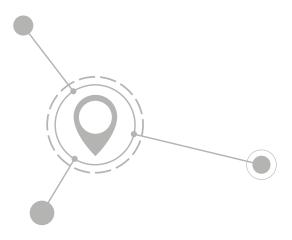
Adverse Events into Service Now – completion

This new Adverse Event module replaced the five outdated data management systems and processes used by the QIT team. These systems manage over 200 requests/jobs a week, with administration and data entry accounting for at least two days a week. The new improved approach has reduced the data entry time to fewer than two hours per week.

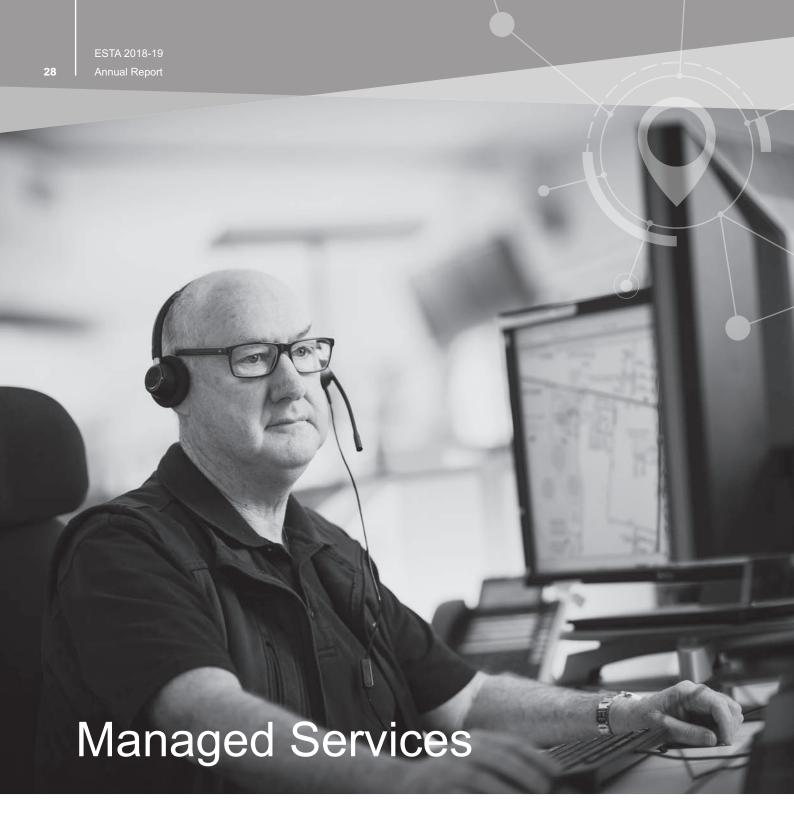
The SNOW 2.0 Adverse Event module now encompasses all such events and complaints internally. It is also designed for emergency services to directly enter observation reports and requests into an external portal. We have also included a public facing portal from the ESTA webpage, which allows public users to submit complaints, information requests and Freedom Of Information requests.

Operational performance

ITS Service Line	ITS Application / System	2015/16 Availability	2016/17 Availability	2017/18 Availability	2017/18 Target
ITS	Unplanned CAD Technical Service Availability	100.00%	100.00%	99.90%	99.80%
ITS	CTD SECC Operational CAD Service Availability			99.75%	
ITS	Wide Area Network (WAN)	100.00%	100.00%	100.00%	99.80%
ITS	Local Area Network (LAN)	100.00%	100.00%	100.00%	99.80%
ITS	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%



Every minute is different – you never know what the next call is going to be. – ESTA operator



In 2018-19, ESTA's Managed Services section provided contract management services for the Operational Communications
Contract on behalf of the state and the Emergency Service
Organisations. The Managed Services section ensures the effective service delivery of the Emergency Alerting System,
Metropolitan Mobile Radio and Mobile Data Network contracts.
ESTA works with EMV to deliver the Emergency Management
Operational Communications (EMOC) program.

The agency agreement was updated in 2018 to reflect the transition of the Regional Mobile Radio contract management to ESTA in July 2019, as well as including EMV as a co-signatory to the agreement.

Managed Services also administers ESTA's key telephony contracts with Telstra, NEC and Vic Track for triple zero call-taking/dispatch and corporate services.

Metropolitan Mobile Radio (MMR)

The MMR radio network and the associated peripheral services performed at a very high level for 2018-19, with an average service availability time of 99.989 per cent for the MMR core over the year. The MMR asset lifecycle replacement program continued, with more than 5000 radio terminals replaced to date. ESTA introduced the MMR Location Management System, which the ESOs are using operationally and which enables accurate location of members when a duress alarm is activated.



MMR has also implemented the trial of the WAVE program – a mobile phone application that can talk to radios.

ESTA continued to address MMR coverage issues, with coverage remediations solutions being installed at the MCG, the Victorian Emergency Training Centre and several police stations across the state. Several other public venues, including the Melbourne Tennis Centre, AAMI Park stadium and the Melbourne Underground Rail Loop, are currently in the process of having coverage enhancement solutions installed, which is being overseen by Managed Services.

Mobile Data Network (MDN)

The MDN network performed at an extremely high level for 2018-19, operating with an average service availability time of 99.989 per cent for the MDN core over the year. The current MDN contract was extended for an interim period to December 2019 to afford Victoria Police sufficient time to migrate off the network and onto the Blue Connect program. Managed Services played a key role in negotiating this interim extension as well as being a key stakeholder in the current negotiation process with Motorola for the longer term MDN service for Ambulance Victoria. Similarly to MMR, the interim extension required specific end-of-life assets to be replaced/upgraded, which has been managed progressively since March.

Emergency Alerting System (EAS)

The EAS network performed at a high level for 2018-19, operating at an average service availability time of 100 per cent for the central message processing element over the year. Key components of the EAS network are currently being replaced and/ or upgraded to ensure the paging service can be provided at the highest possible level until 2022. Equipment at over 200 transmitter sites across the state have been refreshed and plans to upgrade the pager device are continuing. Tenders for a Supplementary Alerting Service application (to allow paging messages to be received on a mobile appliance) have been received and a contract is being negotiated the preferred respondent.

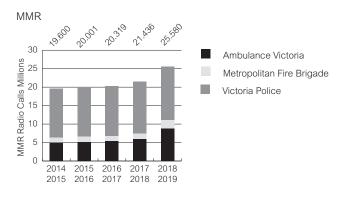
Several EAS coverage issues are also being addressed in known operational areas with poor paging coverage.

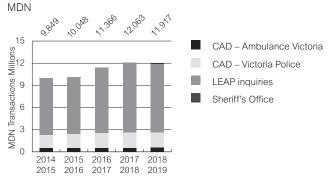
Rural Mobile Radio (RMR)

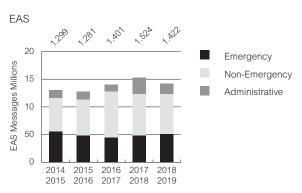
While the management of the RMR contract will not be formally transitioned to ESTA until 1 July 2019, Managed Services have undertaken significant handover/transition activities with EMV and CFA over the past six months in preparation.

Telephony Services

The NEC/Genesys telephony platform performed at very high level with a service availability figure of 100 per cent across the year. The focus in the telephony section has been on the relocation of the WTC SECC to Williams Landing. Managed Services have been working closely with NEC, Telstra and the project team, finalising plans to ensure a smooth transition when ESTA takes occupancy at the new site in 2020. Work has also been progressing on replacing the existing (unsupported) facsimile process for Non-Emergency Patient Transfer by using capability within the existing Genesys platform to process facsimiles via an omni-channel solution.







ESTA's continued commitment to strong financial governance has seen its financial position continue to improve in 2018-19, and this has strengthened ESTA's capacity to provide critical services to the community.

In 2018-19 ESTA:

continued to support increased demand for its services while improving financial and prudent liquidity performance; this ensures ESTA can continue to meet future commitments and provide for investment in strategic initiatives to meet its long-term vision

- consolidated its approach to sustain an efficient service delivery model with its partner agencies
- > continued to administer on behalf of the state critical managed services for operational communications
- invested in transformational projects such as sustaining the Computer-Aided Dispatch (CAD) platform and the development of a new State Emergency Communications Centre (SECC) at Williams Landing to replace the World Trade Centre SECC.



Financial results

For 2018-19, the net result is a deficit of \$1.4 million, which is \$27.3 million lower than in 2017-18 (\$25.9 million). This was impacted by the profile of labour expenditure, funding for operational communications managed services received in advance in 2017-18, and the free transfer of Emergency Alerting Systems (EAS) assets to Department of Justice and Community Safety (refer Table One below).

ESTA's net assets increased by \$9.0 million to \$72.6 million at 30 June 2019 (\$63.7 million at 30 June 2018), reflecting the operating result and investment by government in the relocation to Williams Landing.

ESTA's financial statements for 2018-19 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.

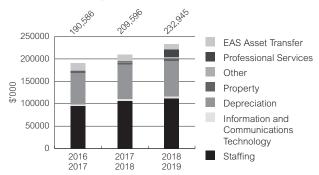
Table One: Net Result by Line of Business*

(\$'000)	2016-17	2017-18	2018-19
Call-taking and Dispatch	9,984	593	2,689
Operations Communications	(1,357)	27,418	(7,100)
Projects (fee for service)	(457)	(2,068)	3,042
Total Net Result	8,170	25,943	(1,369)

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

Total expenses in 2018-19 were \$232.9 million, and comprised mainly staffing and ICT-related costs. During the year, expenditure increased due to staffing costs associated with call-taking and dispatch activities 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 state managed contracts.

Chart One: Total Expenses



Cash and liquidity

ESTA's total cash position at 30 June 2019 was \$73.9 million and is a significant improvement on previous years. The cash balance was earmarked mainly to sustain the CAD platform, build and fit-out the new site at William Landing, state-sponsored blackspot remediation capital upgrade, 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 2017	June 2018	June 2019
State-managed contracts and committed government project funding	8.2	20.8	32.0
ESTA capital committed projects	-	-	12.0
Call-taking and dispatch (CTD)	24.3	28.4	29.9
Cash balance	32.5	49.2	73.9
Number of weeks of cash (CTD)	9.7	11.4	12.0

During the year, ESTA began relocating one of its three SECCs and started work on sustaining the CAD system to improve call-taking and dispatch services, and these investments will continue over the two years.

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

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

During the 2018-19 financial year ESTA increased its occupied floor space by about 758 sq. m. at its East Burwood location. The opening of this previously vacant space increased the demand on energy consumption for the reporting period.

Paper consumption

Paper usage continues to decrease which reflects the change in habits around information storage. This is due to clean desk policy and the implementation across all sites of 'follow me printing' which only enables printing 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 seen an increase since last year. Installation of additional air conditioning at East Burwood for new training facilities and occupying the additional floor space mentioned above have contributed to this increase.

Water

Water consumption increased this financial year. The additional FTE and several significant water cistern leaks both at East Burwood and Ballarat sites have contributed to this increase. Water metering is only available for East Burwood and Ballarat sites. The World Trade Centre site is located in multi-tenanted buildings, and not separately metered. Consumption has been estimated on percentage of building occupied for those premises and may not reflect a true indication of ESTA's water consumption.

Waste

ESTA waste measurement is by audit sampling and the proportion of recycling waste increased to 38 per cent. The 2018-19 year landfill waste has increased slightly to 72 Kilograms per FTE, however this still compares favourably with other similar 24-hour operational facilities. There continues to be contamination issues with incorrect waste regularly put into the wrong bins and this is being addressed.

Transport

ESTA employees use three 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 usage is included in the calculations of this report. There was an increased amount of air travel in this reporting period relating to an ESTA project and this has had a significant impact on the annual emissions.

ESTA employees are supported in their use of public transport between sites and continuous use of video conferencing to reduce travel demands between sites.

GHG emissions

ESTA'S GHG emissions per FTE has increased significantly from 7 to 13.1 tonnes; this can be attributed mainly to the increased quantity of air travel during the 2018-19 financial year.

Sustainable procurement

ESTA's procurement strategy continues to focus on environmentally sustainable procurement activities. This includes weighing environmental factors in relevant tender evaluations and requiring tender respondents to outline their adherence to pertinent regulations and standards.

As a matter of policy, ESTA recycles goods that are no longer required, including via donation, and it also engages suppliers to dispose of goods by environmentally sound methods. These activities were in line with Victorian Government Procurement Board procurement guidelines for recycling goods.

ESTA considers the environmental impact of all purchases at its sites, ranging from the type of paper used through to the use of solar panels and rain water capture technology in our new Williams Landing building. By doing this, we try to ensure that we leave a lighter footprint on the environment and recycle wherever possible.

ESTA's procurement process will embrace the engagement with suppliers to encapsulate Business Continuity Management programs and data recovery plans; the aim is to provide minimal disruption, increased information security and continued availability. These activities are consistent with the Victorian Procurement Board Guidelines in minimising risk.

Emission Report

Environment Aspect	Description	Unit of Measurement	Fin. Year 2018 - 19	Fin. Year 2017 - 18
	% Recycled	%	20%	99%
Paper	Use per FTE	Reams per FTE	2.3	2.5
	Total Use	Reams	1,954	2,092
	Total GHG emissions	Tonnes CO ₂ equivalent	6.9	7.3
Energy (Electricity,	Use per FTE	Mega joules per FTE	22,097	20,319
Gas And Diesel)	Use per square metre of office space (1)	Mega joules per m ²	1,803	1,720
	Total Use	Mega joules	18,881,520	16,702,207
	Total GHG emissions (2)	Tonnes CO ₂ equivalent	4,639	5,051
	Green Power	%	0	0
Water	Consumption per FTE	Kilolitres per FTE	9.7	8.1*
	Total Consumption	Kilolitres	8,289	6,626*
	Total GHG emissions	Tonnes CO ₂ equivalent	19.3	15.4*
Waste	Generated per FTE	Kilograms per FTE	72	71*
	Total Recycled	%	38	35*
	Waste Disposed of by Destination			
	Landfill		61,535	58,375*
	Commingled		13,109	13,600*
	Cardboard/paper		22,847	19,362*
	Total GHG emissions	Tonnes CO ₂ equivalent	74.1	64.3*
Transport – Pool	Fuel (petrol)	Litres	7,095	5,805
Cars And Corporate	Operational Kilometres travelled	Km	82,653	71,948*
Air Travel	Vehicle emissions	Tonnes CO ₂ equivalent/1000km	0.4	0.3*
	Air Travel Kilometres travelled	Km	192,748	60,867*
	Air Travel emissions	Tonnes CO ₂ equivalent/1000km	33.5	10.3*
	Total GHG emissions	Tonnes CO ₂ equivalent	6,485	649.8*
GHG Emissions	Total GHG emissions for Fin. Year	Tonnes CO ₂ equivalent	11,225	5,788*
	Total GHG emissions per FTE	Tonnes CO ₂ equivalent	13.1	7.0*
FTE (3)			854.5	822.0

Notes

- (1) Based on total office space of 9710.5 sq.m (FY 17-18) and 10,469.25 sq. m. (FY 18-19)
- (2) Emission Factor for electricity in Victoria is 1.17
- (3) FTE based as at 30 June
 - * Figures for FY 17-18 have been restated to align with methodology used in FY 18-19 to allow comparison.

Corporate governance

Emergency Services Telecommunications Authority and Committees

ESTA's corporate governance is oversighted by its Board, supported by five specialist sub-Committees. Two new Members were appointed to the Board during the year.

ESTA membership during 2018-19 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 currently serves as the Chair 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, the Deputy Chair of SecondBite and holds a Directorships with EML, (Employers Mutual Ltd). 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 is a graduate of the Australian Institute of Company Directors and 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 the Chair of ESTA's Advisory Committee and is a Member of the 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 the implementation of regulatory reform. She holds Masters degrees in both Law and Public Health, a Graduate Diploma in Health Education and a Bachelor of Applied Science (Physiotherapy). Ms Boyd-Squires currently serves as a Sessional Member on the Victorian Civil and Administrative Tribunal's Occupational and Business Regulation List, is a Member of the Patient Review Panel and BreastScreen Victoria's Governance, Performance and Remuneration Committee. Ms Boyd-Squires also consults to government agencies and business with a focus on health and human service regulation, dispute resolution, and injury

management systems. She has previously held leadership positions with Worksafe Victoria and the Commission for Children and Young People and served as a statutory Conciliation Officer for 6 years, mediating and resolving workers compensation disputes. Ms Boyd-Squires is a Graduate of the Australian Institute of Company Directors and a nationally accredited mediator. 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 Maurice Blackburn Lawyers. 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.

Mr Luke Enright

(Member)

Appointed as a Member of ESTA in July 2018, Luke Enright is a communications and issues management professional with experience across both the private sector and government. He has been with the Qantas Group since 2011 and is currently the Head of External Affairs and previously led the communications function at Jetstar across Australia, New Zealand and Asia. Earlier, he worked as a media adviser to Victorian Government Ministers across a range of portfolios, including Water, Finance, Tourism and Major Events. His early career was spent in the Victorian water industry. Mr Enright is a journalism graduate from RMIT University. Mr Enright is a Member of ESTA's People, Culture and Capability Committee.

Ms Fiona Green

(Member)

Appointed as a Member of ESTA in July 2018, Fiona Green has held senior roles providing business and digital transformation and technology services in health, telecommunications, government, finance, transport and insurance industries. Ms Green currently serves as a Board Committee Member and is Chair of the Finance Risk and Audit Committee of the Cancer Council of Victoria and provides consulting services to employers focused on business and technology solutions including Fitted for Work and Ailo Pty Ltd. She has previously held roles including Head of Delivery for DXC Technology (Hewlett Packard and Computer Science Corporation merger) and, Director of Business and Process Improvement and Director of Professional Services at Telstra where she established Telstra's Professional Services (technology delivery) business, supporting Telstra's Enterprise and Government customer base. Ms Green is also 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 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. Mr Rothville is a Member of ESTA's People, Culture and Capability Committee.

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. Dr Williams 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. Dr Williams 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. Dr Williams Chairs ESTA's People, Culture and Capability Committee.

Committees

The Authority operated four Committees in 2018-19, and created a fifth at the end of the year:

- > ESTA Advisory Committee;
- > Audit, Risk Management, and Compliance Committee;
- > Finance Committee; and
- > Information and Communications Technology Committee.
- > A People, Culture, and Capability Committee was established in May 2019.

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 2018-19, the Advisory Committee was reviewed and it was agreed it would comprise agency CEO's and equivalent officers from 2019 onwards. Throughout the year it comprised representatives from the following organisations:

- > Ambulance Victoria
- > CFA
- > DELWP
- > EMV
- > MFB
- > VICSES
- > Victoria Police
- > IGEM (attending as an observer)

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

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 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 of models to support forecasting, scenario planning;
- > Building a comprehensive understanding of costs;
- > Achieving savings where appropriate; and
- > Monitoring major financial transactions.

Members of the Finance Committee 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 & Community Safety including its Chief Financial Officer, and the EMV Chief Executive Officer.

Information and Communications Technology Committee

The priorities of the Information and Communications
Technology Committee are:

- Identifying how ICT supports ESTA's strategy via a technical vision and roadmap, 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.
- > Understanding, monitoring and reviewing operational ICT costs and benchmarks, including endorsing investments.

Members of the Committee were:

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

Attendance at Authority and Committee Meetings

	Auth	nority		advisory mittee	Manag & Com	, Risk gement pliance mittee	Final Comm		IC Comi		Capa	ople, ure & ability mittee
	Α	В	Α	В	Α	В	Α	В	Α	В	Α	В
Authority Member Meeting A	ttendance)										
Flavia Gobbo	8	7	4	3		3*	5	4	-	3*		
Siobhan Boyd-Squires	8	7			5	5						
Christine Collin	8	8							5	5		
Mary Delahunty	8	8					5	5				
Luke Enright	8	7									1	1
Fiona Green	8	7	-	3*					5	5		
Paul Henderson	8	8			5	5						
Gary Rothville	8	8									1	1
Angela Williams	8	8	-	1*							1	1
External Committee Member	r Meeting	Attendar	ice									
Julie Fahey									5	4		
John Gibbins					5	3						
Kerryn O'Brien					5	5						
John Rogan					5	5						
Robert Officer							5	4				
Bruce Moore									5	4		

- > A Number of meetings held during the time the Member held office during the period.
- > B Number of meetings attended.
- > * Member attended 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.

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.

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.

Consultants

In 2018-19 there were 19 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2018-19 in relation to these consultancies was \$2,466,074.82 (ex GST). Details of these consultancies are outlined below:

Consultant	Purpose of Consultancy	Total approved project fee (excl GST)	Expenditure 2018-19 (excl GST)	Future expenditure (excl GST)
Agile Management Office	Development of Project Management Office toolkit.	132,300.00	52,920.00	79,380.00
Battiston Consulting	Information Technology department reviews.	151,320.00	151,125.00	-
Brockhurst Consulting	Career management, interview and resume coaching.	15,000.00	15,000.00	-
Courtheath Consulting	Probity advice	93,965.54	55,189.01	20,594.17
Deloitte	Information technology structure review. Payroll review.	121,509.09	121,509.09	-
Hive Legal	Legal advice for various matters.	31,585.50	31,585.50	-
Landers and Rogers Lawyers	Legal advice for various matters.	448,092.60	374,096.75	73,995.85
Landell Consulting	CAD project risk advisory.	71,700.00	71,700.00	-
Maddocks Lawyers	Legal advice for various matters.	61,500.00	37,537.00	23,963.00
Mercer Consulting	Position description workshop and job evaluation panel.	28,280.00	28,280.00	-
Minter Ellison	Legal advice for various matters.	259,137.61	259,137.61	-
Newgate Communications Pty Ltd	360 degree user journey review.	317,650.00	279,765.55	77,202.93
Nous Group	Operating model review. Enterprise capability framework, preferred culture survey and workshops.	317,650.00	276,765.55	37,884.45
PriceWaterhouseCoopers	Internal audit services, project audits and tenancy program review.	675,073.60	500,493.62	128,431.50
Pitcher Partners	CAD commercial advisory service and MMR pricing model development.	151,127.00	31,666.68	-
RXP Services Limited	ServiceNow health check.	111,270.00	82,920.00	28,350.00
Sacon Group Pty Ltd	Relocation risk review.	86,000.00	24,000.00	54,000.00
UXC Consulting	MACG lesson learned report.	40,000.00	40,000.00	-
Victorian Government Solicitor's Office	Legal advice for various matters.	35,110.79	32,383.46	-
Total		3,148,271.73	2,466,074.82	523,801.90

There were two consultancies where the total fees payable to consultants were less than \$10,000. The total expenditure incurred during 2018-19 in relation to these consultancies was \$9177.50 (ex GST). Details of these consultancies are outlined below:

Consultant	Purpose of Consultancy	Total Approved Project Fee (excl GST)	Expenditure 2018-19 (excl GST)	Future Expenditure (excl GST)
D&D Taxation Consulting	Fringe benefit tax return review.	4,372.50	4,372.50	-
P2 Group Pty Ltd	Injury management review and resource development.	8,300.00	4,805.00	-
Total		12,672.50	9,177.50	-

Information and Communications Technology Expenditure

Details of information and communication technology (ICT) expenditure

For the 2018-19 reporting period, ESTA had a total ICT expenditure of \$109.9 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)	-		
96,339	13,562	5,381	8,181	

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 58 FOI requests during 2018-19 compared with 44 in 2017-18.

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.



Additional departmental information available on request

In compliance with the Standing Directions 2018 under the Financial Management Act 1994, details in respect of the items listed below have been retained by the department and are available on request, subject to the provisions of the Freedom of Information Act 1982.

Declarations of Pecuniary Interests

Declarations of pecuniary interests have been duly completed by all relevant officers.

Attestation for financial management compliance with 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 2018 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). These practices may have resulted in over-payments and under-payments made to employees during the term of the 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.

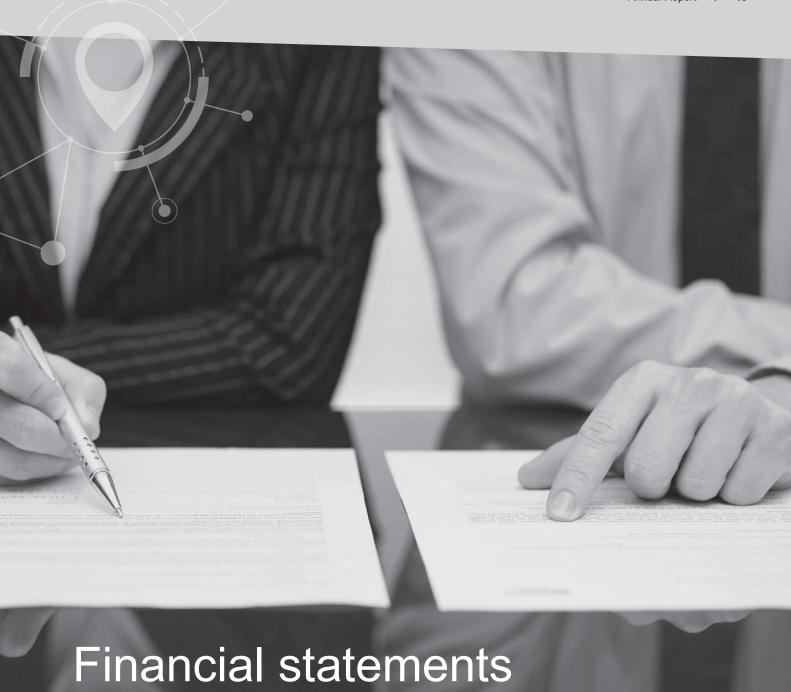
The ESTA Board approved in 2017/18 that any overpayments resulting from the inconsistent interpretation of the EA clauses will not be recouped from staff.

ESTA have undertaken preparatory work to correct the inconsistencies. Once ESTA and unions have agreed on the interpretation of the clauses, ESTA will apply the agreed practices through a Memorandum of Understanding and rectify any underpayments that would have occurred during the statutory period.

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

Flavia Gobbo

Chair



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Declaration in the financial statements

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
Assistant Treasurer 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 2019 and financial position of the Emergency Services Telecommunications Authority at 30 June 2019.

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 22 August 2019.

Flavia Gobbo

Chair

Melbourne

22 August 2019

Marty Smyth

Chief Executive Officer

Melbourne

22 August 2019

Jim Strilakos

Chief Financial Officer

Melbourne

22 August 2019

Comprehensive Operating Statement

for the financial year ended 30 June 2019	Notes	2019	2018
		\$'000	\$'000
Income from transactions			
Revenue	2.1	232,464	235,548
Total income from transactions		232,464	235,548
Expenses from transactions			
Employee expenses	3.1.1	106,430	98,228
Depreciation and amortisation	4.1.2	11,783	14,884
Other operating expenses	3.2	96,522	96,311
Interest expense	6.1.1	1,528	-
Transfer of EAS assets	3.3	16,682	173
Total expenses from transactions		232,945	209,596
Net result from transactions (net operating balance)		(481)	25,952
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	8.2	-	4
Other gains/(losses) from other economic flows	8.2	(888)	(13)
Total other economic flows included in net result		(888)	(9)
Net result		(1,369)	25,943
Comprehensive result		(1,369)	25,943

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

Balance Sheet

as at 30 June 2019	Notes	2019	2018
		\$'000	\$'000
Assets			
Financial assets			
Cash and deposits	6.3.1	73,946	1,514
Short term investments	6.3.1	-	47,653
Receivables	5.1	11,293	23,256
Total financial assets		85,239	72,423
Non-financial assets			
Other non-financial assets	5.2	6,393	5,861
Non-financial physical assets classified as held for sale	8.4	-	35
Plant and equipment	4.1	61,049	26,718
Intangible assets	4.2	981	513
Total non-financial assets		68,423	33,127
Total assets		153,662	105,550
Liabilities			
Payables	5.3	20,775	21,493
Borrowings	6.1	37,232	167
Provisions	3.1.2, 5.4	23,011	20,191
Liabilities directly associated with assets classified as held for sale	8.4	-	35
Total liabilities		81,018	41,886
Net assets		72,644	63,664
Equity			
Accumulated surplus/(deficit)		(25,022)	(23,488)
Contributed capital		88,784	78,435
Contract contingency reserve		8,882	8,717
Net worth		72,644	63,664

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 2019	Notes	Accumulated surplus/ (deficit) \$'000	Contributed Capital \$'000	Contract Contingency Reserve \$'000	Total \$'000
Balance at 1 July 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 from Contract contingency reserve	8.5	(3,563)	-	3,563	-
Balance at 30 June 2018		(23,488)	78,435	8,717	63,664
Net result for the year		(1,369)	-	-	(1,369)
Capital appropriations		-	10,349	-	10,349
Transfer to Contract contingency reserve	8.5	(165)	-	165	-
Balance at 30 June 2019		(25,022)	88,784	8,882	72,644

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 2019 Notes	2019	2018
	\$'000	\$'000
Cash flows from operating activities		
Receipts		
Grants	50,505	30,284
Receipts from customers	209,612	207,097
Interest received	1,353	932
Total receipts	261,470	238,313
Payments		
Payments to suppliers and employees	(232,519)	(199,996)
Goods and Services Tax paid to the ATO	(5,004)	(7,039)
Total payments	(237,523)	(207,035)
Net cash flows from/(used in) operating activities 6.3.2	23,947	31,277
Cash flows from investing activities		
Purchases of non-financial assets	(4,598)	(20,410)
Sales of non-financial assets	-	73
Net cash flows from/(used in) investing activities	(4,598)	(20,337)
Cash flows from financing activities		
Repayment of borrowings and finance leases	(4,919)	(73)
Owner contributions by State Government -	10,349	5,764
appropriation for capital expenditure purposes		
Net cash flows from/(used in) financing activities	5,430	5,691
Net increase/(decrease) in cash and cash equivalents	24,779	16,632
Cash and cash equivalents at the beginning of the financial year	49,167	32,535
Cash and cash equivalents at the end of the financial year 6.3.1	73,946	49,167

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:

FSTA

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 \$32.4 million as part of the 2019-20 State Budget.

The accounting policies set out below have been applied in preparing the statements for the year ended 30 June 2019 and the comparative information presented for the year ended 30 June 2018.

1.2 Compliance information

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 Police and 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

No	e 2019	2018
	\$'000	\$'000
Call-taking and dispatch (CTD) services revenue	126,601	119,589
Project revenue	5,852	4,243
State service contracts revenue	94,685	108,841
Other operating revenue	3,973	1,943
Interest on deposits 7.1	6 1,353	932
Total Income from transactions	232,464	235,548

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 Compliance Statement, 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

	2019	2018
	\$'000	\$'000
Employee expenses	106,430	98,228
Other operating expenses	96,522	96,311
Transfer of EAS assets	16,682	173
Total expenses incurred in the delivery of services	219,634	194,712

3.1.1 Employee expenses in the comprehensive operating statement

	2019	2018
	\$'000	\$'000
Defined contribution superannuation expense	8,082	7,381
Termination benefits	231	567
Salaries and wages, annual leave and long service leave	98,117	90,280
Total employee expenses	106,430	98,228

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

	2019	2018
	\$'000	\$'000
Current		
Annual leave and time in lieu:		
Unconditional and expected to be settled within 12 months	5,029	5,002
Unconditional and expected to be settled after 12 months	1,293	1,296
Long service leave:		
Unconditional and expected to be settled within 12 months	1,646	1,035
Unconditional and expected to be settled after 12 months (i)	8,556	7,340
On-costs:		
Unconditional and expected to be settled within 12 months	1,033	871
Unconditional and expected to be settled after 12 months (i)	1,608	1,328
Total current employee benefits and on-costs	19,165	16,872
Non-current		
Conditional long service leave (i)	1,306	803
On-costs (i)	225	149
Total non-current provisions	1,531	952
Total provisions for employee benefits	20,696	17,824

⁽i) The unconditional long service leave classification has been amended to align with the respective Enterprise Agreements which entitles an employee to long service leave after five years if their employment is ended for any reason.

Reconciliation of movement in on-costs provision

Treadmental of the vertical and added provided	
	2019
	\$'000
Opening balance	2,348
Additional provisions recognised	2,523
Additions due to transfer in	-
Reductions arising from payments/other sacrifices of future economic benefits	(1,878)
Unwind of discount and effect of changes in the discount rate	(127)
Reduction due to transfer out	-
Closing balance	2,866
Current	2,641
Non-current	225

3. The cost of delivering services (continued)

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.

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 current LSL liability are measured at:

- > nominal value if ESTA expects to wholly settle within 12 months, or
- > 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 the changes in bond interest rates; for which it is then recognised as an 'other economic flow' in the next result.

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 2018 and 30 June 2019.

	2019	2018
	\$'000	\$'000
Employer contributions		
Australian Super	750	706
Vic Super	5,510	5,324
Other superannuation funds	1,705	1,313
Total employer contributions	7,965	7,343
Outstanding contributions	117	38
Total	8,082	7,381

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

	2019	2018
Not	e \$'000	\$'000
Staff costs other	1,180	1,464
Contractors and professional services	8,218	10,837
Communications	3,498	4,340
Information technology and infrastructure	8,711	8,084
Payments under state service contracts	66,880	63,598
Property	5,050	4,995
Office equipment	791	1,725
Travel and accommodation	228	174
Stationery	94	101
Finance and insurance costs	412	398
Audit services	562	452
Ex-gratia expense 8.	1 -	45
Other	898	98
Total other operating expenses	96,522	96,311

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 \$34,500 in 2019 (\$33,800 in 2018) 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

	2019	2018
	\$'000	\$'000
Transfer of EAS assets	16,682	173
Total transfer of EAS assets	16,682	173

Under the EAS operate and maintain contract that commenced in November 2012 (previously under a Public Private Partnership contract), the State now owns the assets. ESTA funded the construction of EAS assets during 2018 and 2019. This was transferred to the Department of Justice and Community Safety as assets given free of charge. This aligns to the Department of Justice and Community Safety's treatment of assets received via free of charge transfer.

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

2019	Gross Carrying Amount	Accumulated Depreciation	Carrying Amount
	\$'000	\$'000	\$'000
Computers and communications equipment at fair value	82,259	(67,400)	14,859
Leased motor vehicles at fair value	182	(44)	138
Leased communications equipment at fair value	214,953	(178,531)	36,422
Plant and equipment at fair value	491	(435)	56
Leasehold improvements at fair value	19,121	(16,046)	3,075
Capital works in progress at cost	6,499	-	6,499
Total Plant and Equipment	323,505	(262,456)	61,049

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

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

	2019	2018
	\$'000	\$'000
Computers and communications equipment	4,458	11,055
Leased motor vehicles	28	29
Leased communications equipment	5,562	-
Plant and equipment	15	13
Leasehold improvements	1,463	2,300
Software	257	1,487
Total Depreciation and amortisation	11,783	14,884

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 is that a significant number of technology items used in the provision of services fall below this level and expenditure on such items are accounted for in operating expenses.

4. Key assets available to support activities (continued)

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

2019	Computers	Leased	Leased	Plant and	Leasehold	Capital work	Total
	and communi-	motor	communi-	equipment at	improve-	in progress	
	cations	vehicles at	cations	fair value	ments at fair	at cost	
	equipment at	fair value	equipment at		value		
	fair value		fair value				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	12,405	166	-	42	4,024	10,081	26,718
Additions	-	-	41,984	-	-	8,605	50,589
Disposals	-	-	-	-	-	-	-
Assets constructed	-	-	-	-	-	16,682	16,682
on behalf of DJCS (ii)							
Assets transferred to	-	-	-	-	-	(16,682)	(16,682)
DJCS free of charge (ii)							
Depreciation/	(4,458)	(28)	(5,563)	(15)	(1,464)	-	(11,528)
amortisation expense							
Transfer to expense	-	-	-	-	-	(4,006)	(4,006)
Transfer to disposal	-	-	-	-	-	-	-
group held for sale							
Capitalisation of	-	-	-	-	-	(725)	(725)
works in progress -							
Intangible							
Capitalisation of	6,912	-	-	29	515	(7,456)	-
works in progress							
Closing balance	14,859	138	36,421	56	3,075	6,499	61,049

2018	Computers and commun- ications equipment at fair value	Leased motor vehicles at fair value	Leased communications equipment at fair value	Plant and equipment at fair value	Leasehold improve- ments 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 DJCS (ii)	-	-	-	-	-	173	173
Assets transferred to DJCS 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

4. Key assets available to support activities (continued)

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

- (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 free of charge to the State (Department of Justice and Community Safety).

4.2 Intangible Assets

	CAD software licences		Other		Total	
	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross carrying amount						
Opening balance	5,200	5,200	18,394	18,394	23,594	23,594
Additions	-	-	725	-	725	-
Disposals	-	-	-	-	-	-
Closing balance	5,200	5,200	19,119	18,394	24,319	23,594
Accumulated amortisation and impairment						
Opening balance	(5,200)	(4,797)	(17,881)	(16,797)	(23,081)	(21,594)
Amortisation	-	(403)	(257)	(1,084)	(257)	(1,487)
Impairment	-	-	-	-	-	-
Closing balance	(5,200)	(5,200)	(18,138)	(17,881)	(23,338)	(23,081)
Net book value at the end of the financial year	-	-	981	513	981	513

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 was 9 years and was 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

	2019	2018
	\$'000	\$'000
Contractual		
Services	1,798	17,446
Accrued investment income	-	74
Provision for doubtful contractual receivables	-	-
Advance to the Department of Treasury and Finance	1,784	379
Other receivables	6,063	4,097
	9,645	21,996
Statutory		
GST input tax credit recoverable	1,648	1,260
	1,648	1,260
Total receivables	11,293	23,256
Represented by:		
Current receivables	11,293	23,256
Non-current receivables	-	-

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

- Contractual receivables are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. ESTA holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently 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 for disclosure purposes. ESTA applies AASB 9 Financial Instruments for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attibutable transaction cost.

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.

ESTA's impairment policies, its exposure to credit risk and the calculation of the loss allowance are set out in Note 7.1.3.

5. Other assets and liabilities (continued)

5.2 Other non-financial assets

	2019	2018
	\$'000	\$'000
Current		
Prepayments	1,999	903
Total current other non-financial assets	1,999	903
Non-current		
Prepayments	4,394	4,958
Total non-current other non-financial assets	4,394	4,958
Total other non-financial assets	6,393	5,861

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.

5.3 Payables

	2019	2018
	\$'000	\$'000
Contractual		
Supplies and services	7,658	10,493
Unearned income	35	1,080
Accrued expenses	10,682	7,937
	18,375	19,510
Statutory		
Payroll tax payable	524	432
GST payable	1,876	1,552
	2,400	1,984
Total payables	20,775	21,493
Represented by:		
Current payables	20,775	21,493
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. Other assets and liabilities (continued)

5.3.1 Maturity analysis of contractual payables

Maturity dates

	Carrying amount	Nominal amount	Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2019						
Supplies and services	7,658	7,658	7,628	12	18	-
Other payables	10,682	10,682	10,682	-	-	-
Total	18,340	18,340	18,310	12	18	-
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

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

5.4 Other provisions

	2019	2018
	\$'000	\$'000
Current		
Lease incentive (i)	95	95
Total current provisions	95	95
Non-current		
Lease incentive (i)	332	426
Make-good provision (ii)	1,888	1,846
Total non-current provisions	2,220	2,272
Total other provisions	2,315	2,367

- (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	Make-good	Total 2019
	incentive	provision	
	\$'000	\$'000	\$'000
Opening balance	522	1,846	2,368
Reduction arising from payments	(95)	-	(95)
Unwind of discount and effect of changes in the discount rate	-	42	42
Closing balance	427	1,888	2,315

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

	2019	2018
	\$'000	\$'000
Current finance lease liability		
- PPP related finance lease liability:		
Communications equipment	5,532	-
- Non-PPP related finance lease liability:		
Motor vehicles	61	28
Total current finance leases	5,593	28
Non current finance lease liability		
- PPP related finance lease liability:		
Communications equipment	31,561	-
- Non-PPP related finance lease liability:		
Motor vehicles	78	139
Total non-current finance leases	31,639	139
Total finance leases	37,232	167

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

	2019	2018
	\$'000	\$'000
Finance lease interest	1,528	-
Total interest expense	1,528	-

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.

6.1.2 Maturity analysis of borrowings

			Maturity dates			
	Carrying	Nominal	Less than	1 - 3 months	3 months	More than
	amount	amount	1 month		- 1 year	1 year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2019						
Finance lease liabilities	37,232	37,232	454	913	4,226	31,639
Total	37,232	37,232	454	913	4,226	31,639
2018						
Finance lease liabilities	167	167	2	5	21	139
Total	167	167	2	5	21	139

6.2 Finance leases

	Minimu	Minimum future lease		ue of minimum
	2040	payments (i)		ease payments
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
PPP related finance lease liabilities payable				
Not longer than 1 year	7,034	-	5,532	-
Longer than 1 year but not longer than 5 years	35,170	-	31,561	-
Longer than 5 years	-	-	-	-
Other finance lease liabilities payable				
Not longer than 1 year	65	32	61	28
Longer than 1 year but not longer than 5 years	80	145	78	139
Longer than 5 years	-	-	-	-
Minimum finance lease payments	42,349	177	37,232	167
Less future finance charges	(5,117)	(10)	-	-
Present value of minimum lease payments	37,232	167	37,232	167
Included in the financial statements as:				
Current borrowings lease liabilities (Note 6.1)			5,593	28
Non-current borrowings lease liabilities (Note 6.1)			31,639	139
Total		_	37,232	167

⁽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 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.

6.3 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

	2019	2018
	\$'000	\$'000
Cash at bank and on hand	73,946	1,514
Term deposits (ii)	-	47,653
Balance as per cash flow statement (i)	73,946	49,167

- (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 2019 is \$8.88 million (\$8.72 million in 2018).
- (ii) During the period ESTA was required to deposit all money within the Central Banking System. As a result, ESTA no longer has term deposits with the Treasury Corporation of Victoria.

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

	2019	2018
	\$'000	\$'000
Net result for the period	(1,369)	25,943
Non-cash movements:		
Depreciation and amortisation	11,783	14,884
Movements included in investing and financing activities		
Loss/(gain) on sale of assets	-	(4)
Movements in assets and liabilities:		
Decrease (increase) in receivables	11,963	(14,762)
Decrease (increase) in prepayments	(532)	(3,597)
Increase (decrease) in payables	325	7,814
Increase (decrease) in unearned income	(1,044)	(1,312)
Increase (decrease) in provisions	2,821	2,311
Net cash flows from/(used in) operating activities	23,947	31,277

6.3.3 Non-cash financing and investing activities

During the reporting period ESTA did not acquire any motor vehicles through a finance lease arrangement (\$117k in 2018).

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

		2019	2018
()		\$'000	\$'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.		
		2.072	1 270
	Not longer than 1 year	3,973	1,370
	Longer than 1 year and not longer than 5 years	-	-
	Longer than 5 years	-	-
		3,973	1,370
(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	3,428	3,156
	Longer than 1 year and not longer than 5 years	9,408	10,847
	Longer than 5 years	-	1,181
		12,836	15,184
(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	176	240
	Longer than 1 year and not longer than 5 years	14	218
	Longer than 5 years	-	-
		190	458
		190	430
(d)	Software licence and services commitments (i)	190	430
(d)	``	190	400
(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	190	400
(d)	A commitment exists in relation to software licensing with various vendors and the	190	430
(d)	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	4,812	3,374
(d)	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.		
(d)	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	4,812	3,374

		2019	2018
		\$'000	\$'000
(e)	PPP operation and service commitments (ii)		
	Not longer than 1 year	50,421	47,388
	Longer than 1 year and not longer than 5 years	151,494	148,270
	Longer than 5 years	39,960	79,063
		241,875	274,721
(f)	Operate and maintain contract commitments (iii)		
	Not longer than 1 year	10,997	6,559
	Longer than 1 year and not longer than 5 years	27,367	45,138
	Longer than 5 years	-	4,249
		38,364	55,946
(g)	Other expenditure commitments		
	Not longer than 1 year	2,362	1,608
	Longer than 1 year and not longer than 5 years	2,869	3,050
	Longer than 5 years		-
		5,231	4,658
Total commitments for expenditure (exclusive of GST)		309,245	355,906
Plus (Plus GST recoverable from the Australian Taxation Office		35,591
Total	Total commitments for expenditure (inclusive of GST)		391,497

⁽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.

6.4.2 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)

	2019				2018			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Minimum lease payments	Capital contri- bution	Other commit- ment	Commit- ments	Minimum lease payments	Capital contri- bution	Other commit- ment	Commit- ments
	Discounted	Nominal	Present	Nominal	Discounted	Nominal	Present	Nominal
	value	Value	Value	Value	value	Value	Value	Value
Commissioned								
MDN	-	-	14,276	14,542	-	-	12,521	12,737
MMR	-	-	-	-	-	-	495	503
MMR - extension (iv)	-	-	172,486	227,333	-	-	-	-
Sub-total	-	-	186,762	241,875	-	-	13,016	13,240
Uncommissioned (iii)								
MMR - extension	-	-	-	-	45,854	-	171,067	261,481
Sub-total	-	-	-	-	45,854	-	171,067	261,481
Total commitments for public private partnerships	-	-	186,762	241,875	45,854	-	184,083	274,721

- (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.
- (iv) The MMR extension commenced operation on 8 July 2018.

7. Risks, contingencies and valuation judgements

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.

From 1 July 2018, ESTA applies AASB 9 *Financial Instruments* and classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms.

Categories of financial assets under AASB 9

Financial assets at amortised cost

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- > the assets are held by ESTA to collect the contractual cash flows
- > the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

ESTA recognises the following assets in this category:

- > cash and deposits
- > receivables (excluding statutory receivables)
- > term deposits.

Categories of financial assets previously under AASB 139 Financial Instruments: Recognition and Measurement Loans and receivables and cash

Loans and receivables and cash 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.

7. Risks, contingencies and valuation judgements (continued)

Categories of financial liabilities previously under AASB 9 and previously under AASB 139

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. ESTA recognises the following liabilities in this category:

- > payables (excluding statutory payables)
- > borrowings (including finance lease liabilities).

Offsetting financial instruments

Financial instrument assets and liabilities are offset and the net amount presented in the consolidated balance sheet when, and only when, ESTA has a legal right to offset the amounts and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Some master netting arrangements do not result in an offset of balance sheet assets and liabilities. Where ESTA does not have a legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as default, insolvency or bankruptcy, they are reported on a gross basis.

Derecognition of financial assets

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

- > the rights to receive cash flows from the asset have expired; or
- > 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.

Derecognition of financial liabilities

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.

Reclassification of financial instruments

Subsequent to initial recognition reclassification of financial liabilities is not permitted. Financial assets are required to be reclassified between fair value through net result, fair value through other comprehensive income and amortised cost when and only when the ESTA's business model for managing its financial assets has changes such that its previous model would no longer apply.

If under rare circumstances an asset is reclassified, the reclassification is applied prospectively from the reclassification date and previously recognised gains, losses or interest should not be restated. If the asset is reclassified to fair value, the fair value should be determined at the reclassification date and any gain or loss arising from a difference between the previous carrying amount and fair value is recognised in the net result.

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

	Cash and deposits	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
2019	\$'000	\$'000	\$'000	\$'000
Contractual financial assets				
Cash and deposits	73,946	-	-	73,946
Receivables: (i)				
Services	-	1,798	-	1,798
Other	-	6,063	-	6,063
Advance to the Department of Treasury and Finance	-	1,784	-	1,784
Total contractual financial assets	73,946	9,645	-	83,591
Contractual financial liabilities				
Payables: (i)				
Supplies and services	-	-	7,658	7,658
Accruals	-	-	10,682	10,682
Borrowings:				
Finance lease liabilities	-	-	37,232	37,232
Total contractual financial liabilities	-	-	55,572	55,572
	Cash and deposits	Contractual financial assets - loans and receivables/ held to maturity	Contractual financial liabilities at amortised cost	Total
2018	\$'000	\$'000	\$'000	\$'000
Contractual financial assets				
Cash and deposits	1,514	-	-	1,514
Receivables: (i)				
Services	-	17,446	-	17,446
Other	-	4,097	-	4,097
Accrued investment income	-	74	-	74
Advance to the Department of Treasury and Finance	-	379	-	379
Investments and other contractual financial assets:				
Term deposits	-	47,653	-	47,653
Total contractual financial assets	1,514	69,649	-	71,163
Contractual financial liabilities				
Payables: (i)				
Supplies and services	-	-	10,493	10,493
Accruals	-	-	7,937	7,937
Borrowings:				
Finance lease liabilities	-	-	167	167
Total contractual financial liabilities	-	-	18,597	18,597

⁽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 for 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. Primary responsibility for the identification and management of financial risks rests with ESTA's Chief Executive Officer.

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 in 2019 and cash at bank and deposits with the Treasury Corporation of Victoria (TCV) in 2018. 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.

Contract financial assets are written off against the carrying amount when there is no reasonable expectation of recovery. Bad debt written off by mutual consent is classified as a transaction expense. Bad debt written off following a unilateral decision is recognised as other economic flows in the net result.

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 2018-19.

Credit quality of financial assets

	Financial institutions	Government agencies	Other	Total
	(AA- credit rating)	(AAA credit rating)		
	\$'000	\$'000	\$'000	\$'000
2019				
Financial assets with loss allowance measured at 12-month expected credit loss				
Cash	73,944	-	2	73,946
Contractual receivables	-	9,492	153	9,645
Total financial assets	73,944	9,492	155	83,591

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	1,512	-	2	1,514
Contractual receivables	-	21,626	370	21,996
Term deposits	-	47,653	-	47,653
Total contractual financial assets	1,512	69,279	372	71,163

Impairment of financial assets under AASB 9 - applicable from 1 July 2018

From 1 July 2018, ESTA has been recording the allowance for expected credit loss for the relevant financial instruments, replacing AASB 139's incurred loss approach with AASB 9's expected credit loss approach.

Cash, term deposits and receivables are also subject to the impairment requirements of AASB 9. The identified impairment loss for all these items was immaterial.

Contractual and statutory receivables at amortised cost

ESTA's contractual receivables are composed mainly of transactions with other government entities.

ESTA's non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

Both the contractual and statutory receivables are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As a result, the loss allowance method used for these financial assets during the period was limited to 12 months expected losses. No loss allowance recognised at 30 June 2018 under AASB 139. No additional loss allowance was required upon transition into AASB 9 on 1 July 2018.

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 manages its liquidity risk by:

- > maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet short-term obligations
- > holding investments and other contractual financial assets that are readily tradeable in the financial markets
- > careful maturity planning of its financial obligations based on forecasts of future cash flows.

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.

Interest rate exposure as at 30 June

	Weighted avg. annual effective	Carrying amount	Fixed interest	Variable interest	Non- interest
	interest rate %	amount	rate	rate	bearing
		\$'000	\$'000	\$'000	\$'000
2019					
Financial assets					
Cash	1.87%	73,946	-	73,946	-
Receivables (i):					
Services		1,798	-	-	1,798
Other receivables		6,063	-	-	6,063
Advance to the Department of Treasury and Finance		1,784	-	-	1,784
Total contractual financial assets		83,591	-	73,946	9,645
Financial liabilities					
Payables (i):					
Supplies and services		7,658	-	-	7,658
Other payables		10,682	-	-	10,682
Borrowings:					
Finance lease liabilities	3.25%	37,232	37,232	-	
Total contractual financial liabilities		55,572	37,232	-	18,340
2018					
Financial assets					
Cash	1.50%	1,514	-	1,514	
Receivables (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
Investments and other contractual financial assets:					
Term deposits	1.77%	47,653	37,422	10,231	
Total contractual financial assets		71,163	37,422	11,745	21,996
Financial liabilities					
Payables (i):					
Supplies and services		10,493	-	-	10,493
Other payables		7,937	-	-	7,937
Borrowings:					
Finance lease liabilities	3.25%	167	167	-	
Total contractual financial liabilities		18,597	167	_	18,430

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

Interest rate risk sensitivity

		-50 basis	+50 basis
		points	points
	Carrying	Net result	Net result
	amount		
	\$'000	\$'000	\$'000
2019			
Contractual financial assets			
Cash (i)	73,946	(370)	370
Total impact	73,946	(370)	370
2018			
Contractual financial assets			
Cash (i)	1,514	(8)	8
Term deposits (ii)	10,231	(51)	51
Total impact	11,745	(59)	59

- (i) Cash includes funds in the operating account that is exposed to floating rate movements. Sensitivities to these movements are calculated as follows:
- > 2019: \$73,946 thousand x -0.005 = (\$370) thousand; and \$73,946 thousand x 0.005 = \$370 thousand.
- > 2018: \$1,514 thousand x -0.005 = (\$8) thousand; and \$1,514 thousand x 0.005 = \$8 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.

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
2019				
Contractual financial assets				
Financial assets at amortised cost	-	1,353	-	1,353
Total contractual financial assets	-	1,353	-	1,353
Contractual financial liabilities				
Financial liabilities at amortised cost	-	1,528	-	1,528
Total contractual financial liabilities	-	1,528	-	1,528
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	-	-	-	-

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
- for financial assets at amortised cost, the net gain or loss is calculated by taking the movement in the fair value of the asset, the interest income, plus or minus foreign exchange gains or losses arising from revaluation of the financial assets, and minus any impairment recognised in the net result
- > 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 2019 (Nil 2018).

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 2019 and 30 June 2018 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 \$1.7 million to \$1.8 million.

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 2019-20 reporting period.

Fair value of financial instruments

	20	19	20	2018	
	Carrying amount	Net fair value	Carrying amount	Net fair value	
	\$'000	\$'000	\$'000	\$'000	
Financial assets					
Cash	73,946	73,946	1,514	1,514	
Receivables (i):					
Services	1,798	1,798	17,446	17,446	
Accrued investment income	-	-	4,097	4,097	
Other receivables	6,063	6,063	74	74	
Advance to the Department of Treasury and Finance	1,784	1,784	379	379	
Investments and other contractual financial assets:					
Term deposits	-	-	47,653	47,653	
Total financial assets	83,591	83,591	71,163	71,163	
Financial liabilities					
Payables (i):					
Supplies and services	7,658	7,658	10,493	10,493	
Other payables	10,682	10,682	7,937	7,937	
Borrowings:					
Finance lease liabilities	37,232	37,232	167	167	
Total financial liabilities	55,572	55,572	18,597	18,597	

⁽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

mandial addote meddal od at fall Value				
	Carrying	Fair val	Fair value measurement at the end of reporting period using:	
	amount	end of		
		Level 1	Level 2	Level 3
	\$'000	\$'000	\$'000	\$'000
2019				
Financial assets				
Cash and cash equivalents	73,946	73,946	-	-
	73,946	73,946	-	-
2018				
Financial assets				
Cash and cash equivalents	49,167	49,167	-	-
	49,167	49,167	-	-

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.

7.3.2 Fair value determination of non-financial physical assets

	Carrying		Fair value measurement at the	
	amount		reporting period	
		Level 1 (i)	Level 2 (i)	Level 3 (i)
	\$'000	\$'000	\$'000	\$'000
2019				
Computers and communications equipment (ii)				
Computers and communications equipment at fair value	82,259	-	-	82,259
Less: accumulated depreciation	(67,400)	-	-	(67,400)
	14,859	-	-	14,859
Leased motor vehicles (iii)				
Motor vehicles leased	182	-	-	182
Less: accumulated amortisation	(44)	-	-	(44)
	138	-	-	138
Leased communications equipment (iv)				
Communications equipment leased	214,953	-	-	214,953
Less: accumulated amortisation	(178,531)	-	-	(178,531)
	36,422	-	-	36,422
Plant and equipment (v)				
Plant and equipment at fair value	491	-	-	491
Less: accumulated depreciation	(435)	-	-	(435)
	56	_	-	56
Leasehold improvements (v)				
Leasehold improvements at fair value	19,121	_	-	19,121
Less: accumulated amortisation	(16,046)	_	-	(16,046)
	3,075	-	-	3,075
Capital works in progress (vi)	<u></u>			
Capital works in progress at cost	6,499	-	-	-
Net carrying amount of plant and equipment	61,049	_	-	54,550

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

⁽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.

(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 2019.

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

	mputers and munications equipment	Leased motor vehicles	Leased communications equipment	Plant and equipment	Leasehold improve- ments	Total
2019						
Opening balance	12,405	166	-	42	4,024	16,637
Purchases (sales)	6,912	-	41,984	29	516	49,441
Transfers in (out) of Level 3	-	-	-	-	-	-
Gains or losses recognised in net result	-	-	-	-	-	-
Depreciation	(4,458)	(28)	(5,563)	(15)	(1,464)	(11,528)
Impairment loss	-	-	-	-	-	-
Subtotal	14,859	138	36,421	56	3,076	54,550
Gains or losses recognised in other economic flows - other comprehensive income						
Revaluation	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Closing balance	14,859	138	36,421	56	3,076	54,550
Unrealised gains/(losses) on non-financial assets	-	-	-	-	-	-
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(i)	-	(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	-	-	-	-	-	-

⁽i) 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	Depreciated replacement cost	Cost per unit
communications equipment		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

Significant unobservable inputs have remained unchanged since 2018 for all asset classes.

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 3 (i)	
2019				
Motor vehicles	-	-	-	-
2018				
Motor vehicles (ii)	35	-	35	-

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

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

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 Changes in accounting policies
- 8.13 Glossary of technical accounting terms

8.1 Ex-gratia expenses

Ex-gratia expenses are the voluntary payments 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 of or claim against the entity.

	Note	2019	2018
		\$'000	\$'000
Forgiveness or waiver of debt	3.2	-	45
Total ex-gratia expenses		-	45

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).

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.

	2019	2018
	\$'000	\$'000
Net gain/(loss) on non-financial assets		
Net gain/(loss) on disposal of plant and equipment	-	4
Total net gain/(loss) on non-financial assets	-	4
Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of long service liability (i)	(888)	(13)
Total other gains/(losses) from other economic flows	(888)	(13)

⁽i) The unconditional long service leave classification has been amended to align with the respective Enterprise Agreements which entitles an employee to long service leave after five years if their employment is ended for any reason. This has resulted in the increase in the net loss arising from the revaluation of the long service leave liability.

8.3 Disaggregated information

Certain emergency 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

	CTD Operation and Corpora Overheads			perational Prounications		ojects (iii)	Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
In the state of th	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	
Income from transactions								
Service revenue	138,374	129,089	88,238	102,216	-	-	226,612	231,305
Project revenue	-	-	-	-	5,852	4,243	5,852	4,243
Total Income from transactions	138,374	129,089	88,238	102,216	5,852	4,243	232,464	235,548
Expenses from transactions								
Employee expenses	104,038	94,709	1,579	1,270	813	2,249	106,430	98,228
Depreciation and amortisation	3,374	5,458	8,409	9,426	-	-	11,783	14,884
Other operating expenses	27,382	28,320	67,144	63,929	1,996	4,062	96,522	96,311
Interest expense	4	-	1,524	-	-	-	1,528	-
Transfer of EAS assets	-	-	16,682	173	-	-	16,682	173
Total Expenses from transactions	134,798	128,487	95,338	74,798	2,809	6,311	232,945	209,596
Net result from transactions (net operating balance)	3,576	602	(7,100)	27,418	3,043	(2,068)	(481)	25,952
Other economic flows included in net result								
Net gain/(loss) on non-financial assets	-	4	-	-	-	-	-	4
Other gains/(losses) from other economic flows	(887)	(13)	-	-	(1)	-	(888)	(13)
Total other economic flows included in net result	(887)	(9)	-	-	(1)	-	(888)	(9)
Net result	2,689	593	(7,100)	27,418	3,042	(2,068)	(1,369)	25,943
Comprehensive result	2,689	593	(7,100)	27,418	3,042	(2,068)	(1,369)	25,943

(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 Community Safety. 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.

8.4 Non-current assets held for sale

	2019	2018
	\$'000	\$'000
Current assets		
Motor vehicles	-	35
Total non-financial physical assets classified as held for sale	-	35
Current liabilities		
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 Community Safety 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.

8.6 Responsible persons

In accordance with the Ministerial Directions issued by the Assistant Treasurer 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 2018 to 28 November 2018
Minister for Police and Emergency Services - The Hon. Lisa Neville, MP	29 November 2018 to 30 June 2019
Chair - Ms Flavia Gobbo	1 July 2018 to 30 June 2019
Chief Executive Officer - Mr Marty Smyth	1 July 2018 to 30 June 2019
Authority Member - Ms Mary Delahunty	1 July 2018 to 30 June 2019
Authority Member - Mr Paul Henderson	1 July 2018 to 30 June 2019
Authority Member - Ms Christine Collin	1 July 2018 to 30 June 2019
Authority Member - Ms Siobhan Boyd-Squires	1 July 2018 to 30 June 2019
Authority Member - Mr Gary Rothville	1 July 2018 to 30 June 2019
Authority Member - Dr Angela Williams	1 July 2018 to 30 June 2019
Authority Member - Mr Luke Enright	3 July 2018 to 30 June 2019
Authority Member - Ms Fiona Green	3 July 2018 to 30 June 2019

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:

	2019	2018
	No.	No.
\$160,000 - \$169,999	-	1
\$220,000 - \$229,999	-	1
\$330,000 - \$339,999	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.

8.6.1 Remuneration of Authority Members and the Accountable Officer

	2019	2018
	\$'000	\$'000
Short-term benefits	634	544
Post-employment benefits	60	49
Other long-term benefits	8	6
Termination benefits	-	103
Total remuneration	702	702
Total number of Authority Members and the Accountable Officer (i)	10	13
Total annualised employee equivalents (ii)	10.0	8.4

- (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 Ministers, Accountable Officer 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 as ESTA had a full compliment of executives over a longer period of time compared to the previous period.

8.7.1 Remuneration of executive officers

	2019	2018
	\$'000	\$'000
Short-term benefits	1,681	1,562
Post-employment benefits	157	124
Other long-term benefits	46	28
Termination benefits	-	73
Total remuneration	1,884	1,787
Total number of executives (i)	11	11
Total annualised employee equivalents (ii)	8.0	6.7

- (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.

8.8 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 Community Safety

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 Community Safety.

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 2018, 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.

Melbourne Cricket Ground Trust

The Melbourne Cricket Ground Trust act as custodian of the Melbourne Cricket Ground (MCG) and Yarra Park.

ESTA provided services to increase the capacity of the MMR at the MCG during the period.

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, tsunami, road rescue and search and rescue.

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

Victorian Government Solicitor's Office

The Victorian Government Solicitor's Office (VGSO) provides legal advice to Victorian Government and statutory authorities.

ESTA engaged the VGSO on a number of legal matters through the period. ESTA also seconded a principal legal counsel from the VGSO.

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.

	2019	2018
Receipts recognised as revenue	\$'000	\$'000
Department of Environment, Land, Water and Planning		102
Department of Justice and Community Safety	50,776	45,324
Ambulance Victoria	34,973	44,663
Country Fire Authority	40,969	36,617
Melbourne Cricket Ground Trust	171	30,017
Metropolitan Fire and Emergency Services Board	10,595	12,006
Treasury Corporation Victoria	794	777
Victoria Police	88,134	89,139
Victoria State Emergency Service	3,395	3,467
Victoria State Emergency Service	229,807	232,095
Payments recognised as expense	229,007	232,033
Ambulance Victoria	129	236
Department of Justice and Community Safety	129	230
		629
Department of Treasury and Finance Metropolitan Fire and Emergency Services Board	3,155	029
Victoria Police	11	-
Victorian Government Solicitor's Office	128	-
		- 24
Victorian Managed Insurance Authority Victorian Rail Track	519 120	34
VICTORIAN RAII ITACK	4,077	118 1,017
Receivables	4,077	1,017
Ambulance Victoria	2,311	2,787
	1,152	2,707
Country Fire Authority Department of Justice and Community Safety	1,152	15,040
Department of Justice and Community Safety	1,784	393
Department of Treasury and Finance Metropolitan Fire and Emergency Services Board	629	232
Treasury Corporation Victoria	029	74
Victoria Police	3,615	3,111
VICTORIA FUNCE	9,491	21,639
Payables	0,401	21,000
Ambulance Victoria	_	113
Country Fire Authority	12	-
Department of Treasury and Finance	10	6
Victorian Government Solicitor's Office	3	-
Victorian Managed Insurance Authority	3	34
Victorian Rail Track	18	17
VIOLOTIALI TRAUK	43	170

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

8.8.2 Key management personnel

Key management personnel of ESTA includes the Ministers, Authority members, the Chief Executive Officer and the members of the Executive Leadership Team, which includes:

Executive Director, Operations (Acting) - Mr Tim Madigan 1 July 2018 to 16 September 2018 Executive Director, Operations - Mr Patrick Berry 17 September 2018 to 30 June 2019 1 July 2018 to 30 June 2019 Executive Director, Operations Support - Dr Amee Morgans Chief Financial Officer - Mr Jim Strilakos 1 July 2018 to 30 June 2019 Chief Information Officer (Acting) - Mr John Dousset 1 July 2018 to 11 September 2018 Chief Information Officer - Mr Graeme Dunn 12 September 2018 to 30 June 2019 Executive Director, Corporate Affairs and Corporate Secretary - Ms Rosemary Mullaly 1 July 2018 to 30 June 2019 Executive Director, People and Culture - Mr Ari Cassarchis 1 July 2018 to 30 June 2019 Executive Director, Strategy and Risk - Mr Jerome Thevenon 1 July 2018 to 30 June 2019 Executive Director, Strategic Partnerships and Program Management (Acting) - Mr Paul Taylor 1 July 2018 to 6 August 2018 Executive Director, Strategic Partnerships and Program Management - Mr Alistair Lloyd 7 August 2018 to 30 June 2019

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 breath 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.

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 2018).

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.

8.11 Australian Accounting Standards issued that are not yet effective

The following AASs become effective for reporting periods commencing after 1 July 2019:

- > AASB 1059 Service Concession Arrangements: Grantor
- > AASB 16 Leases
- > AASB 15 Revenue from Contract with Customers
- > AASB 1058 Income of Not-for-Profit Entities.

Service concession arrangements

Prior to the issuance of AASB 1059, there was no definitive accounting guidance in Australia for service concession arrangements, which include a number of public private partnership (PPP) arrangements. The AASB issued the new standard to address the lack of specific accounting guidance and based the content thereof broadly on its international equivalent: International Public Sector Accounting Standard 32: Service Concession Arrangements: Grantor.

For arrangements within the scope of AASB 1059, the public sector grantor will be required to record the asset(s) used in the service concession arrangement at current replacement cost in accordance with cost approach to Fair Value under AASB 13: Fair Value Measurement, with a related liability, which could be a financial liability, an accrued revenue liability (referred to as the "Grant Of A Right To The Operator" or GORTO liability) or a combination of both.

ESTA does not have any arrangements that would fall within the scope of AASB 1059.

Leases

AASB 16 Leases replaces AASB 117 Leases, AASB Interpretation 4 Determining whether an Arrangement contains a Lease, AASB Interpretation 115 Operating Leases-Incentives and AASB Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases on the balance sheet by recording a Right-Of-Use (RoU) asset and a lease liability except for leases that are shorter than 12 months and leases where the underlying asset is of low value (deemed to be below \$10,000).

AASB 16 also requires the lessees to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset, and remeasure the lease liability upon the occurrence of certain events (e.g. a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The amount of the remeasurement of the lease liability will generally be recognised as an adjustment to the RoU asset.

Lessor accounting under AASB 16 is substantially unchanged from AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.

The effective date is for annual reporting periods beginning on or after 1 January 2019. ESTA intends to adopt AASB 16 in 2019-20 financial year when it becomes effective.

ESTA will apply the standard using a modified retrospective approach with the cumulative effect of initial application recognised as an adjustment to the opening balance of accumulated surplus at 1 July 2019, with no restatement of comparative information.

Various practical expedients are available on adoption to account for leases previously classified by a lessee as operating leases under AASB 117. ESTA will elect to use the exemptions for all short-term leases (lease term less than 12 months) and low value leases (deemed to be below \$10,000).

In addition, AASB 2018-8 – Amendments to Australian Accounting Standards – Right-of-Use Assets (RoU) of Not-for-Profit Entities allows a temporary option for not-for-profit entities to not measure RoU assets at initial recognition at fair value in respect of leases that have significantly below-market terms, since further guidance is expected to be developed to assist not-for-profit entities in measuring RoU assets at fair value. The Standard requires an entity that elects to apply the option (i.e. measures a class or classes of such RoU assets at cost rather than fair value) to include additional disclosures. ESTA intends to choose the temporary relief to value the RoU asset at the present value of the payments required (at cost).

ESTA has performed a detailed impact assessment of AASB 16 and the potential impact in the initial year of application has been estimated as follows:

- > increase in RoU (\$42.9 million)
- > increase in related depreciation (\$9.8 million)
- > increase in lease liability (\$42.9 million)
- > increase in related interest (\$0.7 million) calculated using effective interest method
- > decrease in rental expense (\$10.7 million)

Revenue and income

AASB 15 supersedes AASB 118 *Revenue*, AASB 111 *Construction Contracts* and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers.

AASB 15 establishes a five-step model to account for revenue arising from an enforceable contract that imposes a sufficiently specific performance obligation on an entity to transfer goods or services. AASB 15 requires entities to only recognise revenue upon the fulfilment of the performance obligation. Therefore, entities need to allocate the transaction price to each performance obligation in a contract and recognise the revenue only when the related obligation is satisfied.

To address specific concerns from the 'not-for-profit' sector in Australia, the AASB also released the following standards and guidance:

- > AASB 2016-8 Amendments to Australian Accounting Standards Australian implementation guidance for NFP entities

 (AASB 2016-8), to provide guidance on application of revenue recognition principles under AASB 15 in the not-for-profit sector
- > AASB 2018-4 Amendments to Australian Accounting Standards Australian Implementation Guidance for Not-for-Profit Public-Sector Licensors (2018-4), to provide guidance on how to distinguish payments receive in connection with the access to an asset (or other resource) or to enable other parties to perform activities as tax and non-IP licence. It also provides guidance on timing of revenue recognition for non-IP licence payments
- > AASB 1058 *Income of Not-for-Profit Entities*, to supplement AASB 15 and provide criteria to be applied by not-for-profit entities in establishing the timing of recognising income for government grants and other types of contributions previously contained within AASB 1004 *Contributions*.

AASB 15, AASB 1058 and the related guidance will come into effect for not-for-profit entities for annual reporting periods beginning on or after 1 January 2019. ESTA intends to adopt these standards in 2019-20 financial year when it becomes effective.

ESTA will apply the standard using a modified retrospective approach with the cumulative effect of initial application recognised as an adjustment to the opening balance of accumulated surplus at 1 July 2019, with no restatement of comparative information.

ESTA has performed a detailed impact assessment of AASB 15 and AASB 1058 and believe that there will be minimal impact for each class of revenue and income in the initial year of application.

8.12 Changes in accounting policies

ESTA has elected to apply the limited exemption in AASB 9 *Financial Instruments* paragraph 7.2.15 relating to transition for classification and measurement and impairment, and accordingly has not restated comparative periods in the year of initial application. As a result:

- > any adjustments to carrying amounts of financial assets or liabilities are recognised at beginning of the current reporting period with difference recognised in opening retained earnings
- > financial assets and provision for impairment have not been reclassified and/or restated in the comparative period.

AASB 9 introduces a major change to hedge accounting. However, it is ESTA's policy not to apply hedge accounting. This note explains the impact of the adoption of AASB 9 on ESTA's financial statements.

8.12.1 Changes to classification and measurement

On initial application of AASB 9 on 1 July 2018, ESTA's management has assessed for all financial assets based on ESTA's business models for managing the assets. The following are the changes in the classification of ESTA's financial assets:

- > Term deposits previously classified as held to maturity under AASB 139 are now reclassified as financial assets at amortised cost under AASB 9. There was no difference between the previous carrying amount and the revised carrying amount at 1 July 2018 to be recognised in opening retained earnings
- Contractual receivables previously classified as other loans and receivables under AASB 139 are now reclassified as financial assets at amortised cost. There was no difference between the previous carrying amount and the revised carrying amount at 1 July 2018 to be recognised in opening retained earnings.

The accounting for financial liabilities remains largely the same as it was under AASB 139, except for the treatment of gains or losses arising from ESTA's own credit risk relating to liabilities designated at fair value through net result. Such movements are presented in other comprehensive income with no subsequent recycle through profit or loss.

ESTA's accounting policies for financial assets and liabilities are set out in note 7.1. The following table summarises the required and elected reclassification upon adoption of AASB 9. The main effects resulting from the reclassification are as follows:

As at 30 June 2018		AASB 139	AASB 9
		Measurement category	Measurement category
			Amortised cost \$'000
AASB 139 Measurement categories			
Loan and receivables			
Receivables			
Services	7.1.1	17,446	17,446
Other	7.1.1	4,097	4,097
Accrued investment income	7.1.1	74	74
Advance to the Department of Treasury and Finance	7.1.1	379	379
Held to maturity			
Term deposits	7.1.1	47,653	47,653
As at 1 July 2018		69,649	69,649

8.12.2 Changes to the impairment of financial assets

Under AASB 9, all loans and receivables as well as other debt instruments not carried at fair value through net result are subject to AASB 9's new expected credit loss (ECL) impairment model, which replaces AASB 139's incurred loss approach.

For other loans and receivables, ESTA applies the AASB 9 simplified approach to measure expected credit losses based on the change in the ECLs over the life of the asset. Application of the lifetime ECL allowance method did not impact the impairment loss allowance. Refer to note 7.1 for details about the calculation of the allowance. No further increase in allowance in the current financial year.

For debt instruments at amortised costs, ESTA considers them to be low risk and therefore determines the loss allowance based on ECLs associated with the probability of default in the next 12 months. Applying the ECL model does not result in recognition of additional loss allowance (previous loss allowance was nil). No further increase in allowance in the current financial year.

8.12.3 Transition impact

There was no transition impact as a result of the first-time adoption of AASB 9 on the Comprehensive Operating Statement and Balance Sheet

8.13 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'

Effective interest method

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

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.

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.

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



Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of the Emergency Services Telecommunications Authority

Opinion

I have audited the financial report of the Emergency Services Telecommunications Authority (the authority) which comprises the:

- balance sheet as at 30 June 2019
- 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
- declaration in the financial statements.

In my opinion the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2019 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.

Basis for Opinion

I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. 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 *Code of Ethics for Professional Accountants* (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.

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

Board's responsibilities for the financial report

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 *Financial Management Act 1994*, 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.

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.

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 26 August 2019 Ron Mak as delegate for the Auditor-General of Victoria

Appendix

ESTA 12 Month Rolling Staff Turnover

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

Jun-19	Current Employees	Volun- tary	Redundant/ Terminated	12 Month Attritions	Turnover - Voluntary	Turnover - Redundant/ Terminated	Total Turn- over	Gender - F	Gender - M	Gender Ratio F:M
Operations	794	63	18	81	7.9%	2.3%	10.2%	561	233	2.4 : 1
Support	196	17	3	20	8.7%	1.5%	10.2%	105	91	1.2 : 1
ESTA total	990	80	21	101	8.1%	2.1%	10.2%	666	324	2.1 : 1

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

Income band (salary)	Executives	Band 7	Senior Managers
Less than \$160 000	0	0	1
\$160 000 - \$179 999	0	3	7
\$180 000 - \$199 999	3	1	0
\$200 000 - \$219 999	4	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 2018 and 2019

Jun-19								
			All employees		Ongoing		Fixed te	erm & Casual
			Number	Full-time	Part-time			Number
		(headcount)	FTE	(headcount)	(headcount)	FTE	(headcount)	FTE
	Gender							
	Male	324	305	286	15	289	23	15
	Female	666	549	476	157	537	33	12
ata	Self-described	0	0	0	0	0	0	0
Demographic Data	Age							
raph	15-24	57	50	52	3	50	2	0
nog	25-34	381	332	312	55	329	14	4
Der	35-44	268	220	187	65	212	16	9
	45-54	194	176	149	32	166	13	10
	55-64	81	69	56	14	63	11	6
	65+	9	6	6	3	6	0	0
	Operations Grades	794	670	611	154	667	29	3
	Call-taker 1	85	80	83	0	80	2	0
	Call-taker 2	66	57	58	7	57	1	0
	Call-taker 3	90	61	48	33	60	9	1
	Call-taker 4	64	54	47	14	53	3	0
	Dispatcher 1	44	43	44	0	43	0	0
	Dispatcher 2	51	44	45	5	44	1	0
	Dispatcher 3	263	208	170	80	207	13	1
m	Dispatcher 4	36	32	24	12	32	0	0
Classification Data	Assistant TL	56	53	54	2	53	0	0
tion	Team leader 1	12	12	12	0	12	0	0
ifica	Team leader 2	27	26	26	1	26	0	0
lass	Support Grades	175	163	148	18	156	9	7
O	Band 1	9	7	6	2	7	1	0
	Band 2	39	35	31	6	34	2	1
	Band 3	39	35	32	6	34	1	1
	Band 4	33	32	29	0	28	4	4
	Band 5	47	46	42	4	45	1	1
	Band 6	8	8	8	0	8	0	0
	Senior employees	21	21	3	0	3	18	18
	Executives	9	9	0	0	0	9	9
	Band 7	4	4	3	0	3	1	1
	Senior Managers	8	8	0	0	0	8	8
	Total employees	990	854	762	172	826	56	28

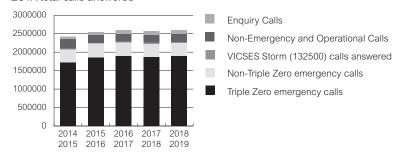
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Jun-18									
		A	II employees		Ongoing		Fixed t	term & Casual	
			Number	Full-time	Part-time			Number	
		(headcount)	FTE	(headcount)	(headcount)	FTE	(headcount)	FTE	
	Gender								
	Male	317	299	285	16	290	16	9	
	Female	634	523	452	145	508	37	15	
	Self-described	0	0	0	0	0	0	0	
ata	Age								
Demographic Data	15-24	56	51	52	2	51	2	0	
raph	25-34	375	323	300	57	316	18	7	
mog	35-44	253	211	173	62	202	18	9	
De	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	
	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	
ā	Assistant TL	57	54	55	2	54	0	0	
Dai	Team leader 1	11	11	11	0	11	0	0	
Classification Data	Team leader 2	34	32	32	2	32	0	0	
sific.	Support Grades	159	146	129	14	135	16	11	
Slass	Band 1	9	7	6	1	6	2	0	
O	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	24	

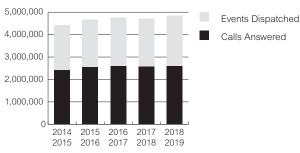
Five-Year Summary Statistics

Activity	2014-15	2015-16	2016-17	2017-18	2018-19	Growth on LY	Four Year CAGR	Four Year Growth
Calls Answered	2,413,335	2,544,708	2,595,126	2,570,282	2,605,574	1.4%	1.9%	8.0%
Triple Zero emergency calls	1,707,209	1,849,042	1,884,077	1,864,504	1,883,991	1.0%	2.5%	10.4%
Non-Triple Zero emergency calls	363,295	381,909	373,426	360,365	362,970	0.7%	0.0%	-0.1%
VICSES Storm (132500) calls answered	22,335	19,902	32,345	29,275	22,175	-24.3%	-0.2%	-0.7%
Non-Emergency and Operational Calls	262,852	204,883	201,734	210,412	216,369	2.8%	-4.7%	-17.7%
Enquiry Calls	57,644	88,972	103,544	105,726	120,069	13.6%	20.1%	108.3%
Average calls per day	6612	6953	7110	7042	7139	1.4%	1.9%	8.0%
Average Triple Zero emergency calls per day	4677	5052	5162	5108	5162	1.0%	2.5%	10.4%
Events Dispatched	2,013,273	2,133,502	2,161,706	2,145,038	2,232,116	4.1%	2.6%	10.9%
Emergency Calls - Triple Zero, Direct and Storm	2,092,839	2,250,853	2,289,848	2,254,144	2,269,136	0.7%	2.0%	8.4%

ESTA total calls answered







Calls answered per agency

Agency	2014-15	2015-16	2016-17	2017-18	2018-19	Growth on LY	Four Year CAGR	Four Year Growth
Victoria Police	1,296,049	1,416,144	1,428,728	1,369,121	1,369,893	0.1%	1.1%	5.7%
Ambulance Victoria	879,147	893,686	914,453	945,757	979,379	3.6%	2.2%	11.4%
CFA	141,415	143,622	149,362	156,669	169,879	8.4%	3.7%	20.1%
VICSES	50,683	49,758	69,498	64,125	52,526	-18.1%	0.7%	3.6%
MFB	46,041	41,498	33,085	34,610	33,897	-2.1%	-5.9%	-26.4%
Total	2,413,335	2,544,708	2,595,126	2,570,282	2,605,574	1.4%	1.5%	8.0%

Agency	2018-19	% of total
Victoria Police	1369893	52.6%
Ambulance Victoria	979,379	37.6%
CFA	169,879	6.5%
VICSES	52,526	2.0%
MFB	33,897	1.3%
Total	2,605,574	100.0%

Dispatch events per agency

Agency	2014-15	2015-16	2016-17	2017-18	2018-19	Growth on LY	Four Year CAGR	Four Year Growth
Victoria Police	1,224,283	1,325,856	1,366,105	1,321,165	1,373,308	3.9%	2.9%	12.2%
Ambulance Victoria	680,493	699,675	676,237	705,069	742,255	5.3%	2.2%	9.1%
CFA	44,768	45,664	44,876	48,531	50,297	3.6%	3.0%	12.4%
MFB	40,184	40,435	41,244	42,017	41,931	-0.2%	1.1%	4.3%
VICSES	23,545	21,872	33,244	28,256	24,325	-13.9%	0.8%	3.3%
ESTA TOTAL Events Dispatched	2,013,273	2,133,502	2,161,706	2,145,038	2,232,116	4.1%	2.6%	10.9%

Agency	2018-19	% of total
Victoria Police	1,373,308	61.5%
Ambulance Victoria	742,255	33.3%
CFA	50,297	2.2%
MFB	41,931	1.9%
VICSES	24,325	1.1%
ESTA TOTAL Events Dispatched	2,232,116	100%

AV Emergency includes ERT C3 from 2013-14.

Events Dispatched	FY2016	FY2017	FY2018	FY2018 Variance
AV - Code 1 - Emergency	272,960	279,819	295,702	5.68%
AV - Code 2 - Emergency	206,679	218,353	224,045	2.6%
ERTCOMM - Code 3	42,751	41,898	42,255	0.9%
VICPOL - Priority 1	132,270	132,347	134,545	1.7%
VICPOL - Priority 2	804,497	781,292	833,352	6.7%
VICPOL - Priority 3	429,338	407,526	405,411	-0.5%
VicSES - Other Agency Priority 1	2288	2295	2512	9.5%
VicSES - Other Agency Priority 2	5545	4469	4263	-4.6%
VicSES - Other Agency Priority 3	10,168	4483	3804	-15.1%
VicSES - Rural Priority 2	1212	1642	1580	-3.8%
VicSES - Rural Priority 3	2368	2321	2165	-6.7%
VicSES - Urban Priority 2	2115	2970	2422	-18.5%
VicSES - Urban Priority 3	9548	10,076	7579	-24.8%
MFB - Priority 1 - Alarms	12,636	12,546	12,398	-1.2%
MFB - Priority 1 - EMR	5475	5923	5855	-1.1%
MFB - Priority 1 - Telephone Events	11,097	12,596	12,170	-3.4%
MFB - Priority 1 - Other Agency	12,036	10,952	11,508	5.1%
CFA - Priority 1 - Alarms	6798	6414	6393	-0.3%
CFA - Priority 1 - EMR	1611	2913	4111	41.1%
CFA - Priority 1 - Rural	4544	6002	6125	2.0%
CFA - Priority 1 - Urban	8616	9807	9793	-0.1%
CFA - Priority 3 - Rural	1326	1854	1861	0.4%
CFA - Priority 3 - Urban	2915	3616	3377	-6.6%
CFA - Priority 1 - Other Agency	19,066	17,925	18,637	4.0%
Ambulance Victoria - Patient Transport	153,847	164,999	180,253	9.2%
Total Events Dispatched	2,161,706	2,145,038	2,232,116	4.1%

Events Dispatched by Agency	FY2016	FY2017	FY2018
VICPOL	63.2%	61.6%	61.5%
AMBULANCE	31.3%	32.9%	33.3%
MFB	1.9%	2.0%	1.9%
CFA	2.1%	2.3%	2.2%
VICSES	1.5%	1.3%	1.1%
Total Events Dispatched	2,161,706	2,145,038	2,232,116

					Calls A	Answered					
Category	FY 2016	FY 2017	FY 2018	FY2018	% of	Agency	FY2016	FY2017	FY2018	FY2018	% of
				Variance	total					Variance	total
Α	373,426	360,365	362,970	0.7%	13.9%	CFA	149,362	156,669	169,879	8.4%	6.5%
В	1,884,077	1,864,504	1,883,991	1.0%	72.3%	ERTCOMM	760,986	782,008	804,565	2.9%	30.9%
						MFB	33,085	34,610	33,897	-2.1%	1.3%
С	32,345	29,275	22,175	-24.3%	0.9%	NETCOMM	153,467	163,749	174,814	6.8%	6.7%
Ν	153,467	163,749	174,814	6.8%	6.7%	VICPOL	1,428,728	1,369,121	1,369,893	0.1%	52.6%
0	48,267	46,663	41,555	-10.9%	1.6%	VICSES	69,498	64,125	52,526	-18.1%	2.0%
Q	103,544	105,726	120,069	13.6%	4.6%	Total	2,595,126	2,570,282	260,5574	1.4%	100.0%
Total	2,595,126	2,570,282	2,605,574	1.4%							
TZ %	72.6%	72.5%	72.3%	-0.3%							
Call	12.2	12.3	12.1	-1.4%							
every X											
seconds											
Calls Per	7090.5	7041.9	7138.6	1.4%							
Day											
000 Calls	5147.8	5108.2	5161.6	1.0%							
Per Day											
						1					

Call Answer Performance (Emergency Calls)¹

					An	swer Time (se	ecs)
Agency	Benchmark	2017- 2018	2018- 2019	Change	Average	50th Percentile	90th Percentile
Victoria Police	80 per cent answered within 5 seconds ²	88.3%	86.2%	-2.1%	6.0	1	15
Ambulance	90 per cent answered within 5 seconds ³	93.1%	92.8%	-0.3%	3.8	1	2
CFA	90 per cent answered within 5 seconds	96.4%	96.3%	-0.1%	3.2	1	2
MFB	90 per cent answered within 5 seconds	96.0%	95.9%	-0.1%	3.0	1	2
VicSES	90 per cent answered within 20 seconds	86.8%	88.3%	1.5%	16.6	1	14

Time to Dispatch Performance (Emergency Events)

						Dispatch 1	Time (secs)
Agency	Benchmark	2017-	2018-	Change	Average	50th	90th
		2018	2019			Percentile	Percentile
Victoria Police (state-wide)	80 per cent dispatched within	89.7%	89.9%	0.2%	77.6	49	161
priority one events	160 seconds ⁴						
Ambulance (state-wide)	90 per cent dispatched within	85.4%	85.7%	0.3%	110.9	99	166
code one events	150 seconds⁵						
CFA priority one events ⁶	90 per cent dispatched within	93.2%	93.6%	0.4%			
	benchmark						
P1 Urban					79.0	67	128
P1 Rural					125.8	84	178
Alarms					7.7	7	10
Other Agency					30.0	21	48
EMR					7.7	6	10
MFB priority one events ⁷	90 per cent dispatched within	94.6%	94.3%	-0.3%			
	benchmark						
Telephone					85.6	71	141
Alarms					8.6	7	10
Other Agency					25.8	19	40
EMR					7.3	6	9
VicSES priority one events	90 per cent dispatched within	89.2%	91.4%	2.2%	44.3	19	56
	60 seconds						

Time to Dispatch Performance⁸ (Lower Priority Events)

						Dispatch '	Time (secs)
Agency	Benchmark	2017-	2018-	Change	Average	50th	90th
		2018	2019			Percentile	Percentile
Victoria Police (state-wide)	80 per cent dispatched within	88.2%	88.4%	0.2%	143.9	84	325
priority two events	300 seconds ⁹						
Victoria Police (state-wide)	80 per cent dispatched within	98.1%	97.9%	-0.2%	268.9	154	723
priority three events	900 seconds ¹⁰						
Ambulance (state-wide)	90 per cent dispatched within	94.6%	94.6%	0.0%	166.7	123	242
code two events	300 seconds ¹¹						
CFA priority three events ¹²	90 per cent dispatched within	90.5%	91.0%	0.5%			
	benchmark						
Urban					101.2	86	162
Rural					122.6	100	203
VicSES priority two and	90 per cent dispatched within	94.9%	98.4%	3.5%			
three events ¹³	benchmark						
Urban					254.8	176	295
Rural					207.5	185	321
Other Agency					44.5	30	83

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 state-wide and the figures displayed reflect state-wide activity and performance against the standard as presented.
- 3 ESTA's services are provided state-wide and the figures displayed reflect state-wide activity and performance against the standard as presented. However, for the 2016-17 FY, this standard applied to Metropolitan Service Delivery only.
- 4 ESTAs services are provided state-wide and the figures displayed reflect state-wide activity and performance against the standard as presented.
- 5 ESTAs services are provided state-wide and the figures displayed reflect state-wide 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
- 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 state-wide and the figures displayed reflect state-wide activity and performance against the standard as presented.
- 10 ESTAs services are provided state-wide and the figures displayed reflect state-wide activity and performance against the standard as presented.
- 11 ESTA's services are provided state-wide and the figures displayed reflect state-wide 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

Benchmark

Call taking

•								
		Compliant Month Count	Cumulative 12 Month Performance	Compliant Month Count	12 Month	Compliant Month Count		umulative 12 Month formance
AV Emerg	90 per cent answered	12	93.00%	12	93.10%	12		92.80%
(S.Wide)	within 5 seconds ²							
AV Non-emerg	90 per cent answered	12	95.90%	12	94.50%	12		94.40%
(S.Wide)	within 30 seconds ²							
Vic Pol (S.Wide)	80 per cent answered	12	86.30%	12	88.30%	12		86.20%
	within 5 seconds ³							
CFA Emerg	90 per cent answered	12	97.20%	12	96.40%	12		96.30%
	within 5 seconds							
CFA Non-Emerg	90 per cent answered	12	94.00%	12	95.20%	12		95.60%
/ Operational	within benchmark							
SES Emerg	90 per cent answered	8	77.60%	8	86.80%	7		88.30%
	within 20 seconds							
SES Non-Emerg	80 per cent answered	12	90.50%	12	90.90%	12		96.20%
/ Operational	within 20 seconds							
MFB Emerg	90 per cent answered	12	96.40%	12	96.00%	11		95.90%
	within 5 seconds							
MFB Non-Emerg	90 per cent answered	12	96.60%	12	96.30%	12		96.30%
/ Operational	within benchmark							
Dispatch		Benchmark		F	/2016	FY2017		FY2018
AV Emerg (Code 1) (S.Wide)	90 per cent d	ispatched	0 83	3.00% 0	85.40%	0	85.70%
		within 150 sec	conds ²					
AV Emerg (Code 2	2) (S.Wide)	90 per cent d	ispatched	12 93	3.90% 12	94.60%	12	94.60%
		within 300 sec	conds ²					
Vic Pol (Priority 1) ((S.Wide)	80 per cent d	ispatched	12 90	0.30% 12	89.70%	12	89.90%
		within 180 sec	conds ³					
Vic Pol (Priority 2) ((S.Wide)	80 per cent d	ispatched	12 88	3.70% 12	88.20%	12	88.40%
		within 300 sec	conds ³					
Vic Pol (Priority 3) ((S.Wide)	80 per cent d	ispatched	12 98	3.20% 12	98.10%	12	97.90%
		within 900 sec	conds ³					
SES (Priority 1)		90 per cent d	ispatched	0 8	5.80% 4	89.20%	10	91.40%
		within 60 seco	onds					

FY2016

FY2017

FY2018

11 94.50%

95.10%

94.30%

90.40%

12

12

8

12 94.90%

12 94.60%

93.20%

90.50%

12

12 98.40%

12

94.30%

93.60%

8 91.00%

90 per cent dispatched

90 per cent dispatched

90 per cent dispatched

90 per cent dispatched

within benchmark

within benchmark

within benchmark

within benchmark

SES (Priority 2&3)

MFB (Priority 1)

CFA (Priority 1)

CFA (Priority 3)

² ESTA's services are provided state-wide and the figures displayed reflect state-wide activity and performance against the standard as presented. However, in the Ambulance Service, the standard is applied to Metropolitan Service Delivery only.

³ ESTAs services are provided state-wide and the figures displayed reflect state-wide 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	43,310	3.2	389	1	2	2
CFA Enquiry	120,069	36.2	1180	2	38	120
CFA Op/Field	6500	7.6	339	5	7	10
ERTCOMM	804,565	3.8	426	1	2	2
MFB EMERGENCY	29,193	3.0	387	1	2	2
MFB Enquiry	-	-	-	-	-	-
MFB Op/Field	4704	6.6	339	4	6	9
NETCOMM	174,814	9.5	1639	3	4	5
VICSES Op/Field	30,351	7.9	1573	5	7	10
VICSES STORM	22,175	16.6	723	1	2	14
VP EMERGENCY	1,369,893	6.0	472	1	2	15

Dispatch percentiles	Count	AvgTTD	MAX_TTD	PC50	PC80	PC90
MFB						
Phone Events	12,170	85.6	1069	71	108	141
Alarms	12,398	8.6	3776	7	9	10
Other Agency	11,508	25.8	2746	19	30	40
EMR	5855	7.3	340	6	8	9
ERTCOMM STATEWIDE						
CODE 1	295,703	110.9	17,575	99	137	166
CODE 2	224,050	166.7	723,518	123	189	242
VICPOL STATEWIDE						
Priority 1	134,545	77.6	12,713	49	108	161
Priority 2	833,352	143.9	187,804	84	220	325
Priority 3	405,411	268.9	57,617	154	516	723
VICSES						
P1 - Other Agency	2512	44.3	3403	19	37	56
P2 & 3 - Other Agency	8067	44.5	4391	30	54	83
P2 & 3 - Urban	10,001	254.8	535,631	176	242	295
P2 & 3 - Rural	3774	207.5	4775	185	260	321
CFA						
P1 Urban - Phone	9793	79.0	857	67	100	128
P1 Rural - Phone	6125	125.8	139,840	84	136	178
Alarms	6393	7.7	303	7	9	10
Other Agency	18,637	30.0	2825	21	36	48
EMR	4111	7.7	522	6	8	10
P3 Urban - Phone	3377	101.2	989	86	127	162
P3 Rural - Phone	1861	122.6	5985	100	154	203

Sundry events	FY 2016	FY 2017	FY 2018	
AV Code 1 Events	272,960	279,819	295,702	Based on IGEM Code 1, code 1 implies lights and siren's emergency ambulance response
Police Pursuits	859	658	467	Based on SP or TP POLICE TYCOD
Cardiac Events	8016	8758	8991	Based on Card 9 Events ERTCOMM Report
Burnoffs Regd	96,437	100,623	112,700	FSV Burnoffs CAD9 function
Assist with babies born	109	116	110	Baby born Event Report

MMR RADIO CALLS

Agency	2014-15	2015-16	2016-17	2017-18	2018-19	2018-19 % Change	CAGR %
Ambulance Victoria	4,920,994	5,117,652	5,325,844	5,828,435	8,779,387	50.63%	15.57%
Metropolitan Fire Brigade	1,369,772	1,426,602	1,398,821	1,507,935	2,258,758	49.79%	13.32%
Victoria Police	13,372,916	13,456,971	13,594,628	14,099,906	14,542,281	3.14%	2.12%
TOTAL Calls	19,600,421	20,001,225	20,319,293	21,436,276	25,580,426	19.33%	6.88%

MDN TRANSACTIONS

Transaction Type	2014-15	2015-16	2016-17	2017-18	2018-19	2018-19 % Change	CAGR %
CAD – Ambulance Victoria	493,375	506,139	512,668	533,571	548,437	2.79%	2.68%
CAD – Victoria Police	1,789,337	1,853,145	2,030,132	2,081,368	2,036,650	-2.15%	3.29%
LEAP inquiries	7,669,210	7,681,627	8,817,130	9,444,769	9,332,351	-1.19%	5.03%
Sheriff's Office	7,404	6,990	6,371	3,114	0	-100.00%	-100.00%
TOTAL Transactions	9,848,996	10,047,901	11,366,301	12,062,822	11,917,438	-1.21%	4.88%

EAS MESSAGING VOLUMES

Message Priority	2014-15	2015-16	2016-17	2017-18	2018-19	2018-19 % Change	CAGR %	2018-19 Delivery Success
Emergency	558,269	482,654	443,927	486,853	514,438	5.67%	-2.02%	100.000%
Non-Emergency	600,884	646,106	832,120	747,920	721,255	-3.57%	4.67%	100.000%
Administrative	139,367	152,185	125,155	288,918	186,024	-35.61%	7.49%	100.000%
TOTAL Messages	1,298,520	1,280,945	1,401,202	1,523,691	1,421,717	-6.69%	2.29%	100.000%





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