

esta annual report

2019-20



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chairperson's foreword

ESTA progressed all its major priorities in the first year of our Integrated Strategic Plan (ISP2023), despite the significant challenges of the COVID-19 crisis and the bushfires.

ISP2023 charts the actions we are taking over the next four years to help us to progress our journey to the digital future and meet the needs and expectations of the Victorian community and our emergency services partners.

The whole of ESTA has come together to meet the challenges of COVID-19 and keep our people physically and psychologically safe, while continuing to provide our critical service to the community.

In the signal achievement of the year, we relocated our World Trade Centre operations to a new, purpose-built facility at Williams Landing. We bolstered our Computer-Aided Dispatch (CAD) system, progressing an upgrade which will make it more stable and secure. ESTA supported the implementation of Fire Rescue Victoria, enabling changes in CAD processes and to myriad communications and engagement protocols with the Metropolitan Fire Brigade (MFB) and the Country Fire Authority (CFA).

We embedded the ESTA values (introduced in 2019) into a reward and recognition program, Employee Value Proposition, performance management processes and a range of other initiatives. And we renewed our commitment to creating a diverse and inclusive ESTA with the endorsement and implementation of a Diversity & Inclusion Action Plan.

ESTA created a COVID-19 Risk Response Plan, which agreed key thresholds for activation of key responses relating to staffing, staff wellbeing, and performance and cybersecurity risks. We also redesigned our business practices to deliver usual business activities while supporting social distancing in the workplace.

In response to increased threats globally, ESTA has taken several steps to increase our cybersecurity, including proactive threat hunting, cloud security – especially for email services, penetration testing, firewall hardening and introduction of an interactive log-on warning and multifactor authentication.

ESTA supported Victoria Police with the delivery and closure of the Police Assistance Line project and updated the Ambulance Victoria response grid to enable a planned upgrade next year of the emergency dispatching system.

We met or exceeded most of our emergency call-taking and dispatch (CTD) performance benchmarks in 2019-20, despite a growth in demand of 6.9 per cent.

We recognize the amazing contribution in a challenging year of all our team at ESTA. Our team provides the critical 24-hour service to the Victorian community and includes our call-takers and dispatchers, Team Leaders and managers, our training and development and ITS people, Finance, Managed Services and all the other vital areas of our support team, as well as our Board members and management team. 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



mission, vision, values and community



**#BOLD
#KIND
#BETTER
TOGETHER**

esta.workplace.com

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 2019-20 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
- > Victorian Government
 - Minister for Police and Emergency Services
 - Minister for Health and Ambulance Services
 - 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
- > Commonwealth Government
- > Department of Communications and the Arts
- > Australian Communications and Media Authority.



esta's corporate plan



In 2019, ESTA created the Integrated Strategic Plan 2023 (ISP2023) as an overarching strategy that aligns with ESTA's vision and aspiration.

The ISP2023 comprises 15 strategic responses aimed at delivering three main outcomes:

- > getting ready, which focuses on clearing legacy issues that prevent advancement
- > starting the journey, which involves increasing ESTA's capability and services to meet community and sector expectations

- > stepping into the digital future, which is supporting new services to meet community and sector expectations.

ESTA's annual Corporate Plan supports the Integrated Strategic Plan, outlining what will be achieved for the year. The 2019-20 Corporate Plan represented the first year's activities for our ISP2023, with the focus on getting ready by:

- > reducing risk arising from the current state of our technology, facilities and assets
- > building stakeholder confidence in our ability to support their services
- > strengthening our workplace culture.

It also outlines the need to maintain operational performance in an environment dominated by growth in demand, and to continue to improve ambulance dispatch speed and compliance with the time-to-dispatch standard.

Operational performance

The past financial year was marked by a strong growth in demand in the first eight months, culminating in the most difficult bushfire season in a decade, and followed by the unprecedented COVID-19 pandemic.

In that environment ESTA:

- > absorbed a growth in demand of 6.9 per cent without affecting any key operational performance standard
- > maintained a strong availability of triple zero and Operational Communications capabilities during the disastrous fire season; this supported performance above standards for call answer speeds in both December and January
- > significantly increased dispatch speed for ambulance code one calls, with a compliance rate improving throughout the year to a monthly high in June of 88.1 per cent – a 2.7 per cent rise from other months. We have not reached that level of performance since 2011.

ISP 2023 Strategic objectives

ESTA met some significant milestones in its strategic objectives:

Reducing risk arising from the current state of our technology, facilities and assets

- > We have successfully transitioned call-taking and dispatch operations to our new State Emergency Communications Centre at Williams Landing. This will support the continuity of the triple zero service and rebalance our work across all three centres to maximise performance and improve resilience
- > We have reduced our exposure to key ICT risks by introducing cyberthreat detection capabilities and improving our disaster recovery practices
- > The Victorian Government has supported our CAD sustain budget submission, enabling us to deliver the upgrade as planned this November and to pursue implementation of an integration layer and improved cybersecurity.

Building stakeholder confidence in our ability to support their services and strategies

We have:

- > supported the successful delivery of Fire Rescue Victoria fire services reform
- > supported the effective launch of the Police Assistance Line
- > improved our project management capabilities, reducing risk significantly on key projects
- > eliminated coverage deficiencies at the MCG, the Melbourne Tennis Centre (MTC) and AAMI Park and the EAS core network upgrade refresh
- > delivered more than 40 operational changes to support the agencies' response to COVID-19.

Strengthening our workplace culture

We have:

- > signed a new Enterprise Agreement for our operational employees, which was also an opportunity to agree on payment practices and address payment issues which occurred in the previous year
- > improved our employee experience by rolling-out ESTA Connect, giving our operational employees access to the internet and ESTA Corporate services directly from their desks
- > trained our leaders on the management of mental health and raised their awareness of unconscious bias, and key diversity and inclusion topics
- > committed to a semi-daily communication with our employees about our responses to the COVID-19 pandemic.

All these actions have contributed to a 32 per cent improvement in our 'cultural entropy' score since the previous survey.

Starting the journey and stepping into the digital future

We have:

- > improved our location services by giving access to Google maps to our call-takers and dispatchers
- > implemented AI-assisted dashboard and coaching tools to support live insights on ESTA's demand, risks, and improvement opportunities; this has allowed continuous performance since the COVID-19 crisis.



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

ISP Strategic Responses

ISP2023 consists of 15 strategic responses each designed to meet ESTA's long term vision. The responses are aligned to each of our five goals.



GOAL	Goal 1: To save lives and prevent harm through speed and accuracy in emergency operations	Goal 2: To achieve a high performance culture and provide a safe and rewarding experience for ESTA's people	Goal 3: To inform, support and deliver sector and agency initiatives and reforms	Goal 4: To deliver the best outcomes for the community by managing and prioritising resources	Goal 5: To deliver consistent and reliable services by building organisational capability and resilience
STRATEGIC RESPONSE	<p>Community centric: We provide a high quality service to the community by seeking their feedback and aligning their expectations with the ESOs.</p> <p>Continuous innovation: We improve our services through the incremental introduction of modern technologies.</p> <p>Digital channels: We introduce new digital services to support voice channels. The community can request assistance and provide situational awareness anywhere, anyhow, anytime.</p>	<p>Optimised operating model: We will design and implement an operating model that allows for high performance, continuous improvement, and agility. Our workforce is engaged, diverse, and flexible, reflective of the community we serve.</p> <p>Safe and well: We understand our health profile and embed a strong wellbeing focus with an emphasis on early intervention. We equip our people to know how and when to access support.</p> <p>Connected by purpose and make a difference careers: We are a team with a singular purpose. Together, we make this a great environment to work. We recognise engagement happens at the individual level. Our careers make a difference, they are unique and rewarding. We have options and pathways that support individual aspirations.</p>	<p>Effective delivery: We deliver on our commitments through a delivery capability that enables more frequent change with improved quality.</p> <p>Interoperability: We securely share information with the ESOs and provide them richer insights for strategic and operational decisions.</p> <p>Effective partnerships: We partner with the sector to improve the governance and funding of Emergency Communication Services.</p>	<p>Lean organisation design: ESTA is a lean organisation that continuously generates efficiencies.</p> <p>Estate management: ESTA has appropriate facilities to deliver our services for the foreseeable future.</p> <p>Asset and contract management: We optimise our investments and align them to operational demand.</p>	<p>Digital core: We sustain and respond to the expectations of the users of our services, by leveraging modern technology and reducing operational costs, while not compromising reliability and security.</p> <p>Vital community service: Our operations services continue to deliver under adverse or abnormal conditions.</p> <p>Information management: We have information management capabilities and tools that meet community, agency and our people's expectations.</p>

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ESTA's Executive Leadership Team at 30 June 2020

CEO and Acting Executive Director Operations – Marty Smyth

Chief Financial Officer – Jim Strilakos

Executive Director People and Culture and Reputation – Ari Cassarchis

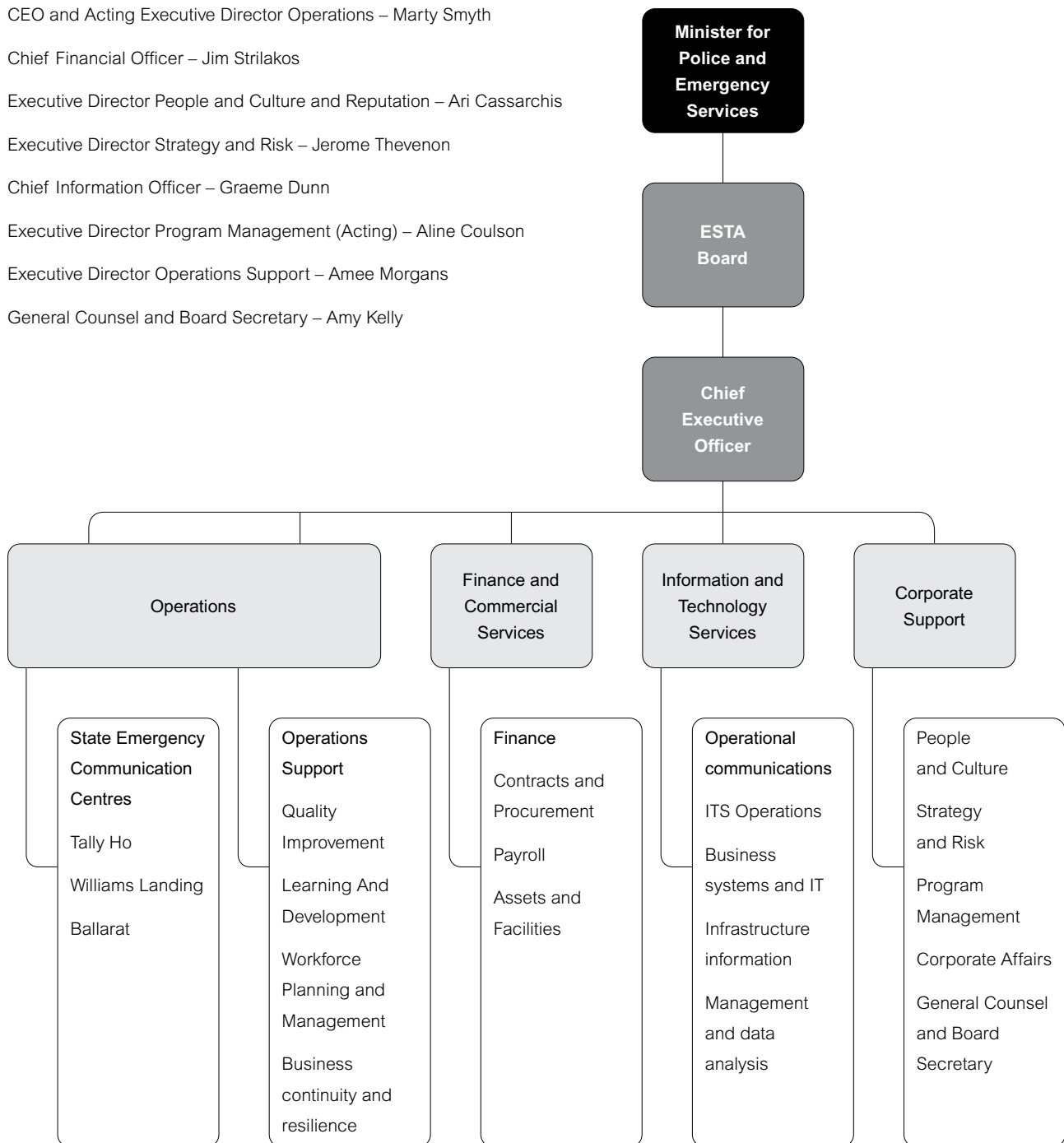
Executive Director Strategy and Risk – Jerome Thevenon

Chief Information Officer – Graeme Dunn

Executive Director Program Management (Acting) – Aline Coulson

Executive Director Operations Support – Ameer Morgans

General Counsel and Board Secretary – Amy Kelly



about esta



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 2.7 million calls for assistance in 2019-20; on average, this is a call every 11 seconds or more than 7600 a day.

Almost 1.9 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 almost 31 million radio calls over the Metropolitan Mobile Radio Service (MMR), more than three 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 multi- agency response and is committed to providing the operational communications services and support that the emergency services need, when and where it is needed. ESTA's staff are deeply committed to the community they serve and are among the most dedicated and highly skilled in their field. Call-taking and dispatch services are delivered from three State Emergency Communications Centres (SECCs) at Ballarat, Burwood East and a new purpose-built facility at Williams Landing.

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.



performance



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.

ESTA's performance standards comprise qualitative and quantitative 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 2019-20, ESTA received more than 2.7 million calls for all emergency, operational and non-emergency calls. This represents an increase of 6.9 per cent on last year and 9.4 per cent over the past four years. ESTA has met its 90 per cent benchmark of calls being answered within five seconds. ESTA dispatched more than 2.2 million events for all emergency services, which represents an increase of 0.7 per cent on last year.

Call-taking and dispatch (CTD) service performance

The Inspector-General for Emergency Management (IGEM) monitors performance standards for ESTA's call-taking and dispatch operations.

Quantitative performance

ESTA met or exceeded most of its emergency call-taking and dispatch (CTD) performance benchmarks in 2019-20.

Victoria Police

ESTA:

- > exceeded the performance benchmark of answering 80 per cent of emergency calls in all 12 months
- > answered 84.6 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 92.6 per cent of priority one Victoria Police events within the state-wide benchmark time of 160 seconds.

Ambulance Victoria

ESTA:

- > answered 93.6 per cent of calls – on a state-wide basis – within five seconds in all 12 months of the year
- > answered 96.1 per cent of ambulance non-emergency patient transport calls within 30 seconds
- > dispatched 85.8 per cent of code one events across the state within the metropolitan benchmark time of 150 seconds. 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 95.5 per cent (CFA) and 94.9 per cent (MFB) of emergency calls within five seconds
- > dispatched 93.9 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 a cumulative 12-month performance of 93.3 per cent of CFA priority one events dispatched within the benchmark
- > did not meet the CFA priority three dispatch standard in any individual month; the cumulative 12-month performance of 88.2 per cent is below the standard of 90 per cent of events dispatched within timeframes.

VICSES

ESTA:

- > complied with the emergency call answer speed performance benchmark in eight of the 12 months
- > achieved 80.8 per cent as the 12-month cumulative emergency call answer speed 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 2248 in one day, at an average of 88 calls a day; 14 days in the year exceeded 500 calls and three exceeded one thousand calls.

Fire Rescue Victoria

In one of its key priorities for the year, ESTA supported the implementation of the new agency, Fire Rescue Victoria (FRV). FRV combines MFB and CFA career firefighters in one organisation, serving metropolitan Melbourne and major regional centres. It will operate 85 stations across the state and support volunteer response where required.

This reform was a huge and challenging undertaking for the affected agencies, including ESTA; we changed our Standard Operating Procedures (SOP), radio call signs and data, and renamed stations and appliances in our system.

Our fire call-takers and dispatchers (CTDs) showed great effort and flexibility in completing the necessary training while continuing to serve the community, and the workplace trainers (WPTs) and subject matter experts were tireless in delivering the necessary training and support. The FRV project team showed amazing persistence in managing many stakeholders, sometimes with conflicting agendas and priorities.

CTD quality performance



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

Potential adverse events

ESTA's processes enable it to identify potential adverse events which require review and support continuous improvement. The QIT reviews all cases and assigns one or more risk categories in line with IGEM's risk methodology framework. Events with a high impact or critical risk assessment require reporting to IGEM.

As shown in figure one below, of the 435 ESTA-generated Event of Interest notifications received in 2019-20, five were classified as high risk and, therefore, required notification to IGEM.

ESTA received 923 agency-generated adverse event notifications or 'observation reports' in 2019-2020, which was a slight decrease from the previous year. ESTA has recently reviewed and revised the current observation report policy, which should help to further define and streamline the overall process.

Potential Adverse Events – 1 July 2019 - 30 June 2020

ESTA-generated Events of Interest – 435

Agency-generated observation report – 810

ESTA public complaints – 95

Triple zero and data governance

Requests for audio and related information – 620

Audio requests for Emergency Services Organisations (ESOs) – 668

CTD quality performance

The ESTA QIT collects quality data and trend analytics to identify opportunities for continuous improvement. IGEM has observed that in the past year, the quality of ESTA's services has improved, and its adverse event risk profile reduced.

Quality performance

Key performance indicator	Description	Number of audits	Compliant (%)	Target
All service delivery audits	% compliant	22,942	95.70	90
Ambulance emergency call-taking service delivery audits	% compliant (call-taking and call-backs)	3271	94.30	90
Ambulance emergency dispatch service delivery audits	% compliant (dispatch and post-dispatch)	1595	96.30	90
Ambulance non-emergency call-taking service delivery audits	% compliant (call-taking and call-backs)	1026	95.30	90
Ambulance non-emergency dispatch service delivery audits	% compliant (dispatch and post-dispatch)	285	98.29	90
Police call-taking service delivery audits	% compliant	7046	95.80	90
Police dispatch service delivery audits	% compliant	4308	95.0	90
Fire call-taking service delivery audits	% compliant	1908	93.5	90
Fire dispatch service delivery audits	% compliant (dispatch and turnout dispatch)	3503	98.20	90

PAL

ESTA supported Victoria Police with the delivery and closure of the Police Assistance Line and Online Reporting platform (PAL and OLR), which provide the Victorian community with two additional channels to report non-urgent crimes and events.

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.

In 2019-20, ESTA transferred 43,396 calls to PAL. Meanwhile, PAL to ESTA transfers totalled 110,606.

operations support



Continuous improvement

Over the past two years, ESTA has reviewed the governance of its Standard Operating Procedures (SOP). This year, we delivered the SOP policy and framework, which help ESTA operators make informed decisions and follow agency processes; they also enhance their service to the community and emergency services organisations.

In all other Australian jurisdictions, each emergency service has its own emergency communication capability. The ESTA

model of centralised emergency services communications and coordination provides a greater opportunity for cross-agency information sharing. This year, ESTA delivered sector-wide protocol changes to optimise communication between the agencies about scene safety, keeping agency staff and the community safer together.

We also focused on reducing the impact of nuisance callers. ESTA has worked with Victoria Police to improve workflows and collect information to help prosecution. This will reduce the amount of re-offending nuisance callers significantly.

Emergency management

With the increased incidence and severity of large emergency events in Victoria, ESTA has developed a framework for profiling them and modelling their impact on the demand for emergency services. Through this modelling, ESTA can interpret changing weather and incident information quickly, apply a profile and use sophisticated workforce planning software to forecast emergency services call volume demand. The forecasting is highly specific, with call volumes estimated for each agency, in 15-minute intervals, coupled with estimates of staff requirements to deliver optimised emergency call-taking.

Where the forecast outcomes result in (or necessitate) a change of ESTA resourcing, the ESTA Critical Incident Response Protocol (CIRP) is also activated. ESTA analyses the available information and liaises with internal and external stakeholders – including the State Control Centre (SCC) – to gather intelligence and make informed predictions about the incident's impact

and consequence. Activation of the CIRP enables a scalable emergency response and links into the SCC to allow central coordination.

Activation of Critical Incident Response Protocols:

CIRP level	Date	Cause
1 – respond	2/5/2020	Severe weather
2 – prepare	1/2/2020	Severe weather
1 – respond	14/2/2020	Severe weather
1 – respond	18/2/2020	Severe weather
1 – respond	19-20/1/2020	Severe weather
2 – prepare	15/1/2020	Severe weather
1 – respond	4-5/1/2020	Bushfire
2 – prepare	30-31/12/2019	Bushfire
1 – respond	20/12/2020	Bushfire
2 – prepare	8-9/8/2019	Severe weather
2 – prepare	21/11/2019	Code red
1 – respond	1-2/11/2019	Severe weather

CAD Sustain

The Computer Aided Dispatch (CAD) system provides critical support for ESTA's call-taking and dispatch operations. One of ESTA's key strategic priorities in 2019-20 was upgrading the current system software to make it more stable and secure for the future.

The upgrade will also:

- > *provide a technical refresh of hardware that will reach the end of support this year*
- > *enable a more strategic decision-making process and analysis for future CAD transformation*
- > *develop a cyber-security layer to ensure a contemporary approach to risk mitigation and treatment.*

Engaging KPMG as a program delivery partner, ESTA has worked closely with the CAD supplier and the agencies on the upgrade, which is scheduled to go live in November.

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

Bushfires

A large, four-day bushfire exercise in 2018-2019 led to an emergency management capability improvement, which was just in time for the 2019-2020 bushfire season. ESTA's operations resilience team has worked tirelessly with Victoria's emergency management agencies, fire services and the Department of Health and Human Services to provide optimal service delivery for the community under extreme bushfire and pandemic conditions. ESTA has worked seamlessly with its emergency services partners to ensure the safety of emergency services staff and the proper coordination of resources. ESTA has supported whole-of-government information and intelligence sharing, providing an Emergency Management Liaison Officer to the State Control Centre to facilitate state-wide emergency coordination and intelligence.

ESTA has reviewed operational performance in response to the 2019-2020 bushfires and contributed to the IGEM Inquiry into the 2019-20 Victorian Fire Season and the Royal Commission into National Natural Disaster Arrangements to help improve the Victorian and Commonwealth governments' support for affected communities.

Leveraging technology to support the community through COVID-19

ESTA developed the Emergency Caller Automatic Notification (ECAN) program. ECAN monitors CAD events and sends messages via SMS (see below) to callers with additional information. During COVID-19, callers with specific event types received details that directed them to the coronavirus helpline and the Department of Health and Human Services. After the pandemic, ECAN will help ESTA improve connection to the community and the emergency services sector.

Text Message
Today 11:20 AM

Message from Ambulance Victoria :
As you called 000 about
Coronavirus, Ambulance Victoria
suggests you contact the Vic
Coronavirus Helpline on [1800 675 398](tel:1800675398) or visit www.dhhs.vic.gov.au/coronavirus.
Reference - E20040310483
DO NOT REPLY

Managing people

This year ESTA has managed to facilitate a record amount of training for operational staff, supporting pandemic response protocols, caller screening for COVID-19 and staff orientation for new systems and technology. ESTA's workforce management practices are world class, and this year we have showcased our knowledge with organisations including the Australian New Zealand Emergency Management Conference (ANZEMC) New South Wales Ambulance and the Victorian Police Assistance Line.

strategy and risk



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

Strategy and Architecture

The Strategy and Architecture team has led the development of the ISP2023, which charts the organisation's vision for the next four years. During 2019-20, the team focused on enabling the organisation to achieve ISP2023's priorities and on reviewing

ISP initiatives and responses to ensure ESTA is well-positioned to deliver our outcomes. This has included:

- > developing a business case for CAD Sustain
- > supporting the initiation of key Corporate Plan programs
- > reviewing and adapting plans to account for changes in the environment (including managing key events such as the 2019-20 bushfires and COVID-19).

The team has also helped ESTA prepare for the next stage of ISP2023, prioritising service improvements in digital channels and information management.

Data Science

The Data Science team has focused on automating the production of strategic insights, with the implementation of a new platform, which has artificial intelligence capabilities and can respond almost immediately.

COVID-19 has forced ESTA to change system monitoring frequency from monthly to daily and, sometimes, to near real-time. To that end, the team has migrated strategic reporting and insight on to the new platform.

The team has started to extend this new technology to provide insights for operational performance improvements and has enabled significant gains in code one performance.

Additionally, the team has continued to contribute to provide evidence and insights for strategic business cases and projects like the CAD Sustain program.

Enterprise Risk and Assurance

The Enterprise Risk and Assurance (ERA) Team continued to work to improve ESTA's risk culture, expanding the number of risk champions and establishing them as a risk 'coaching' group, focusing on risk awareness and communication.

ERA also worked on key programs like CAD Sustain, cybersecurity, disaster recovery and information management to enable them to deliver effective risk reduction. Working with the Data Science team, ERA provided risk structure, tolerance and forecasting of key risks as inputs to ESTA's COVID-19 response plan.

The team also continued to help improve the quality and consistency of ESTA's practices. It focused on the communications of ESTA's policies, improved the reporting of potential compliance incidents and supported PwC in the delivery of ESTA's 2019-20 Internal Audit Program.

Williams Landing relocation

In June 2020, ESTA moved its police and VICSES operations from the World Trade Centre at Docklands to a new, purpose-built facility in Williams Landing.

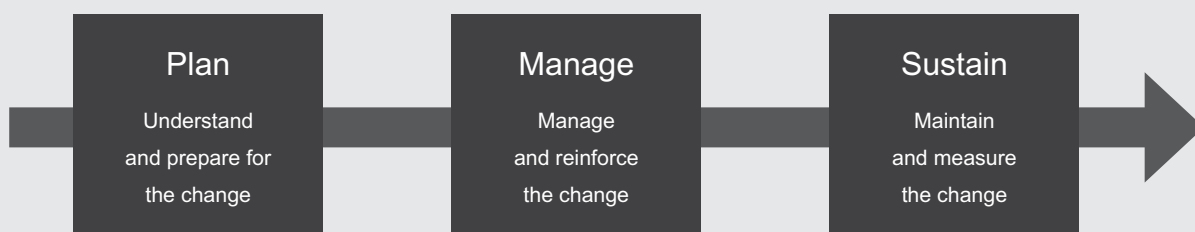
The move enhances ESTA's ability to respond to calls for police and VICSES help, especially during major incidents. It will improve our operations resilience and redundancy capacity, so we can keep operating when there is a significant problem at one of our centres.

It will also improve our capability to manage the agencies' communications and enable ESTA to move towards its goal of having multiple services operating at each of its centres.

The state-of-the-art centre was built for our 24-hour, seven-day a week workforce. Designed with involvement from operational employees every step of the way, it has improved staff amenity and room for our agency partners.

In the next 12 to 24 months, we will look to increase the centre's capability to include ambulance and fire services, which could generate more than 100 new job opportunities.

program management



ESTA restructured the former Strategic Partnerships and Program Management division to focus on the key strategic projects under ISP2023.

The streamlined Program Management department is responsible for the planning, delivery and reporting of all project and program activity. It provides shared program management office services and integrated pipeline and portfolio management. The Service Delivery team processes and implements requests for changes to the Operational environment.

A key activity of the department was the development and roll-out of the Project Management Framework and associated tools. Based on the Department of Justice and Community Safety Project Management Excellence (PME) framework, it is aimed at guiding ESTA in the development and implementation of projects.

Project Management also developed portfolio reporting, which increased the visibility, transparency and accountability of all the projects in its remit.

The department oversaw the:

- > delivery of Police Assistance Line
- > delivery and closure of Hours of Work project
- > building and commissioning of the Williams Landing communications centre
- > planning and building of CAD 9.4
- > planning, design, building and testing of fire reform changes
- > planning, design and delivery of various cybersecurity initiatives
- > development of a disaster recovery strategy
- > planning, design, building and testing of a workforce management system upgrade
- > planning and updating of the Ambulance Victoria grid to enable a ProQA upgrade in 2020-21
- > development of a business case and procurement of a fit-for-purpose solution to manage fire alarms
- > development of business requirements and planning to integrate Advance Mobile Location into CAD
- > planning to implement Mobile Data Network 2020 for AV
- > development of a business case to replace the current intranet.



people



Overview

ESTA took significant steps in implementing the ISP2023 and improving the working lives of our people.

Leadership development

We engaged Melbourne Business School to deliver a bespoke leadership development program, aimed at developing a psychologically flexible workforce, change readiness, an inclusive culture and enhanced leadership capabilities.

Eight leaders completed the Diploma of Leadership and Management through Monash University and three senior women completed the Executive Ready program through Women & Leadership Australia.

Culture

We embedded the ESTA values (introduced in 2019) into our reward and recognition program, Employee Value Proposition, performance management processes and a range of other initiatives. We also established a change champion network to support ISP2023 developments.

Career

ESTA introduced LinkedIn Learning, making licences available to our people to help develop their skills for their current roles and capabilities that will be needed as the triple zero service evolves. We also drafted succession plans for executive and key roles.

Diversity & Inclusion

We have renewed our commitment to creating a diverse and inclusive organisation, with a Diversity and Inclusion (D&I) statement endorsed by the ESTA Board. We also endorsed and implemented ESTA's Diversity & Inclusion Action Plan for 2019-2020, and established executive champions and a Diversity & Inclusion Council.

To enhance individual awareness and organisational maturity, ESTA developed education workshops and webinars on topics including: unconscious bias; LGBTIQ inclusion; disability confidence; cultural awareness and reflective anti-racism training, and Aboriginal cultural awareness and cultural safety.

We developed enhanced gender equity reporting and set targets. ESTA participated in International Women's Day, helped establish the Emergency Management Pride Network, participated in the Midsumma Carnival and Pride March and the Barring Djinang internship program, and joined the Australian Network on Disability.

ESTA Learning Centre

One of ESTA's highlights of the year was winning the Large Employer of the Year Award at the 65th Victorian Training Awards.

The ESTA Learning Centre delivered 33 accredited training courses (186 learners) through the ESTA Registered Training Organisation. This included 21 call-taking courses and 13 dispatch courses with an overall classroom success rate of 89.8 per cent.

We have also put 156 learners through CPR courses and our training evaluation satisfaction rate is more than 90 per cent. ESTA has released 59 new training packages/ESTA Learning Portal courses, including for Fire Rescue Victoria. Our coaching program to support AV Total Time to Dispatch was successful for the first time in 10 years.

NB: It is a condition of registration as a Registered Training Organisation, that ESTA complies with the minimum conditions and standards and any guidelines for registration. This includes the Australian Quality Training Framework Essential Conditions and Standards for Continuing Registration (AQTF) and the VRQA guidelines for VET providers. An independent audit – conducted

remotely from March 12 to April 14 – assessed ESTA's compliance against these standards for renewal of registration. The final audit report indicates minor non-compliance with the AQTF and non-compliance with elements of the VRQA Guidelines.

Enterprise Agreements

In March 2019 ESTA successfully reached in principle agreement on a replacement Operational Employees Enterprise Agreement (Agreement). This saw the parties agree on:

- > 2.5 per cent yearly pay increases for the life of the Agreement
- > the introduction of a new classification structure to take effect from August 2020
- > ESTA's ability to recruit 15 per cent of new call-takers on non-standard rosters.

In April 2020, the ESTA Operational Agreement was assigned to Fair Work Commissioner Deputy President Young for approval. He requested additional information and undertakings from ESTA, which we provided. The Fair Work Commission approved the Agreement on 23 April 2020, with an effective date of 30 April 2020.

The Support Office Enterprise Agreement (Agreement) is due to expire in June 2021, with bargaining for a replacement Agreement to start in late 2020 or early 2021. ESTA has begun developing its management log of claims that looks to align several clauses from the Operational Agreement and the Support Agreement to ensure consistency across the business units.



Safety

As part of a commitment to our people's physical and psychological safety, ESTA participated in the government's Provisional Acceptance Payment Pilot, phase three of the Beyond Blue *Answering the call* project and the WorkWell Learning Network, facilitated by the Emergency Services Fund and funded by WorkSafe Victoria.

We also completed a desktop audit of ESTA's OHS management system, refreshed our Health Safety and Wellbeing Policy and

developed a formal, two-tier OHS committee framework to support organisation-wide consultation.

ESTA enhanced our support services, information and on-site psychology presence during the Victorian bushfires, and introduced extensive physical and psychological safety measures in response to COVID-19.

We increased our participation in the annual influenza vaccination program from 412 employees in 2019 to 524 in 2020. A total of 168 people underwent the Mental Health Literacy People Leader Training.

COVID-19 response

ESTA activated its pandemic plan, following the Department of Health and Human Services' (DHHS) activation of its plan. As a statutory authority, ESTA is aligning with DHHS in implementing the various levels of the pandemic plan and the accompanying protocols.

We prepared a four-stage plan to guide ESTA's response to the emergency over the next few months:

- > *stage one, which we're enacting, is preparing ESTA for the basic response to the emergency*
- > *stage two anticipates the disease being contained, but the risks growing, with more cases daily*
- > *stage three anticipates the disease becoming increasingly difficult to contain*
- > *stage four involves sustained transmission and an unprecedented response from ESTA, in our capacity as an essential service.*

We have re-prioritised internal teams to focus on intelligence and planning for the response – working with the government and our agency partners and using the experiences of our European counterparts. Meanwhile, our other teams are continuing to keep the business running. Our service delivery has not been affected.

The ESTA Crisis Management Team is meeting weekly to ensure governance, decision-making and operational monitoring of the pandemic as it evolves. We created an ESTA Coordinated Response Group to ensure a consistent approach across the organisation and recommend actions to keep our people safe. And we created a Return to Work group to prepare for an eventual return to on-site work for support people. We are also participating in Victorian Government forums via Emergency Management Victoria to support service delivery to the public during the outbreak.

We have also developed a loss of workforce plan to mitigate impacts should ESTA people be affected and looked at possible alterations to CTD processes to address the ongoing issue.

To ensure the health and wellbeing of everyone working within or visiting any of our State Emergency Communication Centres (SECC), we have taken numerous steps, including:

- > *implementing 24-hour cleaning and use of bio-hazard cleaners*
- > *suspending all non-essential visits to the SECCs*
- > *implementing body temperature testing before entry at any SECC (starting soon)*
- > *ceasing hot desking at all SECCs and ensuring minimum 1.5m distance between workstation seating positions*
- > *directing support team members to work from home, unless in critical roles requiring SECC attendance*
- > *changing meetings to via tele/video conference where possible*
- > *establishing a COVID-19 Wellbeing Working Group, with members from Operations and Support across the three SECCs.*

community engagement



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.

Culturally and Linguistically Different (CALD) campaign

The Victorian community is one of the most culturally and linguistically diverse (CALD) societies in the world. According to 2016 ABS census data, more than 1.6 million Victorians were

born overseas. Of those Victorians born overseas, 77.7 per cent, or 1.3 million, come from non-English speaking countries. This is the highest proportion among Australian states and territories.

In line with ESTA's 'Community centric' strategic response, we created an engagement strategy to communicate to CALD communities about how to contact triple zero and what to expect. A better understanding of the triple zero process and the knowledge of availability of language interpreters, will help make triple zero more accessible to CALD communities.

The campaign also hopes to recruit multilingual people from ESTA to act as community speakers for these initiatives, to promote the existing diversity of the workforce at ESTA and improve internal engagement.

#Iam000 podcasts

ESTA created a podcast series – 'I am 000 – stories from Victoria's emergency triple zero service' to highlight the critical work we do for the community and tell the stories behind some of the calls. The podcasts give rare access to real-life triple zero calls and the people behind them – the callers, patients, triple zero operators and emergency services, sharing their stories and experiences from each case.

Junior Triple Zero Hero Awards

COVID-19 restrictions forced ESTA to modify its flagship annual community engagement event – the Junior Triple Zero Hero Awards – significantly.

The awards recognise young people for their bravery and clear thinking in emergencies.

However, for the first time in 15 years, the formal award ceremony could not be held because of the restrictions; instead the 12 young heroes received their medals and certificate in the mail, with recorded video messages from the Police and Emergency Services Minister Lisa Neville, the Emergency Management Commissioner Andrew Crisp and the ESTA call-takers who took their calls.

Special Delivery

Every year, ESTA's call-takers help deliver – on average – more than 100 babies over the phone, providing the vital guidance and reassurance parents need while they wait for an ambulance. Some deliveries occur on the side of the road, at a bus stop, service station or on a driveway. Some of our operators have delivered more than a dozen babies.

Last year, we decided to celebrate this with a formal event uniting the parents with the call-takers who helped them. Called Special Delivery, the event reunited eight families with their call-takers, who shared some of their incredible stories.

Enterprise social media

ESTA extended the Workplace internal communications platform to more than 1150 employees to help its people and teams be more connected. A total of 130 groups have formed to collaborate, access updates, chat and use instant messaging, and engage in conversations across the workplace.

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 13 per cent; the number of Twitter followers grew by 8 per cent and Instagram by 35 per cent. ESTA also increased its focus on using LinkedIn to tell ESTA stories, which resulted in a 52 per cent increase in subscribers.

Community engagement

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 continued its participation in the Royal Children's Hospital Good Friday Appeal telethon, taking calls and volunteering; this year ESTA's people raised almost \$5000.



information technology services



We provided essential support for ESTA in 2019-20, enabling the organisation to achieve its major strategic objectives.

Our focus was on supporting ESTA's three flagship projects: the Williams Landing relocation; the upgrading of the CAD system and the implementation of Fire Rescue Victoria.

However, our greatest achievements were helping enable ESTA's COVID-19 response and enhancing our relationship with agencies and building credibility and trust, which led to sector acknowledgement that the relationships had improved, and recognition from the ESTA Board.

COVID-19

ESTA received more than 60 COVID-19 change requests from the agencies to help them respond to the pandemic. This produced closer working relationships between technical teams for shared benefits.

To allow our Support Office team members to work from home, we rolled out several tools, including a new Virtual Private Network (VPN) service and collaboration platforms Microsoft Teams and Jira. We also began implementing the ESTA connect

program, which provides Operations team members with the tools to engage more easily with their Support counterparts and the agencies.

Cybersecurity

In response to increased cybersecurity threats globally, we have been working closely with the Victorian Government Cyber Safety Unit on reviewing our cybersecurity measures.

Consequently, we have taken several steps to reduce risk and increase our protection, including proactive threat hunting, cloud security – especially for email services, penetration testing, firewall hardening and introduction of an interactive log-on warning and multifactor authentication.

ITS systems availability

ITS Service Line	ITS Application / System	2016/17 Availability	2017/18 Availability	2018/19 Availability	2019/20 Availability	2019/20 Target
ITS BS	Unplanned CAD Technical Service Availability	100.00%	99.90%	100.00%	100.00%	99.80%
ITS BS ¹	CTD SECC Operational CAD Service Availability		99.75%	99.83%	99.76%	
ITS OPS	Wide Area Network (WAN)	100.00%	100.00%	100.00%	100.00%	99.80%
ITS OPS	Local Area Network (LAN)	100.00%	100.00%	100.00%	100.00%	99.80%
ITS OPS	Corporate Applications	100.00%	100.00%	100.00%	100.00%	99.80%
FCS - MS ²	MDN - 'CORE' Component Availability	100.000%	99.984%	99.989%	99.990%	99.90%
FCS - MS	EAS - Central Message Processing	99.994%	99.996%	100.000%	99.996%	99.999%
FCS - MS ³	NEC Genesys Telephony	100.000%	100.000%	100.000%	100.000%	99.80%
FCS - MS ⁴	MMR - Serv C - Central Equipment	100.000%	100.000%	100.000%	100.000%	99.995%

1 (CTD SECC) The overall impact to CTD CAD Operational availability for 2018-19, which takes into account planned works when CTD had to transition to manual operations

2 (MDN) While the router came back on-line and provided routing between the Motorola and ESTA networks, the router was incorrectly applying its Access Control List (ACL) and blocking traffic initiating from the ESTA side where the I/MDT servers are located.

3 (NEC) On Sunday, 18 November 2018; an incident occurred where MDN access to the AVCAD1 service was not available for two minutes.

4 (MMR) On Wednesday, 8 May 2019, an incident occurred where MDN access to CAD services was unavailable following network interruptions as a result of ESTA's emergency network change (Nexus switches).

Improving performance

We improved the performance of ESTA's information technology function by automating some tasks, such as testing and mapping. We also created a Digital Technology Roadmap, contributed to the creation of the ESTA Disaster Recovery Plan and supported many ISP and other initiatives.



managed services



ESTA's Managed Services section provides contract management services for the Operational Communications contract on behalf of the state and the Emergency Service Organisations. Managed Services 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.

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

Telephony

Our focus was the transition of call-taking and dispatch operations from the World Trade Centre to the new site at Williams Landing, which included the implementation of new telephony technology – moving from the traditional ISDN service to a Session Initiated Protocol (SIP) format.

The transition succeeded, with the final cutover in late May. We are starting to transition ESTA's other two sites at Tally Ho and Ballarat sites to SIP. Work has also progressed on changing Non-Emergency Patient Transfer from being a facsimile-based process to an on-line email process; this is scheduled for implementation in the latter half of 2020.

Metropolitan Mobile Radio (MMR)

The MMR Extension Project provided several new initiatives, including the replacement of the MMR radio terminal fleet, the introduction of a proof of concept trial (WAVE), enabling mobile phones to receive radio calls, and the introduction of a Location Management Service that will integrate location mapping with the MMR network.

We also finalised several radio coverage enhancement projects including: AAMI Park; Melbourne Tennis Centre; Maroondah Hospital; Epworth Hospital and the Victorian Cancer Centre.

Regional Mobile Radio (RMR)

Contract management of the RMR contract was transitioned to ESTA in July 2019, which resulted in the engagement of a dedicated RMR Service Delivery Manager and Contract Manager. ESTA and Telstra have established a solid working relationship through the new arrangement.

The RMR contract has been extended to 2025, with contract re-negotiations this year to include Ambulance Victoria (AV) regional operations. We have implemented several coverage enhancements, including the construction of new sites at Hastings, Mt Lady Franklin and Mt Major.

Mobile Data Network (MDN)

We executed a new MDN contract arrangement in December 2019, extending the service term to 2025. Victoria Police has transitioned off the MDN network to use its Blue Connect device program, leaving AV as the primary user of the network and reducing the overall transactions by 71 per cent.

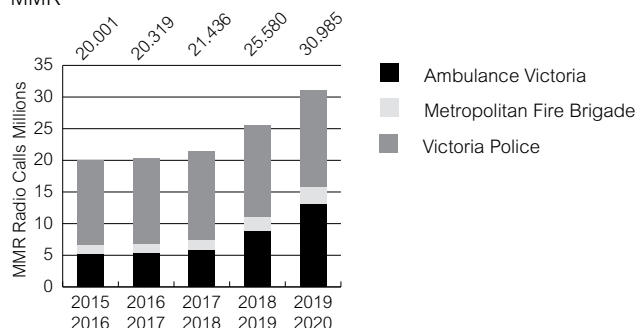
We have started implementing several new initiatives for AV in the new service term including:

- > dual public mobile broadband
- > vehicle-based mobility platform
- > vehicle navigation
- > customer-introduced devices and applications
- > over-the-air terminal programming.

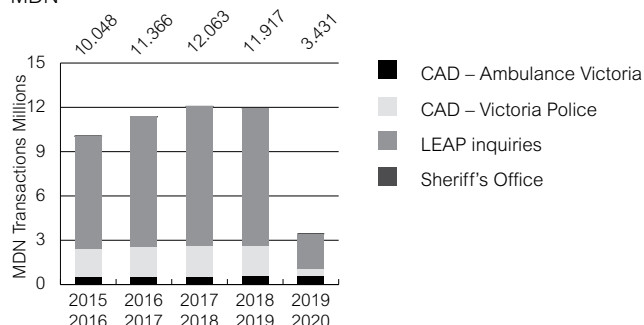
Emergency Alerting System (EAS)

The EAS Network capital refresh/upgrade included the replacement of various technical components at more than 220 transmitter sites, as well as the establishment of a new control site, disaster recovery site and laboratory. Further, a new prototype EAS pager, with additional end-user features was agreed by the ESOs and ESTA and is intended to be available for use later in the year. A new electronic data interface has also been developed, which will enable the progression of the State's Government's Supplementary Alerting Service (SAS). This initiative will enable incident alerting via an app on a mobile phone. Several regional coverage enhancement projects in Eskdale, Coleraine and the Bellarine Peninsula are in various stages of completion.

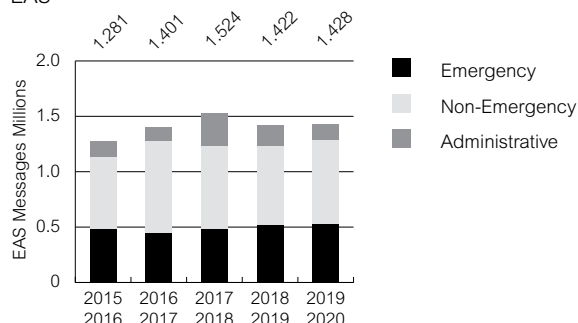
MMR



MDN



EAS



financial performance



ESTA's commitment to strong financial governance and support from government has seen its financial position continue to improve in 2019-20, and this has strengthened ESTA's capacity to provide critical services to the community.

In 2019-20 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 while responding to the COVID-19 crisis
- > 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, completion of the new State Emergency Communications Centre (SECC) at Williams Landing to replace the World Trade Centre SECC, and ensuring the transition to the new fire services model was operationally ready from 1 July 2020.

Financial Results

For 2019-20, the net result is a surplus of \$9.0 million, which is \$10.4 million higher than in 2018-19 (deficit \$1.4 million). This result was largely impacted by increased funding received for new operational communications contracts and lower costs associated with the free transfer of Emergency Alerting Systems (EAS) assets to the Department of Justice and Community Safety (refer Table one below).

ESTA's net assets increased by \$22.9 million to \$95.5 million at 30 June 2020 (\$72.6 million at 30 June 2019), reflecting the operating result, operational communications services funding and investment by government to establish the Williams Landing SECC.

ESTA's financial statements for 2019-20 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 Community Safety
- > projects – agency requested works that are recovered on a fee for service basis.

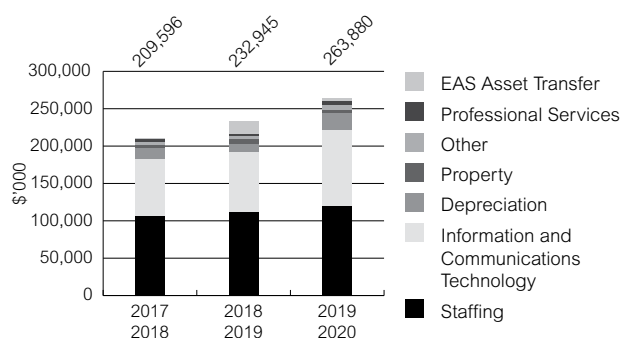
Table 1: Net result by Line of business*

(\$'000)	2017-18	2018-19	2019-20
Call-taking and dispatch	593	2689	1125
Operations Communications	27,418	(7100)	7374
Projects (fee for service)	(2068)	3042	474
Total Net Result	25,943	(1369)	8973

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

Total expenses in 2019-20 were \$263.9 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 new contracted payments under state managed contracts for operational communications. Depreciation expenses increased due to a change in accounting standards that operating leases previously expensed, now recognised as a right of use asset at the lease commencement date and depreciating the asset over the lease period. ESTA's underlying cost base is subject to significant year-on-year fluctuations in relation to the accounting of state managed contracts.

Total expenses



Cash and Liquidity

ESTA's total cash position at 30 June 2020 was \$75.3 million and has been maintained at the same level as the previous year.

The cash balance has reduced for capital committed projects as the build and fit-out of the new site at William Landing was completed in June 2020. Work continues on the CAD system project to improve call-taking and dispatch services with this investment to continue in the next year.

Cash held for state-sponsored contract commitments and blackspot remediation capital upgrade increased due to 'increased' contract commitments and funding held for planned future works.

CTD cash for employee entitlements, urgent and minor capital works and other operating costs has remained relatively unchanged and is maintained at prudent levels that 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.

Table 2: Cash Balance and Liquidity

(\$'million)	June 2018	June 2019	June 2020
State-managed contracts and committed government project funding	20.8	32.0	38.5
ESTA capital committed projects	-	12.0	1.7
Call-taking and dispatch (CTD)	28.4	29.9	35.1
Cash Balance	49.2	73.9	75.3
Number of weeks of cash (CTD)	9.5	10.0	11.7

environment



The nature of ESTA's 24/7, year-round operations contributes to its energy consumption. ESTA relies heavily on electrical equipment to provide call-taking and dispatch services to the community. The maintenance regime for its electrical and supplementary power sources helps improve the efficiency of these systems and minimise unnecessary power consumption.

In March, ESTA took possession of a new facility at Williams Landing, which is significantly larger than the one it replaced at the World Trade Centre. The World Trade Centre site was still operational at year-end while the transition to the new site took place.

Due to COVID-19, most Support Office team members worked from home from March. However, to support the requirements for social distancing for Operations staff, support facilities such as the kitchen and training rooms have become operational spaces, with the base building air-conditioning used 24/7 in support.

Paper consumption

Paper usage continues to decrease which reflects the change in habits around information storage. This is due to the clean desk policy and the implementation across all sites of 'follow me'

printing which allows printing only when the initiator is at the printer to collect it. Printing from devices is defaulted to black and white and double-sided. Support team members working from home has also lessened the printing demand.

Energy and fuel consumption

Electricity and gas consumption per FTE has decreased since last year, although overall energy usage has increased. ESTA's head-office (East Burwood) base building air-conditioning running constantly and a new larger facility at Williams Landing have created more demand.

Water

Water consumption decreased this financial year. This can be attributed to fewer significant water and sewer problems. The World Trade Centre site is in multi-tenanted buildings and is not metered separately. Consumption has been estimated on the percentage of building occupied for those premises and may not reflect ESTA's water consumption accurately.

Waste

ESTA's waste measurement is done by audit sampling – the proportion of recycling waste dropped to 28 per cent due to contamination of the recycled waste bins. There has been an increase in reporting on waste streams and it now includes organic, secure and sanitary waste. The waste per FTE remains unchanged at 72kg per FTE and the overall CO₂ equivalent (CO₂e) decreased.

Transport

ESTA has four corporate vehicles for its people to travel between the operating centres for meetings with suppliers or customers and to visit transceiver sites as part of their contract management obligations.

ESTA uses the Victorian Government travel supplier when booking any air or rail travel. This usage is included in the calculations of this report. There was a large decrease in the amount of air travel in this reporting period. That, combined with decreased pool vehicle use, has seen a significant drop in emissions, from 6485 to 1117 CO₂e

ESTA supports its employees in their use of public transport between sites and continuous use of video calls to reduce travel demands.

GHG emissions

ESTA's GHG emissions per FTE has decreased significantly, from 13.1 to 6.32 tonnes; this can be attributed mainly to reduced air travel in 2019-20.

Social procurement

In late 2019, ESTA introduced social procurement, a Victorian Government initiative that seeks to generate social value beyond the price of the goods, services or construction procured. ESTA's social procurement framework concentrates on the following areas:

- > Aboriginal businesses
- > disadvantaged people
- > people with disability
- > environmentally sustainable outputs
- > initiatives that address climate change.

For tender processes with an expected value between \$150,000 and \$1 million, suppliers are now asked to demonstrate their commitment to undertaking work to create social benefit for local communities and disadvantaged community members. For tenders above \$1 million, a proportion of five -10 per cent of the total weighting is to be applied in the final evaluation.

ESTA did not release any tenders that qualify for proportionate weightings, though nine tenders were released in 2020 that encouraged the adoption of social procurement activities and captured positive results from local suppliers.

For lower value engagements under \$150,000, ESTA has sought to utilise the services of social benefit providers where possible, for a wide range of diversity and inclusion programs; and the use of indigenous companies for catering, training, awards and smoking ceremonies, along with the purchase of indigenous artwork.



Emissions report

Environment Aspect	Description	Unit of Measurement	Fin. Year 2019 - 2020	Fin. Year 2018 - 2019
Paper	% Recycled	0-49%	75%	20%
	Use per FTE	Reams per FTE	2.06	2.29
	Total Use	Reams of A3 and A4	1847	1954
	Total GHG Emissions	Tonnes CO ₂ equivalent	6.45	6.82
Energy (Electricity, Gas and Diesel)	Use per FTE	Mega joules per FTE	21,745	22,097
	Use per square metre of office space	Mega joules per m ²	1435	1388
	Total Use	Mega joules	19,510,028	18,881,520
	Total GHG emissions	Tonnes CO ₂ equivalent	4486	4342
	Green Power	% Purchased	25	25
Water	Consumption per FTE	Kilolitres per FTE	7.09	9.70
	Total Consumption	Kilolitres	6365	8289
		Kilolitres per m ²	0.47	0.61
Waste	Generated per FTE	Kilograms per FTE	72	72
	Total Recycled	%	28	38
	Waste Disposed of by Destination (KG)			
	Landfill		64,680	61,535
	Commingled		13,148	13,109
	Organic		2469	N/A
	Secure Document		19,456	N/A
	Sanitary		332	N/A
	Cardboard/paper		12,941	22,847
	Total GHG emissions	Tonnes CO ₂ equivalent	57.05	74.15
Transport – Pool Cars and Corporate Air Travel	Fuel (petrol)	Megajoules	161,044	N/A
	Fuel (petrol)	Litres	4940	7095
	Operational Kilometres travelled	Km	57,837	82,653
	Vehicle emissions	Tonnes CO ₂ equivalent/1000km	0	0
	Air Travel Kilometres travelled	Km	79,659	192,748
	Air Travel emissions	Tonnes CO ₂ equivalent/1000km	14	33
	Employees using sustainable transport to get to work	% of FTE	6.13	N/A
	Total Travel GHG emissions	Tonnes CO ₂ equivalent	1117.35	6485.37
GHG Emissions	Total GHG emissions for Fin. Year	Tonnes CO ₂ equivalent	5667.17	13,152
	Total GHF emissions offset purchase	Tonnes CO ₂ equivalent	72	N/A
	Total GHG emissions per FTE	Tonnes CO ₂ equivalent	6.32	13
FTE	Total FTE count		897.2	854.5



corporate governance

Emergency Services Telecommunications Authority and Committees

ESTA's corporate governance is overseen by its Board, supported by five specialist sub-committees. One new Member was appointed to the Board during the year.

ESTA membership during 2019-20 comprised:

Ms Flavia Gobbo (Chair)

Appointed 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 Directorship with WorkSafe (Victoria). 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 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 serves as a Sessional Member on the Victorian Civil and Administrative Tribunal's Occupational and Business Regulation List and is a Member of the Patient Review Panel. 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 is also an Independent Decision Maker for the National Redress Scheme 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 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 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 and is a Graduate of the Australian Institute of Company Directors, 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 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 a Member of ESTA in July 2018, Fiona Green is an executive, Board Member and advisor with deep experience on technology complex programs and digital and business transformation. Ms Green currently serves as a Board Committee Member for the Cancer Council of Victoria and is also the Chair of the Finance Risk and Audit Committee. She is a member of the Commission for Children and Young People Risk and Audit Committee and provides digital, technology and program management consulting services to a number of organisations, including the City of Boroondara. She previously held roles including Australia and New Zealand Head of Delivery for DXC Technology (merger between Hewlett Packard Services and Computer Science Corporation), Director of Business and Process Improvement and Director of Professional Services at Telstra. She is a graduate of the Australian Institute of Company Directors and is also a member of ESTA's Information and Communications Technology Committee.

Mr Paul Henderson

(Member)

Appointed 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 and director 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 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 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 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 including Chair of its Faculty of Clinical Forensic Medicine 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. 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). Dr Williams is also a Member of the Eastern Health Board. 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 five Committees in 2019-20:
- > ESTA Advisory Committee
- > Audit, Risk Management, and Compliance Committee
- > Finance Committee
- > Information and Communications Technology Committee
- > People, Culture, and Capability Committee.

ESTA Advisory Committee

The ESTA Advisory Committee is appointed by the Authority in accordance with Section 21 of the *Emergency Services Telecommunications Act 2004 (Vic)*. 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 the Act, by the regulations or by the Authority.

In 2019-20, the Advisory Committee comprised of members from each of the following organisations (with representatives holding the position of Chief Executive Officer or equivalent):

- > Ambulance Victoria
- > Country Fire Authority
- > Department of Environment, Land, Water and Planning
- > Emergency Management Victoria
- > Metropolitan Fire and Emergency Services Board
- > Victoria State Emergency Service
- > Victoria Police
- > The Inspector General Emergency Management (attending as an observer).

The Committee met three 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.

In 2019-20 the Audit, Risk Management and Compliance Committee members were:

- > Mr Paul Henderson (Chair and Authority Member)
- > Ms Siobhan Boyd-Squires (Authority Member)
- > Mr John Gibbins (External Committee Member)
- > Ms Kerry O'Brien (External Committee Member)
- > Mr John Rogan (External Committee Member) (retired in March 2020).

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.

In 2019-20 the Finance Committee members were:

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

The meetings were 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 overseeing technology and relevant system delivery to ensure ESTA's ICT is robust and productive;
- > monitoring and overseeing of ICT risks; and
- > understanding, monitoring and reviewing operational ICT costs and benchmarks, including endorsing investments.

In 2019-20 the Information and Communications Technology Committee members 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).



People Culture and Capability Committee

The priorities of the People Culture and Capability Committee (PCCC) are to review, assess and monitor:

1. In respect of ESTA's people:
 - > the efficacy and accountability of ESTA's systems to observe, understand, and improve the wellbeing, development, and performance of our people
 - > that appropriate policies and processes are in place to identify and address any systemic health and safety problems in the workplace
 - > ESTA's workplace relations program of work and related policies, initiatives and activities, including engagement with our people and their representatives
 - > the attraction and retention of employees
 - > the management and implementation of executive remuneration and appointments policies and processes.

2. In respect of ESTA's culture:

- > the implementation of ESTA's culture-building initiatives to ensure our environment is inspiring, inclusive, progressive, collaborative and, accountable, including our employee recognition program
- > initiatives to strengthen ESTA's diversity and inclusion
- > programs of work that develop leadership, promote engagement, and assist ESTA create a safe place to transform and embrace change.

In 2019-20 the People Culture and Capability Committee members were:

- > Dr Angela Williams (Chair and Authority Member)
- > Ms Flavia Gobbo (ESTA Chair) (Authority Member)
- > Mr Luke Enright (Authority Member)
- > Mr Gary Rothville (External Committee Member)

Authority and external Members meeting attendance

	Authority		ESTA Advisory Committee		Audit, Risk Management & Compliance Committee		Finance Committee		ICT Committee		People, Culture & Capability Committee	
	A	B	A	B	A	B	A	B	A	B	A	B
Authority Member Meeting Attendance												
Flavia Gobbo	8	7	3	3	5	5	5	4	4	3	4	3
Siobhan Boyd-Squires	6	6 + 2*			5	4						
Christine Collin	8	8			5	1			4	4		
Mary Delahunty	8	7					5	5				
Luke Enright	8	5									4	3
Fiona Green	8	8			5	4			4	4		
Paul Henderson	8	7			5	4						
Gary Rothville	8	5									4	4
Angela Williams	8	7			5	1					4	4
External Committee Member Meeting Attendance												
Julie Fahey					5	1			4	2		
John Gibbins					5	5						
Kerryn O'Brien					5	4						
John Rogan					4	4						
Robert Officer							5	5				
Bruce Moore									4	4		

A – Number of meetings held during the time the Member held office during the period.

B – Number of meetings attended.

* Member attended two (2) Authority meetings 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 2018-19 was published and presented to Parliament. ESTA also produced and distributed a summary of its Integrated Strategic Plan 2023, and Corporate Plan, and internal publications for its employees.

National Competition Policy

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

Consultants

In 2019-20, there were 20 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2019-20 in relation to these consultancies is \$3,490,611.71 (excluding GST). Details of individual consultancies are outlined below.

Consultancy expenditure

Consultant	Purpose of consultancy	Total approved project fee (excl. GST)	Expenditure 2019-20 (excl. GST)	Future expenditure (excl. GST)
Agile Management Office Pty Ltd	Development of Project Management Office toolkit	132,300.00	26,460.00	-
Audit Express Pty Ltd	Instructional design review and audit of learning centre	12,096.00	12,096.00	-
Battiston Consulting Pty Ltd	Development of ICT reporting framework, ITS strategy and digital response roadmap	123,000.00	123,000.00	-
Broadsource Australia Pty Ltd	Telephony engineering advisory and voice platform design	42,800.00	28,175.00	14,625.00
Call Design Pty Ltd	Workforce management and database refresh	254,354.23	232,004.23	22,350.00
Ernst & Young	ESTA funding model	100,000.00	100,000.00	-
Hive Creative Pty Ltd	Development of employee value proposition, career and recognition program	57,510.00	57,510.00	-
Infinitude Business Advisory	Ambulance activation review	35,000.00	25,000.00	10,000.00
Interactive Group Pty Ltd	MMR and RMR performance, measurement and monitoring requirements, data remediation, discovery and development	23,800.00	23,800.00	-
KPMG	CAD Sustain upgrade project	3,119,634.08	1,790,432.73	1,329,201.35
Landers and Rogers	Legal services	140,695.70	107,747.50	32,846.40
Mercer Consulting (Australia) Pty Ltd	Support office classification review	11,500.00	11,500.00	-
Minter Ellison	Legal services	298,722.94	121,276.80	12,379.10
Newgate Communications Pty Ltd	360 degree user journey review	193,000.00	77,198.05	-
Nous Group Pty Ltd	Workforce optimisation review	184,250.17	184,250.17	0.00
Oakton Consulting Pty Ltd	CAD Sustain briefing report	11,781.00	11,781.00	-
Pinnacle Group	Implementing the ISP project	30,834.00	30,834.00	-
Power Projects	ITS team strategy development and People & Culture business planning program	25,000.00	12,500.00	12,500.00
PriceWaterhouseCoopers	Internal audit services	668,175.98	489,739.97	178,436.01
Wardy IT Solutions Pty Ltd	SQL server healthcheck and data analytics on demand consulting	36,150.00	25,306.25	10,843.75
Total		5,500,604.10	3,490,611.71	1,623,181.60



Details of consultancies under \$10,000

In 2019-20, there were 12 consultancies engaged during the year, where the total fees payable to the individual consultancies were less than \$10,000. The total expenditure incurred during 2019-20 in relation to these consultancies was \$62,387.45 (excluding GST).

Consultancies under \$10,000

Consultant	Purpose of consultancy	Total approved project fee (excl. GST)	Expenditure 2019-20 (excl. GST)	Future expenditure (excl. GST)
Corrs Chambers Westgarth	Legal services	5000.00	5000.00	-
D&D Taxation Consulting Pty Ltd	FBT review	4950.00	4950.00	-
Debra Smith	Peer support review	6300.00	5900.00	-
DXC Eclipse Pty Ltd	User acceptance test plans for Great Plains upgrade	16,640.00	5777.02	-
Julie A Fahey	CAD Sustain project control board consultation and technology roadmap review	28,500.00	4750.00	23,750.00
Landell Consulting	Procurement template review	7272.73	7272.73	0.00
Maddocks Lawyers	Legal services	8500.00	7776.40	723.60
Pitcher Partners	Lease accounting schedule	6500.00	6500.00	-
Pixel Perfect Pty Ltd	Probity services	34,806.82	3352.26	2659.09
Predictive Analytical Group Pty Ltd	Modelling assistance-impact of COVID-19 lockdown	3520.00	3520.00	-
RSM Australia Pty Ltd	Long service leave provision model	6000.00	6000.00	-
Victorian Government Solicitor	Legal services	1589.04	1589.04	-
Total		129,578.59	62,387.45	27,132.70

Information and communication technology expenditure

Details of information and communication technology (ICT) expenditure

For the 2019-20 reporting period, ESTA had a total ICT expenditure of \$136.1 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		NonBusiness as Usual (nonBAU) ICT expenditure	Operational expenditure	Capital expenditure
\$'000		\$'000	\$'000	\$'000
(Total)		(Total = Operational expenditure and capital expenditure)		
123,429		12,700	5986	6714

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 NonBusiness as Usual (Non-BAU) ICT expenditure. Non-BAU ICT expenditure relates to extending or enhancing the ESTA's current ICT capabilities. BAU ICT expenditure is all remaining ICT expenditure that 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 (Vic)* should write to:

General Counsel and Board 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 General Counsel and Board 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 49 FOI requests during 2019-20 compared with 58 in 2018-19.

Ministerial authorisation

ESTA also relies on Ministerial Authorisations to release information that would otherwise be confidential under the *Emergency Services Telecommunications Authority Act 2004 (Vic)* (ESTA Act). The Authorisations allow 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 (Vic)* and the *Health Records Act 2001 (Vic)* 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:

General Counsel and Board Secretary
Emergency Services Telecommunications Authority
Level 1, 33 Lakeside Drive
East Burwood VIC 3151

Public Interest Disclosure Act 2012 (Vic)

ESTA is not a public sector body prescribed under the Act to receive a public interest 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



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* includes:

- > 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.

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 no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



Flavia Gobbo
Chair



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

FRV - Fire Rescue Victoria

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

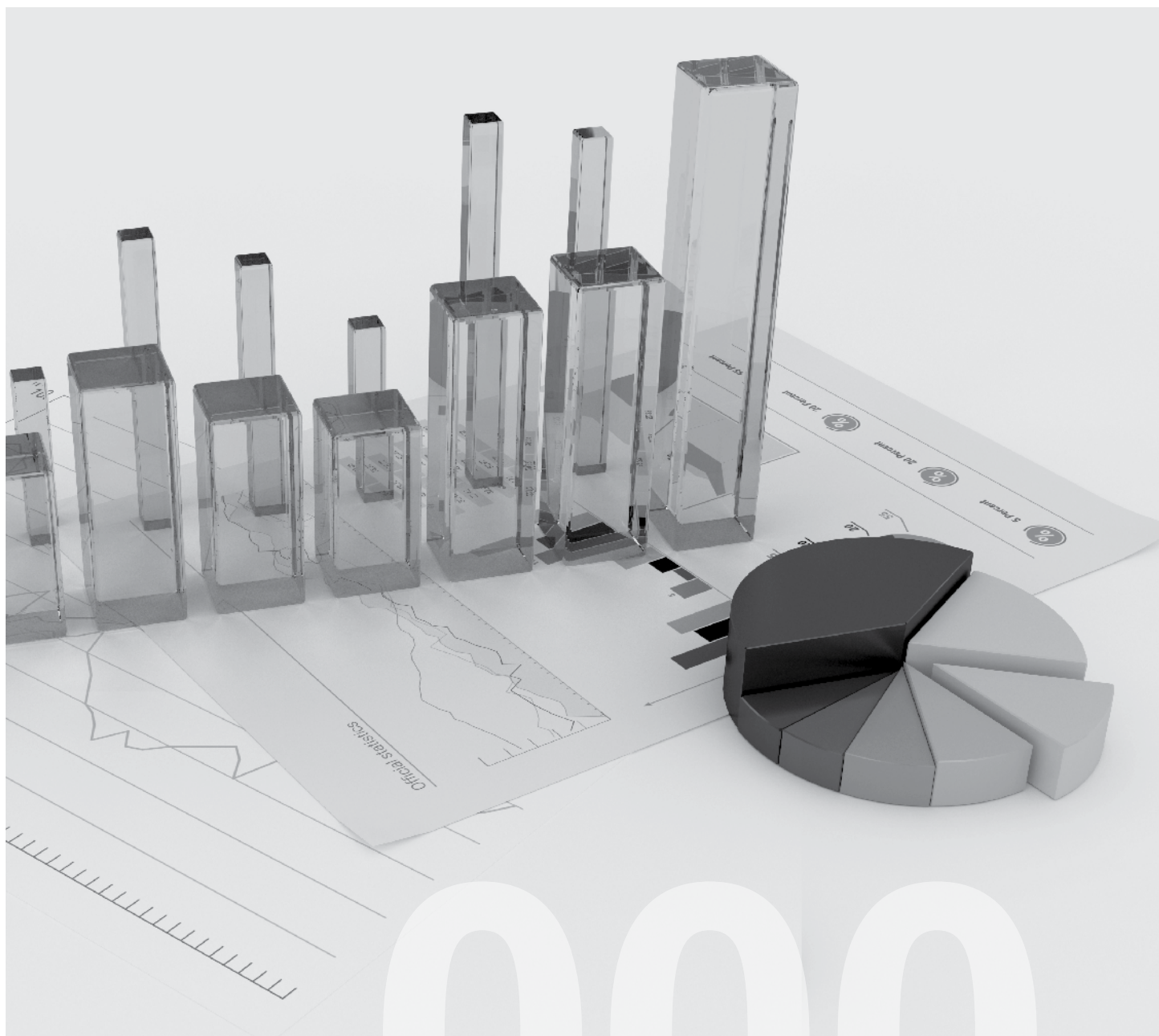
SECCs – State Emergency Communications Centres

VAGO – Victorian Auditor-Generals Office

VICSES – Victoria State Emergency Service



financial statements



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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 2020 and financial position of the Emergency Services Telecommunications Authority at 30 June 2020.

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 31 August 2020.



Flavia Gobbo
Chair
Melbourne
31 August 2020



Marty Smyth
Chief Executive Officer
Melbourne
31 August 2020



Jim Strilakos
Chief Financial Officer
Melbourne
31 August 2020



comprehensive operating statement

for the financial year ended 30 June 2020	Notes	2020 \$'000	2019 \$'000
Revenue and income from transactions			
Revenue	2.1	273,037	232,464
Total revenue and income from transactions		273,037	232,464
Expenses from transactions			
Employee expenses	3.1.1	113,930	106,430
Depreciation and amortisation	4.1.2	23,806	11,783
Payments under state service contracts		88,506	66,880
Contractors and professional services		10,233	8,218
Other operating expenses	3.2	20,308	21,424
Interest expense	6.1.1	2,771	1,528
Fair value of EAS assets transferred free of charge	3.3	4,326	16,682
Total expenses from transactions		263,880	232,945
Net result from transactions (net operating balance)		9,157	(481)
Other economic flows included in net result			
Other gains/(losses) from other economic flows	8.1	(184)	(888)
Total other economic flows included in net result		(184)	(888)
Net result		8,973	(1,369)
Comprehensive result		8,973	(1,369)

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



balance sheet

as at 30 June 2020	Notes	2020 \$'000	2019 \$'000
Assets			
Financial assets			
Cash and deposits	6.3.1	75,316	73,946
Receivables	5.1	13,121	11,293
Total financial assets		88,437	85,239
Non-financial assets			
Other non-financial assets	5.2	7,190	6,393
Non-financial physical assets classified as held for sale	8.3	21	-
Property, plant and equipment	4.1	150,441	61,049
Intangible assets	4.2	787	981
Total non-financial assets		158,439	68,423
Total assets		246,876	153,662
Liabilities			
Payables	5.3	24,221	20,775
Borrowings	6.1	101,665	37,232
Provisions	3.1.2, 5.4	25,442	23,011
Liabilities directly associated with assets classified as held for sale	8.3	21	-
Total liabilities		151,349	81,018
Net assets		95,527	72,644
Equity			
Accumulated surplus/(deficit)		(27,709)	(25,022)
Contributed capital		102,694	88,784
Contract contingency reserve		20,542	8,882
Net worth		95,527	72,644

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



cash flow statement

for the financial year ended 30 June 2020	Notes	2020 \$'000	2019 \$'000
Cash flows from operating activities			
Receipts			
Grants		102,017	50,505
Receipts from customers		186,262	209,612
Interest received		842	1,353
Total receipts		289,121	261,470
Payments			
Payments to suppliers and employees		(251,011)	(232,519)
Goods and Services Tax paid to the ATO		(2,078)	(5,004)
Total payments		(253,089)	(237,523)
Net cash flows from/(used in) operating activities	6.3.2	36,032	23,947
Cash flows from investing activities			
Purchases of non-financial assets		(31,949)	(4,598)
Net cash flows from/(used in) investing activities		(31,949)	(4,598)
Cash flows from financing activities			
Repayment of borrowings and finance leases		(16,623)	(4,919)
Owner contributions by Victorian Government - appropriation for capital expenditure purposes		13,910	10,349
Net cash flows from/(used in) financing activities		(2,713)	5,430
Net increase/(decrease) in cash and cash equivalents		1,370	24,779
Cash and cash equivalents at the beginning of the financial year		73,946	49,167
Cash and cash equivalents at the end of the financial year	6.3.1	75,316	73,946

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



statement of changes in equity

for the financial year ended 30 June 2020	Notes	Accumulated surplus/ (deficit) \$'000	Contributed Capital \$'000	Contract Contingency Reserve \$'000	Total \$'000
Balance at 1 July 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	8.4	(165)	-	165	-
Balance at 30 June 2019		(25,022)	88,784	8,882	72,644
Balance at 1 July 2019					
Net result for the year		8,973	-	-	8,973
Capital appropriations		-	13,910	-	13,910
Transfer to/from Contract contingency reserve	8.4	(11,660)	-	11,660	-
Balance at 30 June 2020		(27,709)	102,694	20,542	95,527

The above statement of changes in equity 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:

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.

The accounting policies set out below have been applied in preparing the statements for the year ended 30 June 2020 and the comparative information presented for the year ended 30 June 2019.

Where required by Accounting Standards, or when deemed appropriate by the Board for financial reporting clarity, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Coronavirus (COVID-19) impact

COVID-19, which is a respiratory illness caused by a new virus, was declared a worldwide pandemic by the World Health Organisation in March 2020. During the week beginning 16 March 2020, the Australian Government together with State and Territory Premiers announced a series of measures aimed at preventing the spread of COVID-19. These measures had the subsequent effect of impacting the state of the Australian economy (i.e. impact on supply chain, customers, availability of finance, consumer confidence etc) in the ensuing months.

On 7 July 2020, the Victorian Premier announced the second round of Melbourne-wide lockdown, followed by the declaration of the state disaster on 2 August 2020. The declaration mandated the shut down of non-essential businesses for a period of six weeks.



1. About this report (continued)

On a macro-economic level, the community spread of COVID-19 has presented a range of medical, social and economic challenges for the State of Victoria and Australia resulting in the following impact:

- > higher unemployment rate, reduced consumer and business confidence, having flow on effect impacting the financial markets, valuation of property, plant and equipment, credit rating and worthiness of business and borrowers
- > the move to remote working and learning across a range of sectors and consequential impact on productivity
- > reduced level of revenue/profitability for those affected most by the impact of lock-down (i.e. tourism operators, hospitality sector, etc).

In response, all levels of government in Australian, States and Territories have implemented a series of economic stimulus related packages/measures (i.e. JobKeepers, changes to Jobseekers policies, accelerated payment timeline by government agencies, rent relief and alike) in an effort to reduce the impact of economic contraction.

ESTA's operations continue as per normal. ESTA implemented strategies to address risks associated with the transmission of COVID-19 throughout the organisation and this has resulted in increases in certain types of expenditure (refer to Note 3.2).

As a consequence of COVID-19 and in preparing these financial statements, further disclosures have been made regarding management judgement and estimates for:

- > receivables and expected credit loss provision in Note 7.1.3
- > fair value of non-financial assets in Note 7.3.1
- > impairment of non-financial assets in Note 4.1.1
- > subsequent events in Note 8.9.

Management has reviewed budgets, cashflows and forecasts to reflect expectations and measures required to be implemented as a result of COVID-19 and assess whether the going concern assumption remains appropriate. As an emergency services organisation and with regards to COVID-19, ESTA believes that it will continue as a going concern and have prepared the financial statements on this basis.

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.



1. About this report (continued)

'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.



2. Funding of our services

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

Revenue and income that fund delivery of ESTA's services are accounted for consistently with the requirements of the relevant accounting standards disclosed in the following notes.

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 Revenue and income from transactions

		2020	2019
	Note	\$'000	\$'000
Call-taking and dispatch (CTD) services revenue	2.1.1	137,052	126,601
Project revenue	2.1.1	1,025	5,852
State service contracts revenue	2.1.1	128,799	94,685
Other operating revenue	2.1.1	5,319	3,973
Interest on deposits		842	1,353
Total Revenue and income from transactions		273,037	232,464

2.1.1 Revenue and income from transactions - split between sale of services and grants

	2020	2019
	\$'000	\$'000
Sale of services	170,178	180,335
Grants	102,017	50,776
Interest on deposits	842	1,353

The impact of initially applying AASB 15 *Revenue from Contracts with Customers* on ESTA's revenue from contracts with customers is described in Note 8.5. Due to the modified retrospective transition method chosen in applying AASB 15, comparative information has not been restated to reflect the new requirements. There was no material impact on ESTA's accounts as a result of AASB 15.

Performance obligations and revenue recognition policies – sale of services

Revenue is measured based on the consideration specified in the contract with the customer. ESTA recognises revenue when it transfers control of a good or service to the customer.

CTD services revenue

Revenue is recognised when CTD services are provided over time to emergency services organisations.

Project revenue

Project revenue is recognised when, or as, the performance obligations in relation to the project are satisfied. Income from the rendering of services is recognised at a point in time when the performance obligation is satisfied and the service is completed.

State service contracts revenue

State service contracts revenue is recognised upon completion and delivery of EAS, MDN, MMR and RMR services to emergency services organisations.

Other operating revenue

Other operating revenue is recognised when services are provided over time to another organisation.

Consideration received in advance of recognising the associated revenue from the customer is recorded as a contract liability. Where the performance obligations is satisfied but no yet billed, a contract asset is recorded.

Previous accounting policy for 30 June 2019 – sale of services

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. Due to the nature of different revenue sources and purposes, the treatment of revenue was guided by AASB 118 *Revenue*.

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.

2. Funding of our services (continued)

Revenue from the provision of services – grants

ESTA has determined that all grant income is recognised as income of not-for-profit entities in accordance with AASB 1058 *Income of Not-for-Profit Entities*, except for grants that are enforceable and with sufficiently specific performance obligations and accounted for as revenue from contracts with customers in accordance with AASB 15.

The impact of initially applying AASB 1058 on ESTA's grant revenue is described in Note 8.5. Due to the modified retrospective transition method chosen in applying AASB 1058, comparative information has not been restated to reflect the new requirements. The adoption of AASB 1058 did not have an impact on Other comprehensive income and the Statement of Cash flows for the financial year.

Income from grants to construct assets are recognised progressively as the asset is constructed. The progressive percentage costs incurred is used to recognise income because this most closely reflects the progress to completion as costs are incurred as the works are done.

Income from grants that are enforceable and with sufficiently specific performance obligations and accounted for as revenue from contracts with customers is recognised when ESTA satisfies the performance obligation. This is recognised based on the consideration specified in the funding agreement and to the extent that it is highly probable a significant reversal of the revenue will not occur. The funding payments are normally received in advance or shortly after the obligation is satisfied.

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when ESTA receives the cash. On initial recognition of the asset, ESTA recognises any related contributions by owners, increases in liabilities, decreases in assets, and revenue ('related amounts') in accordance with other Australian Accounting Standards. Related amounts may take the form of:

- (a) contributions by owners, in accordance with AASB 1004 *Contributions*;
- (b) revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15;
- (c) a lease liability in accordance with AASB 16 *Leases*;
- (d) a financial instrument, in accordance with AASB 9 *Financial Instruments*; or
- (e) a provision, in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

Income received for specific purpose grants for on-passing is recognised simultaneously as the funds are immediately on-passed to the relevant recipient entities on behalf of the Commonwealth Government. The transitional impacts of adopting AASB 15 and AASB 1058 allows for a portion of the grant revenue to be deferred, if required, and shown as deferred grant revenue liability. If the grant revenue was

accounted for under the previous accounting standard (AASB 1004), the total grant revenue received would have been recognised in full.

No grant revenue has been deferred as a result of the transitional impacts of adopting AASB 15 and AASB 1058.

Previous accounting policy for 30 June 2019 – grants

Grant income arises from transactions in which a party provides goods or assets (or extinguishes a liability) to ESTA without receiving approximately equal value in return. While grants may result in the provision of some goods or services to the transferring party, they do not provide a claim to receive benefits directly of approximately equal value (and are termed 'non-reciprocal' transfers). Receipt and sacrifice of approximately equal value may occur, but only by coincidence.

Some grants are reciprocal in nature (i.e. equal value is given back by the recipient of the grant to the provider). ESTA recognises income when it has satisfied its performance obligations under the terms of the grant.

For non-reciprocal grants, ESTA recognises revenue when the grant is received.

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

Grants for on-passing are grants paid to one institutional sector to be passed on to another institutional sector.

Fair value of services received free of charge

Contributions of resources provided free of charge or for nominal consideration are recognised at their fair value when the recipient obtains control over the resources, irrespective of whether restrictions or conditions are imposed over the use of the contributions.

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 Fair value of EAS assets transferred free of charge

3.1 Expenses incurred in the delivery of services

	2020	2019
	\$'000	\$'000
Employee expenses	113,930	106,430
Payments under state service contracts	88,506	66,880
Contractors and professional services	10,233	8,218
Other operating expenses	20,308	21,424
Fair value of EAS assets transferred free of charge	4,326	16,682
Total expenses incurred in the delivery of services	237,303	219,634

3.1.1 Employee expenses in the comprehensive operating statement

		2020	2019
	Note	\$'000	\$'000
Defined contribution superannuation expense	3.1.3	8,609	8,082
Termination benefits		453	231
Salaries and wages, annual leave and long service leave		104,868	98,117
Total employee expenses		113,930	106,430

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

	2020	2019
	\$'000	\$'000
Current		
Annual leave and time in lieu:		
Unconditional and expected to be settled within 12 months	5,807	5,029
Unconditional and expected to be settled after 12 months	1,485	1,293
Long service leave:		
Unconditional and expected to be settled within 12 months	1,599	1,646
Unconditional and expected to be settled after 12 months (i)	8,990	8,556
On-costs:		
Unconditional and expected to be settled within 12 months	1,100	1,033
Unconditional and expected to be settled after 12 months (i)	1,621	1,608
Total current employee benefits and on-costs	20,602	19,165
Non-current		
Conditional long service leave (i)	1,663	1,306
On-costs (i)	260	225
Total non-current provisions	1,923	1,531
Total provisions for employee benefits	22,525	20,696

(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

	2020
	\$'000
Opening balance	2,866
Additional provisions recognised	2,037
Additions due to transfer in	-
Reductions arising from payments/other sacrifices of future economic benefits	(1,907)
Unwind of discount and effect of changes in the discount rate	(15)
Reduction due to transfer out	-
Closing balance	2,981
Current	2,721
Non-current	260

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 2019 and 30 June 2020.

	2020 \$'000	2019 \$'000
Employer contributions		
Australian Super	867	750
Vic Super	5,761	5,510
Other superannuation funds	1,981	1,705
Total employer contributions	8,609	7,965
 Outstanding contributions	 -	 117
Total	8,609	8,082

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

	2020	2019
	\$'000	\$'000
Staff costs other	1,544	1,180
Communications	3,932	3,498
Information technology and infrastructure	9,094	8,711
Outgoings and utilities	2,231	5,050
Lease rental expenses - operating lease payments		
Low value lease assets	300	-
Office equipment	1,736	791
Travel and accommodation	220	228
Stationery	195	94
Finance and insurance costs	458	412
Audit services	454	562
Other	144	898
Total other operating expenses	20,308	21,424

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.

Operating lease payments up until 30 June 2019 (including contingent rentals) are recognised on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset.

From 1 July 2019, the following lease payment are recognised on a straight-line basis:

- > short-term leases - leases with a term less than 12 months
- > low value leases - leases with the underlying asset's fair value (when new, regardless of the age of the asset being leased) is no more than \$10,000.

Variable lease payments not included in the measurement of the lease liability (i.e. variable lease payments that do not depend on an index or a rate, initially measured using the index or rate as at the commencement date). These payments are recognised in the period in which the event or condition that triggers those payments occur.

Audit fees of \$34,500 in 2020 (\$34,500 in 2019) were paid or payable to the Victorian Auditor-General's Office for the audit of the Annual Financial Report of ESTA.

COVID-19

ESTA implemented a number of measures to address risks associated with COVID-19 during 2020. These have resulted in additional costs which form part of employee expenses and other operating expenses.

	2020
	\$'000
24/7 cleaning and cleaning supplies	466
24/7 thermal screening	159
Dedicated staff on COVID-19 response	153
Special leave and work from home allowances	68
IT and office equipment, licenses, support, contractors and professional services	216
General	47
Total COVID-19 related expenditure	1,109

3. The cost of delivering services (continued)

3.3 Fair value of Emergency Alerting System (EAS) assets transferred free of charge

	2020	2019
	\$'000	\$'000
Fair value of EAS assets transferred free of charge	4,326	16,682
Total fair value of EAS assets transferred free of charge	4,326	16,682

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 2019 and 2020. 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 Property, plant and equipment

4.2 Intangible assets

4.1 Property, plant and equipment(i)

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

2020	Gross Carrying Amount	Accumulated Depreciation	Carrying Amount
	\$'000	\$'000	\$'000
Buildings at fair value	76,632	(11,854)	64,778
Computers and communications equipment at fair value	129,640	(77,654)	51,986
Motor vehicles at fair value	131	(11)	120
Plant and equipment at fair value	638	(453)	185
Leasehold improvements at fair value	37,647	(17,504)	20,143
Capital works in progress at cost	13,229	-	13,229
Total Property, plant and equipment	257,917	(107,476)	150,441

2019	Gross Carrying Amount	Accumulated Depreciation	Carrying Amount
	\$'000	\$'000	\$'000
Computers and communications equipment at fair value	297,212	(245,931)	51,281
Motor vehicles at fair value	182	(44)	138
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 Property, plant and equipment	323,505	(262,456)	61,049

(i) AASB 16 *Leases* has been applied for the first time from 1 July 2019.

4. Key assets available to support activities (continued)

4.1(a) Total right-of-use assets

2020	Gross Carrying Amount	Accumulated Depreciation	Carrying Amount
	\$'000	\$'000	\$'000
Buildings at fair value	76,632	(11,854)	64,778
Computers and communications equipment at fair value	40,816	(6,489)	34,327
Motor vehicles at fair value	131	(11)	120
Net carrying amount	117,579	(18,354)	99,225

	Buildings at fair value	Computers and communications equipment at fair value	Motor vehicles at fair value
	\$'000	\$'000	\$'000
Opening balance - 1 July 2019 (i)	47,190	36,422	138
Additions	29,442	4,394	32
Disposals	-	-	(21)
Depreciation	(11,854)	(6,489)	(29)
Closing balance - 30 June 2020	64,778	34,327	120

- (i) This balance represents the initial recognition of right-of-use assets recorded on the balance sheet on 1 July 2019 along with the transfer from finance lease assets (recognised under AASB 117 at 30 June 2019) to right-of-use assets (recognised under AASB 16 at 1 July 2019).

Initial recognition

Items of property, plant and equipment, 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 constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

The cost of a leasehold improvement 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 (under AASB 117 *Leases* until 30 June 2019) 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.

Right-of-use asset acquired by lessees (under AASB 16 - from 1 July 2019) – initial measurement

ESTA recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- > any lease payments made at or before the commencement date; plus
- > any initial direct costs incurred; and
- > an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

Subsequent measurement

Property, plant and equipment as well as right-of-use assets under leases are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is summarised on the following page by asset category.

4. Key assets available to support activities (continued)

Right-of-use asset – subsequent measurement

ESTA depreciates the right-of-use assets on a straight line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use assets are also subject to revaluation.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

Vehicles are valued using the current replacement cost method. ESTA acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Fair value for plant and equipment that are specialised in use (such that it is rarely sold other than as part of a going concern) is determined using the current replacement cost method.

Refer to Note 7.3 for additional information on fair value determination of property, plant and equipment.

4.1.1 Impairment

The recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 *Fair Value Measurement*, with the consequence that AASB 136 *Impairment of Assets* does not apply to such assets that are regularly revalued.

ESTA has considered the impact of COVID-19 on its property, plant and equipment and determined that there is estimation uncertainty with regards to property, plant and equipment.

4.1.2 Depreciation and amortisation (i)

	2020	2019
	\$'000	\$'000
Buildings (including right-of use assets)	11,854	-
Computers and communications equipment (including right-of-use assets)	10,253	10,020
Motor vehicles (including right-of-use assets)	28	28
Plant and equipment	18	15
Leasehold improvements	1,459	1,463
Software	194	257
Total Depreciation and amortisation	23,806	11,783

(i) The table incorporates depreciation of right-of-use assets. AASB 16 has been applied for the first time from 1 July 2019.

All buildings, plant and equipment and other non-financial physical assets 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.

4. Key assets available to support activities (continued)

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
Buildings (including right-of use assets)	1 - 15 years (i)
Computers and communications equipment (including right-of-use assets)	2 - 7 years (i)
Motor vehicles (including right-of-use assets)	1 - 3 years
Plant and equipment	5 - 10 years
Leasehold improvements	5 - 10 years
Software (Intergraph)	9 years
Software (Other)	3 - 9 years

- (i) Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term. Where ESTA obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the entity will exercise a purchase option, the entity depreciated the right-of-use asset over its useful life.

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.

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

2020	Computers and communications equipment at fair value	Motor vehicles at fair value	Plant and equipment at fair value	Leasehold improvements at fair value	Buildings at fair value	Capital work in progress at cost	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	51,281	138	56	3,075	-	6,499	61,049
Recognition of right-of-use assets on initial application of AASB 16	-	-	-	-	47,190	-	47,190
Adjusted balance at 1 July 2019	51,281	138	56	3,075	47,190	6,499	108,239
Additions	4,392	32	-	-	29,442	42,694	76,560
Assets constructed on behalf of DJCS (ii)	-	-	-	-	-	4,326	4,326
Assets transferred to DJCS free of charge (ii)	-	-	-	-	-	(4,326)	(4,326)
Depreciation/ amortisation expense	(10,253)	(29)	(18)	(1,459)	(11,854)	-	(23,613)
Transfer to expense	-	-	-	-	-	(10,724)	(10,724)
Capitalisation of works in progress	6,566	-	147	18,527	-	(25,240)	(0)
Transfer to disposal group held for sale	-	(21)	-	-	-	-	(21)
Closing balance	51,986	120	185	20,143	64,778	13,229	150,441

4. Key assets available to support activities (continued)

2019	Computers and communications equipment at fair value	Motor vehicles at fair value	Plant and equipment at fair value	Leasehold improvements at fair value	Building at fair value	Capital work in progress at cost	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	12,405	166	42	4,024	-	10,081	26,718
Additions	41,985	-	-	-	-	8,605	50,590
Assets constructed on behalf of DJCS (ii)	-	-	-	-	-	16,682	16,682
Assets transferred to DJCS free of charge (ii)	-	-	-	-	-	(16,682)	(16,682)
Depreciation/ amortisation expense	(10,021)	(28)	(15)	(1,464)	-	-	(11,528)
Transfer to expense	-	-	-	-	-	(4,006)	(4,006)
Capitalisation of works in progress - Intangible	-	-	-	-	-	(725)	(725)
Capitalisation of works in progress	6,912	-	29	515	-	(7,456)	-
Transfer to disposal group held for sale	-	-	-	-	-	-	-
Closing balance	51,281	138	56	3,075	-	6,499	61,049

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	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross carrying amount						
Opening balance	5,200	5,200	19,119	18,394	24,319	23,594
Additions	-	-	-	725	-	725
Disposals	-	-	-	-	-	-
Closing balance	5,200	5,200	19,119	19,119	24,319	24,319
Accumulated amortisation and impairment						
Opening balance	(5,200)	(5,200)	(18,138)	(17,881)	(23,338)	(23,081)
Amortisation	-	-	(194)	(257)	(194)	(257)
Impairment	-	-	-	-	-	-
Closing balance	(5,200)	(5,200)	(18,332)	(18,138)	(23,532)	(23,338)
Net book value at the end of the financial year	-	-	787	981	787	981

4. Key assets available to support activities (continued)

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

	2020 \$'000	2019 \$'000
Contractual		
Services	2,827	1,798
Provision for doubtful contractual receivables	-	-
Advance to the Department of Treasury and Finance	1,381	1,784
Other receivables	6,607	6,063
	10,815	9,645
Statutory		
GST input tax credit recoverable	2,306	1,648
	2,306	1,648
Total receivables	13,121	11,293
Represented by:		
Current receivables	13,121	11,293
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 attributable 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

	2020	2019
	\$'000	\$'000
Current		
Prepayments	4,517	1,999
Total current other non-financial assets	4,517	1,999
Non-current		
Prepayments	2,673	4,394
Total non-current other non-financial assets	2,673	4,394
Total other non-financial assets	7,190	6,393

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

	2020	2019
	\$'000	\$'000
Contractual		
Supplies and services	3,814	7,658
Unearned income	38	35
Accrued expenses	18,187	10,682
	22,039	18,375
Statutory		
Payroll tax payable	537	524
GST payable	1,645	1,876
	2,182	2,400
Total payables	24,221	20,775
Represented by:		
Current payables	24,221	20,775
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

	Carrying amount	Nominal amount	Maturity dates			
			Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2020						
Supplies and services	3,814	3,814	3,751	63	-	-
Other payables	18,187	18,187	17,786	166	235	-
Total	22,001	22,001	21,537	229	235	-
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	-

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

5.4 Other provisions

	2020	2019
	\$'000	\$'000
Current		
Lease incentive (i)	0	95
Total current provisions	0	95
Non-current		
Lease incentive (i)	0	332
Make-good provision (ii)	2,917	1,888
Total non-current provisions	2,917	2,220
Total other provisions	2,917	2,315

(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, Level 3, 637 Flinders Street, Docklands and 107 Overton Road, Williams Landing 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. Other assets and liabilities (continued)

5.4.1 Reconciliation of movements in other provisions

	Lease incentive \$'000	Make-good provision \$'000	Total \$'000
Opening balance	427	1,888	2,315
Reduction arising from payments	(95)	-	(95)
Reductions resulting from remeasurement	(332)	-	(332)
Additional provision recognised	-	947	947
Unwind of discount and effect of changes in the discount rate	-	82	82
Closing balance	(0)	2,917	2,917

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 Leases
- 6.3 Cash flow information and balances
- 6.4 Commitments for expenditure

6.1 Borrowings

	2020 \$'000	2019 \$'000
Current borrowings		
Lease liabilities (i)		
- PPP related finance lease liability (ii)	-	5,532
- Non-PPP related finance lease liability (2019: Finance lease)	18,806	61
Total current borrowings	18,806	5,593
Non-current borrowings		
Lease liabilities (i)		
- PPP related finance lease liability (ii)	-	31,561
- Non-PPP related finance lease liability (2019: Finance lease)	82,859	78
Total non-current borrowings	82,859	31,639
Total borrowings	101,665	37,232

- (i) Secured by the assets leased. Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.
- (ii) Finance leases recognised by ESTA in 2019 under AASB 117 do not satisfy recognition requirements under AASB 1059 *Service Concession Arrangements: Grantors*. As a result, from 1 July 2019, these were no longer recognised as PPP related finance lease liabilities and were recognised in line with AASB 16 requirements.

6. How we financed our operations (continued)

Borrowings refer to interest bearing liabilities mainly raised from lease liabilities.

Borrowings are classified as financial instruments. Interest bearing liabilities are classified at amortised cost unless ESTA elects to irrevocably designate them at fair value through the profit or loss at initial recognition. The election depends on the nature and purpose of the interest bearing liabilities.

Interest bearing borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method. For financial liabilities designated at fair value through net result, all transaction costs are expensed as incurred. And they are subsequently measured at fair value with changes in fair value relating to ESTA's own credit risk recognised in other comprehensive income and the remaining amount of changes in fair value recognised in net result. Amounts in other comprehensive income related to credit risk are not subject to recycling in profit loss but are transferred to retained earnings when realised.

6.1.1 Interest expense

	2020	2019
	\$'000	\$'000
Interest on lease liabilities	2,771	1,528
Total interest expense	2,771	1,528

Interest expense includes costs incurred in connection with the borrowing of funds and includes the interest component of lease repayments.

Interest expenses are recognised in the period in which it is incurred.

6.1.2 Maturity analysis of borrowings

	Carrying amount \$'000	Nominal amount \$'000	Maturity dates				
			Less than 1 month \$'000	1 - 3 months \$'000	3 months - 1 year \$'000	1 - 5 years \$'000	5 + years \$'000
2020							
Lease liabilities	101,665	101,665	1,886	2,726	14,194	66,378	16,481
Total	101,665	101,665	1,886	2,726	14,194	66,378	16,481
2019							
Lease liabilities	37,232	37,232	454	913	4,226	24,617	7,022
Total	37,232	37,232	454	913	4,226	24,617	7,022

6.2 Leases

6.2.1 Leases

Information about leases for which ESTA is a lessee is presented below.

ESTA's leasing activities

ESTA leases various properties, plant and equipment and motor vehicles. The lease contracts are typically made for fixed periods of 1 - 15 years with an option to renew the lease after that date. Lease rentals are renegotiated periodically to reflect market rentals.

Leases at significantly below-market terms and conditions

ESTA leases State owned sites throughout Victoria to facilitate EAS paging coverage. The lease contract specifies lease payments of \$1 per annum. The leased sites must be used by ESTA to provide emergency services telecommunication.

During 2019-20 ESTA leased computer equipment with contract terms ranging from one to five years. These leases were leases of low value items. ESTA has elected not recognise right-of-use assets and lease liabilities for these leases.

At 30 June 2020, ESTA did not have any short term lease commitments.

6. How we financed our operations (continued)

6.2.1(a) Right-of use Assets

Right-of-use assets are presented in note 4.1.

6.2.1(b) Amounts recognised in the Comprehensive Operating Statement

The following amounts are recognised in the Comprehensive Operating Statement relating to leases:

	2020
	\$'000
Interest expense on lease liabilities	2,771
Expenses relating to leases of low-value assets	300
Total amount recognised in the comprehensive operating statement	3,071

6.2.1(c) Amounts recognised in the Statement of Cashflows

The following amounts are recognised in the Statement of Cashflows for the year ended 30 June 2020 relating to leases:

	2020
	\$'000
Total cash outflow for leases	(16,623)

For any new contracts entered into on or after 1 July 2019, ESTA considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition, ESTA assesses whether the contract meets three key evaluations which are whether:

- > the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to ESTA and for which the supplier does not have substantive substitution rights
- > ESTA has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and ESTA has the right to direct the use of the identified asset throughout the period of use
- > ESTA has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

This policy is applied to contracts entered into, or changed on or after 1 July 2019.

Separation of lease and non-lease components

At inception of or reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

Recognition and measurement of leases as a lessee (under AASB 16 from 1 July 2019)

Lease liability - initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or ESTA's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- > fixed payments
- > variable payments based on an index or rate, initially measured using the index or rate as at the commencement date
- > amounts expected to be payable under a residual value guarantee
- > payments arising from purchase and termination options reasonably certain to be exercised.

6. How we financed our operations (continued)

Lease liability - subsequent measurement

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Short-term leases and leases of low value assets

ESTA has elected to account for short-term leases and leases of low value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight line basis over the lease term.

Below market/Peppercorn lease

Right-of-use assets under leases at significantly below-market terms and conditions that are entered into principally to enable ESTA to further its objectives, are initially and subsequently measured at cost.

These right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Presentation of right-of-use assets and lease liabilities

ESTA presents right-of-use assets as 'property, plant and equipment' unless they meet the definition of investment property, in which case they are disclosed as 'investment property' in the balance sheet. Lease liabilities are presented as 'borrowings' in the balance sheet.

Recognition and measurement of leases (under AASB 117 until 30 June 2019)

In the comparative period, leases of property, plant and equipment were classified as either finance lease or operating leases.

ESTA determined whether an arrangement was or contained a lease based on the substance of the arrangement and required an assessment of whether fulfilment of the arrangement is dependent on the use of the specific asset(s) and the arrangement conveyed a right to use the asset(s).

Leases of property, plant and equipment where ESTA as a lessee had substantially all of the risks and rewards of ownership were classified as finance leases. Finance leases were 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 were 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 consolidated comprehensive operating statement.

Contingent rentals associated with finance leases were recognised as an expense in the period in which they are incurred.

Assets held under other leases were classified as operating leases and were not recognised in ESTA's balance sheet. Operating lease payments were recognised as an operating expense in the Statement of Comprehensive Income on a straight-line basis over the lease term.



6. How we financed our operations (continued)

Commissioned public private partnerships (PPP)

ESTA's PPP leases relates to communications equipment with a lease terms of seven years. Under the arrangement, the portion of total payments that relates to ESTA's right to use the assets is accounted for as a lease liability, as disclosed in following table. In addition, until the end of this arrangement, ESTA pays for ongoing operation and maintenance.

Finance leases recognised by ESTA in 2019 under AASB 117 do not satisfy recognition requirements under AASB 1059. As a result, from 1 July 2019, these were no longer recognised as PPP related finance lease liabilities and were recognised in line with AASB 16 requirements.

	Minimum future lease payments (i)		Present value of minimum future lease payments	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Commissioned PPP related lease liabilities payable (prior period finance lease)				
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 lease liabilities payable (prior period finance lease) (ii)				
Not longer than 1 year	21,504	65	18,806	61
Longer than 1 year but not longer than 5 years	71,802	80	66,378	78
Longer than 5 years	18,608	-	16,481	-
Minimum lease payments	111,914	42,349	101,665	37,232
Less future finance charges	(10,249)	(5,117)	-	-
Present value of minimum lease payments	101,665	37,232	101,665	37,232
Included in the financial statements as:				
Current borrowings lease liabilities (Note 6.1)			18,806	5,593
Non-current borrowings lease liabilities (Note 6.1)			82,859	31,639
Total			101,665	37,232

- (i) Minimum future lease payments include the aggregate of all lease payments and any guaranteed residual.
- (ii) Other finance lease liabilities include obligations that are recognised on the balance sheet. The future payments related to operating and lease commitments are disclosed in Note 6.4.

Other lease liabilities relates to motor vehicles with a lease term of one to three years. ESTA has an option to purchase the motor vehicles at the expiry of the lease term.

6. How we financed our operations (continued)

6.3 Cash flow information and balances

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

6.3.1 Reconciliation of cash and cash equivalents

	2020	2019
	\$'000	\$'000
Cash at bank and on hand	75,316	73,946
Balance as per cash flow statement (i)	75,316	73,946

(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, RMR and EAS. The funds in reserves are quarantined specifically for the purpose under which these reserves has been established for State managed contracts. The balance of these reserves at 30 June 2020 is \$20.54 million (\$8.88 million in 2019).

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

	2020	2019
	\$'000	\$'000
Net result for the period	8,973	(1,369)
Non-cash movements:		
Depreciation and amortisation	23,806	11,783
Movements in assets and liabilities:		
Decrease (increase) in receivables	(1,828)	11,963
Decrease (increase) in prepayments	(796)	(532)
Increase (decrease) in payables	3,443	325
Increase (decrease) in unearned income	3	(1,044)
Increase (decrease) in provisions	2,431	2,821
Net cash flows from/(used in) operating activities	36,032	23,947

6.3.3 Non-cash financing and investing activities

During the reporting period ESTA acquired on new motor vehicles through a lease arrangement for \$32,000 (\$0 in 2019).

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. How we financed our operations (continued)

6.4.1 Total commitments payable

	2020	2019
	\$'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.		
Not longer than 1 year	475	3,973
Longer than 1 year and not longer than 5 years	-	-
Longer than 5 years	-	-
	475	3,973
(b) Property lease commitments (iv)		
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
Longer than 1 year and not longer than 5 years	-	9,408
Longer than 5 years	-	-
	-	12,836
(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
Longer than 1 year and not longer than 5 years	-	14
Longer than 5 years	-	-
	-	190
(d) Software licence and services commitments (i)		
A commitment exists in relation to software licensing with various vendors and the software licensing and support agreement for Call-Taking and Dispatch held with Intergraph Corporation Pty Ltd.		
Not longer than 1 year	5,651	4,812
Longer than 1 year and not longer than 5 years	2,218	1,964
Longer than 5 years	-	-
	7,869	6,776
(e) State managed operation and service commitments (ii)		
Not longer than 1 year	63,962	50,421
Longer than 1 year and not longer than 5 years	264,858	151,494
Longer than 5 years	11,097	39,960
	339,917	241,875
(f) Operate and maintain contract commitments (iii)		
Not longer than 1 year	11,400	10,997
Longer than 1 year and not longer than 5 years	15,885	27,367
Longer than 5 years	-	-
	27,285	38,364

6. How we financed our operations (continued)

	2020	2019
	\$'000	\$'000
(g) Other expenditure commitments		
Not longer than 1 year	4,082	2,362
Longer than 1 year and not longer than 5 years	1,283	2,869
Longer than 5 years	-	-
	5,365	5,231
Total commitments for expenditure (exclusive of GST)	380,911	309,245
Plus GST recoverable from the Australian Taxation Office	38,091	30,925
Total commitments for expenditure (inclusive of GST)	419,002	340,170

- (i) The agreement with Intergraph 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.
- (iv) Property lease commitments have been recorded on the balance sheet as lease liabilities at 30 June 2020.

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.

Prior to 1 July 2019, all PPPs for which the State had to make payment in exchange for the PPP asset were accounted for under AASB 117 *Leases* as finance leases, where recognition criteria was met.

After 1 July 2019, AASB 1059 applies to arrangements where an operator provides public services, using a service concession asset, on behalf of the State and importantly, the operator manages at least some of the public service at its own discretion. The State must also control the asset for AASB 1059 to apply. The change in accounting standards has resulted in ESTAs PPP arrangements not meeting the scope of AASB 1059 from 1 July 2019. ESTAs has accounted for these as leases under AASB 16.

6. How we financed our operations (continued)

Public private partnership commitments (i) (ii)

	2020				2019			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Minimum lease payments Discounted value	Capital contribution Nominal Value	Other commitment Present Value	Commitments Nominal Value	Minimum lease payments Discounted value	Capital contribution Nominal Value	Other commitment Present Value	Commitments Nominal Value
Commissioned								
MDN	-	-	-	-	-	-	14,276	14,542
MMR - extension (iv)	-	-	-	-	-	-	172,486	227,333
Total commitments for public private partnerships	-	-	-	-	-	-	186,762	241,875

- (i) The present values of the lease liability for commissioned PPPs are recognised on the balance sheet – Please refer to Note 6.2 (not disclosed as commitments).
- (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

Introduction

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

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

Structure

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

7.1 Financial instruments

Introduction

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of ESTA's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

7. Risks, contingencies and valuation judgements (continued)

Categories of financial assets

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)

Categories of financial liabilities

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 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.



7. Risks, contingencies and valuation judgements (continued)

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

7.1.1 Categorisation of financial instruments

	Cash and deposits	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
2020	\$'000	\$'000	\$'000	\$'000
Contractual financial assets				
Cash and deposits	75,316	-	-	75,316
<i>Receivables: (i)</i>				
Services	-	2,827	-	2,827
Other	-	6,607	-	6,607
Advance to the Department of Treasury and Finance	-	1,381	-	1,381
Total contractual financial assets	75,316	10,815	-	86,131
Contractual financial liabilities				
<i>Payables: (i)</i>				
Supplies and services	-	-	3,814	3,814
Accruals	-	-	18,187	18,187
<i>Borrowings:</i>				
Lease liabilities	-	-	101,665	101,665
Total contractual financial liabilities	-	-	123,666	123,666
	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
<i>Receivables: (i)</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				
<i>Payables: (i)</i>				
Supplies and services	-	-	7,658	7,658
Accruals	-	-	10,682	10,682
<i>Borrowings:</i>				
Lease liabilities	-	-	37,232	37,232
Total contractual financial liabilities	-	-	55,572	55,572

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

7. Risks, contingencies and valuation judgements (continued)

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. 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 2019-20.

Credit quality of financial assets

	Financial institutions (AA- credit rating) \$'000	Government agencies (AAA credit rating) \$'000	Other \$'000	Total \$'000
2020				
Financial assets with loss allowance measured at 12-month expected credit loss				
Cash	75,314	-	2	75,316
Contractual receivables	-	10,489	326	10,815
Total financial assets	75,314	10,489	328	86,131
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

7. Risks, contingencies and valuation judgements (continued)

Impairment of financial assets

ESTA has been recording the allowance for expected credit loss for the relevant financial instruments in accordance with AASB 9's expected credit loss approach. Subject to the AASB 9 impairment assessment are ESTA's contractual receivables and statutory receivables. The impairment loss has been assessed to be immaterial.

While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

The above judgements and associated assumptions have been made within the context of the impact of COVID-19 and reflect historical experience and other factors that are considered to be relevant, including expectations of future events that are believed to be reasonable under the circumstances.

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 2019 or 30 June 2020.

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.



7. Risks, contingencies and valuation judgements (continued)

Interest rate exposure as at 30 June

	Weighted avg. annual effective interest rate %	Carrying amount \$'000	Fixed interest rate \$'000	Variable interest rate \$'000	Non- interest bearing \$'000
2020					
Financial assets					
Cash	1.06%	75,316	-	75,314	2
<i>Receivables (i):</i>					
Services		2,827	-	-	2,827
Other receivables		6,607	-	-	6,607
Advance to the Department of Treasury and Finance		1,381	-	-	1,381
Total contractual financial assets		86,131	-	75,314	10,817
Financial liabilities					
<i>Payables (i):</i>					
Supplies and services		3,814	-	-	3,814
Other payables		18,187	-	-	18,187
<i>Borrowings:</i>					
Lease liabilities	3.06%	101,665	101,665	-	-
Total contractual financial liabilities		123,666	101,665	-	22,001
2019					
Financial assets					
Cash	1.87%	73,946	-	73,946	-
<i>Receivables (i):</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					
<i>Payables (i):</i>					
Supplies and services		7,658	-	-	7,658
Other payables		10,682	-	-	10,682
<i>Borrowings:</i>					
Lease liabilities	3.25%	37,232	37,232	-	-
Total contractual financial liabilities		55,572	37,232	-	18,340

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

7. Risks, contingencies and valuation judgements (continued)

Interest rate risk sensitivity

	Carrying amount \$'000	-50 basis points Net result \$'000	+50 basis points Net result \$'000
2020			
Contractual financial assets			
Cash (i)	75,316	(377)	377
Total impact	75,316	(377)	377
2019			
Contractual financial assets			
Cash (i)	73,946	(370)	370
Total impact	73,946	(370)	370

(i) Cash includes funds in the operating account that is exposed to floating rate movements. Sensitivities to these movements are calculated as follows:

- 2020: \$75,316 thousand x -0.005 = (\$377) thousand; and \$75,316 thousand x 0.005 = \$377 thousand.
- 2019: \$73,946 thousand x -0.005 = (\$370) thousand; and \$73,946 thousand x 0.005 = \$370 thousand.

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

	Net holding gain/(loss) \$'000	Total interest income/ (expense) \$'000	Fee income/ (expense) \$'000	Total \$'000
2020				
Contractual financial assets				
Financial assets at amortised cost	-	842	-	842
Total contractual financial assets	-	842	-	842
Contractual financial liabilities				
Financial liabilities at amortised cost	-	2,771	-	2,771
Total contractual financial liabilities	-	2,771	-	2,771
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

7. Risks, contingencies and valuation judgements (continued)

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 2020 (Nil 2019).

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 assessed a contingent liability as at 30 June 2019 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 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. This was resolved during 2019-20 and ESTA has no contingent liability as at 30 June 2020.

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, property, 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.



7. Risks, contingencies and valuation judgements (continued)

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

	2020		2019	
	Carrying amount	Net fair value	Carrying amount	Net fair value
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash	75,316	75,316	73,946	73,946
<i>Receivables (i):</i>				
Services	2,827	2,827	1,798	1,798
Accrued investment income	-	-	-	-
Other receivables	6,607	6,607	6,063	6,063
Advance to the Department of Treasury and Finance	1,381	1,381	1,784	1,784
Total financial assets	86,131	86,131	83,591	83,591
Financial liabilities				
<i>Payables (i):</i>				
Supplies and services	3,814	3,814	7,658	7,658
Other payables	18,187	18,187	10,682	10,682
<i>Borrowings:</i>				
Lease liabilities	101,665	101,665	37,232	37,232
Total financial liabilities	123,666	123,666	55,572	55,572

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

There have been no transfers between levels during the period.

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

7. Risks, contingencies and valuation judgements (continued)

7.3.2 Fair value determination of non-financial physical assets

	Carrying amount \$'000	Fair value measurement at the end of reporting period using:		
		Level 1 (i) \$'000	Level 2 (i) \$'000	Level 3 (i) \$'000
2020				
Computers and communications equipment (ii)				
Communications equipment at fair value	88,824	-	-	88,824
Less: accumulated amortisation	(71,165)	-	-	(71,165)
	17,659	-	-	17,659
Plant and equipment (iii)				
Plant and equipment at fair value	638	-	-	638
Less: accumulated depreciation	(453)	-	-	(453)
	185	-	-	185
Leasehold improvements (v)				
Leasehold improvements at fair value	37,647	-	-	37,647
Less: accumulated amortisation	(17,504)	-	-	(17,504)
	20,143	-	-	20,143
Net carrying amount of plant and equipment	37,987	-	-	37,987
2019				
Computers and communications equipment (ii)				
Communications equipment at fair value	82,259	-	-	82,259
Less: accumulated amortisation	(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
Net carrying amount of plant and equipment	54,550	-	-	54,550

7. Risks, contingencies and valuation judgements (continued)

(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 current replacement cost method.

(iii) **Leased motor vehicles - 2019**

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 - 2019**

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 current replacement cost method. This cost represents the replacement cost of the building fitouts or component after applying depreciation rates on a useful life basis.

There was no change to the valuation technique of non-financial physical assets during the period to 30 June 2020.

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

ESTA has determined that there is no impact on the fair value of its non-financial physical assets as a result of COVID-19. ESTA continues to utilise its non-financial physical assets as part of its continuing operations.

7.3.3 Reconciliation of Level 3 fair value movements

	Computers and communi- cations equipment	Plant and equipment	Leasehold improve- ments	Total
	\$'000	\$'000	\$'000	\$'000
2020				
Opening balance	14,859	56	3,076	17,991
Purchases (sales)	10,957	147	18,526	29,630
Depreciation	(10,253)	(18)	(1,459)	(11,730)
Impairment loss	-	-	-	-
Subtotal	15,563	185	20,143	35,891
Gains or losses recognised in other economic flows - other comprehensive income				
Revaluation	-	-	-	-
Subtotal	-	-	-	-
Closing balance	15,563	185	20,143	35,891
Unrealised gains/(losses) on non-financial assets	-	-	-	-

7. Risks, contingencies and valuation judgements (continued)

	Computers and communi- cations equipment \$'000	Leased motor vehicles \$'000	Leased communi- cations equipment \$'000	Plant and equipment \$'000	Leasehold improve- ments \$'000	Total \$'000
2019						
Opening balance	12,405	166	-	42	4,024	16,637
Purchases (sales)	6,912	-	41,985	29	516	49,442
Depreciation	(4,458)	(28)	(5,563)	(15)	(1,464)	(11,526)
Impairment loss	-	-	-	-	-	-
Subtotal	14,859	138	36,422	56	3,076	54,552
Gains or losses recognised in other economic flows - other comprehensive income						
Revaluation	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Closing balance	14,859	138	36,422	56	3,076	54,552
Unrealised gains/(losses) on non- financial assets	-	-	-	-	-	-

7.3.4 Description of significant unobservable inputs to Level 3 valuations

	Valuation technique	Significant unobservable inputs
Computers and communications equipment	Current replacement cost	Cost per unit Useful life of Computers and communications equipment
Leased motor vehicles - 2019	Depreciated replacement cost	Cost per unit Useful life of Leased motor vehicles
Leased communications equipment - 2019	Depreciated replacement cost	Cost per unit Useful life of Leased communications equipment
Plant and equipment	Current replacement cost	Cost per unit Useful life of Plant and equipment
Leasehold improvements	Current replacement cost	Cost per unit Useful life of Leasehold improvements

Significant unobservable inputs have remained unchanged since 2019 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 \$'000	Fair value measurement at end of reporting period using:		
		Level 1 (i) \$'000	Level 2 (i) \$'000	Level 3 (i) \$'000
2020				
Motor vehicles (ii)	21	-	21	-
2019				
Motor vehicles	-	-	-	-

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

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

8. Other disclosures

Introduction

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

Structure

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

8.1 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.

	2020	2019
	\$'000	\$'000
Net gain/(loss) on non-financial assets		
Net gain/(loss) on disposal of plant and equipment	-	-
Total net gain/(loss) on non-financial assets	-	-
Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of long service liability (i)	(184)	(888)
Total other gains/(losses) from other economic flows	(184)	(888)

- (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 decrease in the net loss arising from the revaluation of the long service leave liability.

8.2 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 as a 'line of business' under the term 'Operational Communications'.

8. Other disclosures (continued)

8.2.1 Comprehensive operating statement - Lines of business

	CTD Operations and Corporate Overheads (i)		Operational Communications (ii)		Projects (iii)		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue and income from transactions								
Service revenue	150,637	138,374	121,375	88,238	-	-	272,012	226,612
Project revenue	-	-	-	-	1,025	5,852	1,025	5,852
Total Revenue and income from transactions	150,637	138,374	121,375	88,238	1,025	5,852	273,037	232,464
Expenses from transactions								
Employee expenses	111,573	104,038	2,140	1,579	217	813	113,930	106,430
Depreciation and amortisation	7,421	3,374	16,385	8,409	-	-	23,806	11,783
Other operating expenses	29,985	27,382	88,728	67,144	334	1,996	119,047	96,522
Interest expense	356	4	2,415	1,524	-	-	2,771	1,528
Fair value of EAS assets transferred free of charge	-	-	4,326	16,682	-	-	4,326	16,682
Total Expenses from transactions	149,335	134,798	113,994	95,338	551	2,809	263,880	232,945
Net result from transactions (net operating balance)	1,302	3,576	7,381	(7,100)	474	3,043	9,157	(481)
Other economic flows included in net result								
Net gain/(loss) on non-financial assets	-	-	-	-	-	-	-	-
Other gains/(losses) from other economic flows	(177)	(887)	(7)	-	-	(1)	(184)	(888)
Total other economic flows included in net result	(177)	(887)	(7)	-	-	(1)	(184)	(888)
Net result	1,125	2,689	7,374	(7,100)	474	3,042	8,973	(1,369)
Comprehensive result	1,125	2,689	7,374	(7,100)	474	3,042	8,973	(1,369)

(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. Other disclosures (continued)

8.3 Non-current assets held for sale

	2020 \$'000	2019 \$'000
<i>Current assets</i>		
Motor vehicles	21	-
Total non-financial physical assets classified as held for sale	21	-
<i>Current liabilities</i>		
Motor vehicles	21	-
Total liabilities directly associated with assets classified as held for sale	21	-

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.

8.4 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.

8.5 Change in accounting policies

8.5.1 Leases

This note explains the impact of the adoption of AASB 16 *Leases* on ESTA's financial statements.

ESTA applied AASB 16 with a date of initial application of 1 July 2019.

ESTA has elected to apply AASB 16 using the modified retrospective approach, as per the transitional provisions of AASB 16 for all leases for which it is a lessee. The cumulative effect of initial application is recognised in retained earnings as at 1 July 2019. Accordingly, the comparative information presented is not restated and is reported under AASB 117 *Leases* and related interpretations.

Previously, ESTA determined at contract inception whether an arrangement is or contains a lease under AASB 117 and Interpretation 4 *Determining whether an arrangement contains a Lease*. Under AASB 16, ESTA assesses whether a contract is or contains a lease based on the definition of a lease as explained in Note 6.2.

On transition to AASB 16, ESTA has elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied AASB 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under AASB 117 and Interpretation 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under AASB 16 was applied to contracts entered into or changed on or after 1 July 2019.

8. Other disclosures (continued)

Leases classified as operating leases under AASB 117

As a lessee, ESTA previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to ESTA. Under AASB 16, ESTA recognises right-of-use assets and lease liabilities for all leases except where exemption is availed in respect of short-term and low value leases.

On adopting of AASB 16, ESTA recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of AASB 117. These liabilities were measured at the present value of the remaining lease payments, discounted using ESTA's incremental borrowing rate as of 1 July 2019. On transition, right-of-use assets are measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 30 June 2019.

ESTA has elected to apply the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117:

- > applied a single discount rate to a portfolio of leases with similar characteristics
- > adjusted the right-of-use assets by the amount of AASB 137 onerous contracts provision immediately before the date of initial application, as an alternative to an impairment review
- > applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term
- > excluded initial direct costs from measuring the right-of-use assets at the date of initial application
- > used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

For leases that were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and lease liability at 1 July 2019 are determined as the carrying amount of the lease asset and lease liability under AASB 16 immediately before that date.

Impacts on the financial statements

On transition to AASB 16 on 1 July 2019, ESTA recognised \$47 million of new right-of-use assets (previously classified as operating leases) and \$47 million of corresponding lease liabilities.

When measuring lease liabilities, ESTA discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted average rate applied was 2.33%.

	1 July 2019
	\$'000
Discount using the incremental borrowing rate at 1 July 2019	47,380
Finance lease liabilities as at 30 June 2019	37,232
Recognition exemption for:	
Leases of low-value assets	(190)
Lease liabilities recognised at 1 July 2019	84,422

8.5.2 Revenue from Contracts with Customers

In accordance with FRD 121 *Transitional requirements on the application of AASB 15 Revenue from Contracts with Customers* requirements, ESTA has applied the transitional provisions of AASB 15, under modified retrospectively with the cumulative effect of initially applying this standard against the opening retained earnings at 1 July 2019. Under this transition method, ESTA applied this standard retrospectively only to contracts that are not 'completed contracts' at the date of initial application.

Comparative information has not been restated.

AASB 15 did not have a material impact on ESTA's revenue. Generally, ESTA recognises when the services have been rendered. ESTA does not sell goods and does not receive material funding which would need to be deferred.

8. Other disclosures (continued)

8.5.3 Income of Not-for-Profit Entities

In accordance with FRD 122 *Transitional requirements on the application of AASB 1058 Income of Not-for-Profit Entities* requirements, ESTA has applied the transitional provisions of AASB 15, under modified retrospectively with the cumulative effect of initially applying this standard against the opening retained earnings at 1 July 2019. Under this transition method, ESTA applied this standard retrospectively only to contracts that are not 'completed contracts' at the date of initial application. ESTA has not applied the fair value measurement requirements for right-of-use assets arising from leases with significantly below market terms and conditions principally to enable the entity to further its objectives as allowed under temporary option under AASB 16 and as mandated by FRD 122.

Comparative information has not been restated.

Note 2.1 Income from transactions includes details about the transitional application of AASB 1058 and how the standard has been applied to revenue transactions.

The adoption of AASB 1058 did not have an impact on Other comprehensive income and the Statement of Cashflows for the financial year.

8.5.4 Transition impact on financial statements

This note explains the impact of the adoption of the following new accounting standards for the first time, from 1 July 2019:

- > AASB 15 *Revenue from Contracts with Customers*
- > AASB 1058 *Income of Not-for-Profit Entities*
- > AASB 16 *Leases*

The impacts on the Comprehensive Operating Statement and Balance Sheet has been summarised in the following tables.

The impact on the Balance Sheet due to the adoption of AASB 15, AASB 1058 and AASB 16 is illustrated with the following reconciliation between the restated carrying amounts at 30 June 2019 and the balance reported under the new accounting standards at 1 July 2019:

Balance Sheet	Before new accounting standards Opening 1 July 2019	Impact of new accounting standards - AASB 16	After new accounting standards Opening 1 July 2019
Total financial assets	85,239	-	85,239
Total non-financial assets	68,423	47,190	115,613
Total assets	153,662	47,190	200,852
Payables and Contract Liabilities	20,775		20,775
Borrowings	37,232	47,190	84,422
Other liabilities	23,011	-	23,011
Total liabilities	81,018	47,190	128,208
Accumulated surplus/(deficit)	(25,022)	-	(25,022)
Other items in equity	97,666	-	97,666
Total equity	72,644	-	72,644

8. Other disclosures (continued)

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, Board Members and Accountable Officer at ESTA are as follows:

Minister for Police and Emergency Services - The Hon. Lisa Neville, MP	1 July 2019 to 30 June 2020
Chair - Ms Flavia Gobbo	1 July 2019 to 30 June 2020
Chief Executive Officer - Mr Marty Smyth	1 July 2019 to 30 June 2020
Board Member - Ms Mary Delahunty	1 July 2019 to 30 June 2020
Board Member - Mr Paul Henderson	1 July 2019 to 30 June 2020
Board Member - Ms Christine Collin	1 July 2019 to 30 June 2020
Board Member - Ms Siobhan Boyd-Squires	1 July 2019 to 30 June 2020
Board Member - Mr Gary Rothville	1 July 2019 to 30 June 2020
Board Member - Dr Angela Williams	1 July 2019 to 30 June 2020
Board Member - Mr Luke Enright	1 July 2019 to 30 June 2020
Board Member - Ms Fiona Green	1 July 2019 to 30 June 2020

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:

	2020	2019
	No.	No.
\$330,000 - \$339,999	-	1
\$340,000 - \$349,999	1	-

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

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

8. Other disclosures (continued)

8.6.1 Remuneration of Board Members and the Accountable Officer

	2020	2019
	\$'000	\$'000
Short-term benefits	645	634
Post-employment benefits	61	60
Other long-term benefits	8	8
Termination benefits	-	-
Total remuneration	714	702
Total number of Board Members and the Accountable Officer (i)	10	10
Total annualised employee equivalents (ii)	10.0	10.0

(i) The total number of Board 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 8.7).

(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 Board 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 a result of salary increases, leave entitlement payout and termination benefits.

8.7.1 Remuneration of executive officers

	2020	2019
	\$'000	\$'000
Short-term benefits	1,878	1,681
Post-employment benefits	182	157
Other long-term benefits	52	46
Termination benefits	192	-
Total remuneration	2,304	1,884
Total number of executives (i)	10	11
Total annualised employee equivalents (ii)	8.6	8.0

(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 8.7).

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

8. Other disclosures (continued)

8.8 Related parties

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

8.8.1 Significant transactions with government related entities

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

Department of Environment, Land, Water and Planning

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

Department of Justice and 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.

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, tsunamis, road rescue and search and rescue.

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

Victorian Ombudsman

The Victorian Ombudsman purpose is to ensure fairness for Victorians in their dealing with the public sector and to improve public administration.

An ESTA staff member was seconded to the Victorian Ombudsman during the period.

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.



8. Other disclosures (continued)

	2020 \$'000	2019 \$'000
Receipts recognised as revenue		
Department of Justice and Community Safety	102,017	50,776
Ambulance Victoria	34,684	34,973
Country Fire Authority	40,483	40,969
Melbourne Cricket Ground Trust	-	171
Metropolitan Fire and Emergency Services Board	10,947	10,595
Treasury Corporation Victoria	-	794
Victoria Police	77,066	88,134
Victoria State Emergency Service	3,636	3,395
Victorian Ombudsman	155	-
	268,988	229,807
Payments recognised as expense		
Ambulance Victoria	96	129
Department of Justice and Community Safety	12	12
Department of Treasury and Finance	19,721	3,155
Metropolitan Fire and Emergency Services Board	26	3
Victoria Police	-	11
Victorian Managed Insurance Authority	546	519
Victorian Government Solicitor's Office	-	128
Victorian Rail Track	127	120
	20,528	4,077
Receivables		
Ambulance Victoria	3,158	2,311
Country Fire Authority	123	1,152
Department of Justice and Community Safety	2,983	-
Department of Treasury and Finance	1,380	1,784
Metropolitan Fire and Emergency Services Board	299	629
Victoria Police	2,546	3,615
	10,489	9,491
Payables		
Country Fire Authority	259	12
Department of Treasury and Finance	461	10
Victorian Government Solicitor's Office	-	3
Victorian Rail Track	18	18
	738	43

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

8. Other disclosures (continued)

8.8.2 Key management personnel

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

Executive Director, Operations - Mr Patrick Berry	1 July 2019 to 30 March 2020
Executive Director, Operations Support - Dr Ameer Morgans	1 July 2019 to 30 June 2020
Chief Financial Officer - Mr Jim Strilakos	1 July 2019 to 30 June 2020
Chief Information Officer - Mr Graeme Dunn	1 July 2019 to 30 June 2020
Executive Director, Corporate Affairs and Corporate Secretary - Ms Rosemary Mullaly	1 July 2019 to 31 May 2020
Executive Director, People and Culture - Mr Ari Cassarchis	1 July 2019 to 30 June 2020
Executive Director, Strategy and Risk - Mr Jerome Thevenon	1 July 2019 to 30 June 2020
Executive Director, Strategic Partnerships and Program Management - Mr Alistair Lloyd	1 July 2019 to 13 December 2019
Executive Director, Strategic Partnerships and Program Management (Acting) - Ms Aline Coulson	14 December 2019 to 30 June 2020
General Counsel and Corporate Secretary - Ms Amy Kelly	8 July 2019 to 30 June 2020

Prior to 1 June 2020, the General Counsel and Corporate Secretary's title was Principal Legal Counsel.

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

Remuneration for the executive officers is disclosed in Note 8.7.1.

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

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

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

8.9 Subsequent events

The Victorian Premier announced a state of disaster on 2 August 2020 and mandated the shut down of non-essential businesses for six weeks.

In addressing the operational risks posed by COVID-19, a number of changes have been implemented by management. These include:

- > reviewing budgets, cashflows and forecasts with an emphasis on COVID-19 related costs. COVID-19 related costs (refer to Note 3.2) are expected to continue into 2021 and possibly beyond.
- > facilitating the on-going ability of support office staff to work from home
- > enhanced social distancing by increasing the operational footprint, implementing 24/7 cleaning and temperature testing and providing appropriate personal protective equipment
- > enhanced mental health and wellbeing strategies and programs
- > working with suppliers and vendors to ensure they have appropriate business continuity arrangements in place and their ability to provide on-going supply of essential goods and/or services
- > continuing to review contracts for critical and mission-critical systems and obtain agreements confirming the vendor's approach to information security management, business continuity, disaster recovery and cyber security
- > continued monitoring of the financial sustainability of vendors and their ability to deliver goods and/or services that meet ESTA's requirements
- > modelling the impacts of potential major events overlaying ESTA's COVID-19 response and developing operational plans
- > continuing to work with partner agencies to implement agency specific and sector-wide responses.

8. Other disclosures (continued)

Management recognises that the situation associated with COVID-19 continues to evolve on a daily basis and it is difficult to estimate with a degree of certainty the resulting impact (financial and operational) the pandemic will have on ESTA, its operations, its future results and financial position.

No other matter or circumstances has arisen since 30 June 2020 that has significantly affected, or may significantly affect ESTA's operations, the results of those operations, or ESTA's state of affairs in future financial years (30 June 2019: none).

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

Certain new and revised accounting standards have been issued but are not effective for the 2019-20 reporting period. These accounting standards have not been applied. The State is reviewing its existing policies and assessing the potential implications of these accounting standards which include:

AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material

This standard principally amends AASB 101 *Presentation of Financial Statements* and AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. It applies to reporting periods beginning on or after 1 January 2020 with earlier application permitted. ESTA has not earlier adopted the standard.

The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.

ESTA is in the process of analysing the impacts of this standard. However, it is not anticipated to have a material impact.

AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current

This standard amends AASB 101 to clarify requirements for the presentation of liabilities in the Balance Sheet as current or non-current. It initially applied to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted however the AASB has recently issued ED 301 *Classification of Liabilities as Current or Non-Current - Deferral of Effective Date* with the intention to defer the application by 1 year to periods beginning on or after 1 January 2023. ESTA will not early adopt the standard.

ESTA is in the process of analysing the impacts of this standard. However, it is not anticipated to have a material impact.

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods but are considered to have limited impact on ESTA's reporting. These include:

- > AASB 17 *Insurance Contracts*
- > AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (Appendix C)*
- > AASB 2018-6 *Amendments to Australian Accounting Standards - Definition of a Business*
- > AASB 2019-1 *Amendments to Australian Accounting Standards - References to the Conceptual Framework*
- > AASB 2019-3 *Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform*
- > AASB 2019-5 *Amendments to Australian Accounting Standards - Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia*
- > AASB 2020-2 *Amendments to Australian Accounting Standards - Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities*

8. Other disclosures (continued)

8.12 Glossary of technical accounting terms

Amortisation

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

Borrowings

Refers to interest bearing liabilities mainly from lease liabilities.

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.

Finance lease

Is a lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset.

Financial asset

Is any asset that is:

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

Financial instrument

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

Financial liability

Is any liability that is:

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

8. Other disclosures (continued)

Financial statements

Comprises:

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

Grant expenses and other transfers

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

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

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

General government sector

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

Interest expense

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

Interest income

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

Leases

Are rights conveyed in a contract, or part of a contract, the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

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 lending/borrowing

Is the financing requirement of government, calculated as the net operating balance less the net acquisition of non-financial assets. It also equals transactions in financial assets less transactions in liabilities. A positive net result reflects a net lending position and a negative result reflects a net borrowing position.

Net operating balance or net result from transactions

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



8. Other disclosures (continued)

Net result

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

Net worth

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

Non-financial assets

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

Operating result

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

Other economic flows included in net result

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

Other economic flows – other comprehensive income

Comprises items (including reclassification adjustments) that are not recognised in net result as required or permitted by other Australian Accounting Standards. They include changes in physical asset revaluation surplus; share of net movement in revaluation surplus of associates and joint ventures; and gains and losses on remeasuring available-for-sale financial assets.

Payables

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

Receivables

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

Sales of goods and services

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

Supplies and services

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

Taxation

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

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

Transactions

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





Victorian Auditor-General's Office

Independent Auditor's Report

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 2020
- 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 2020 and its 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**

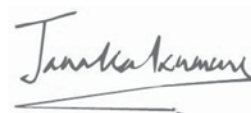
As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and 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
7 September 2020



Janaka Kumara
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-20	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	816	78	23	101	9.6%	2.8%	12.4%	586	230	2.5 : 1
Support	233	21	9	30	9.0%	3.9%	12.9%	123	110	1.1 : 1
ESTA Total	1049	99	32	131	9.4%	3.1%	12.5%	709	340	2.1 : 1

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

Income band (salary)	Executives	Band 7	Senior Managers
Less than \$160,000	0	0	0
\$160,000 - \$179,999	0	1	8
\$180,000 - \$199,999	3	1	3
\$200,000 - \$219,999	2	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 2019 and 2020

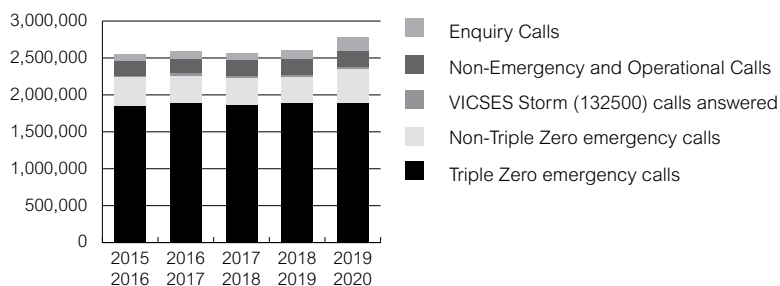
Jun-20								
		All employees		Ongoing			Fixed term and Casual	
		(headcount)	Number FTE	Full-time (headcount)	Part-time (headcount)	FTE	(headcount)	Number FTE
Demographic Data	Gender							
	Male	340	319	299	19	301	22	18
	Female	709	578	518	159	563	32	15
	Self-described	0	0	0	0	0	0	0
	Age							
	15-24	75	56	71	3	56	1	0
	25-34	399	343	334	58	341	7	2
	35-44	268	225	186	64	213	18	12
	45-54	206	188	157	36	177	13	11
	55-64	92	79	65	15	72	12	6
	65+	9	6	4	2	5	3	1
Classification Data	Operations Grades	816	681	639	159	679	18	2
	Call-taker 1	112	94	112	0	94	0	0
	Call-taker 2	60	54	51	8	54	1	0
	Call-taker 3	110	75	66	38	75	6	0
	Call-taker 4	52	45	37	13	44	2	1
	Dispatcher 1	30	29	29	1	29	0	0
	Dispatcher 2	55	51	52	3	51	0	0
	Dispatcher 3	259	204	167	83	203	9	1
	Dispatcher 4	34	28	24	10	28	0	0
	Assistant TL	62	61	61	1	61	0	0
	Team leader 1	22	21	21	1	21	0	0
	Team leader 2	20	18	19	1	18	0	0
	Support Grades	213	196	176	19	183	18	13
	Band 1	10	7	6	2	7	2	0
	Band 2	47	42	37	5	38	5	4
	Band 3	40	36	31	6	33	3	3
	Band 4	50	47	46	3	47	1	0
	Band 5	51	49	41	3	43	7	6
	Band 6	15	15	15	0	15	0	0
	Senior employees	20	20	2	0	2	18	18
	Executives	7	7	0	0	0	7	7
	Band 7	2	2	2	0	2	0	0
	Senior Managers	11	11	0	0	0	11	11
	Total employees	1049	897	817	178	864	54	33

Jun-19								
		All employees		Ongoing			Fixed term and Casual	
		(headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	(headcount)	FTE
Demographic Data	Gender							
	Male	324	305	286	15	289	23	15
	Female	666	549	476	157	537	33	12
	Self-described	0	0	0	0	0	0	0
	Age							
	15-24	57	50	52	3	50	2	0
	25-34	381	332	312	55	329	14	4
	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
Classification Data	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
	Dispatcher 4	36	32	24	12	32	0	0
	Assistant TL	56	53	54	2	53	0	0
	Team leader 1	12	12	12	0	12	0	0
	Team leader 2	27	26	26	1	26	0	0
	Support Grades	175	163	148	18	156	9	7
	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

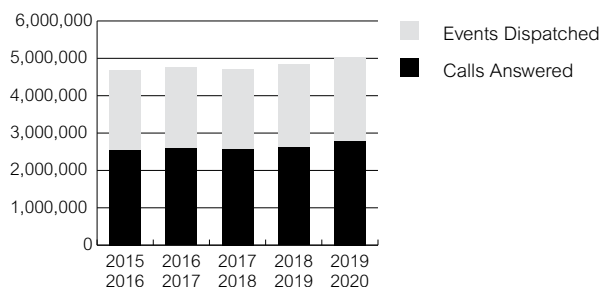
Five-Year Summary Statistics

Activity	2015-16	2016-17	2017-18	2018-19	2019-20	Growth on LY	Four Year CAGR	Four Year Growth
Calls Answered	2,544,708	2,595,126	2,570,282	2,605,574	2,785,425	6.9%	2.3%	9.5%
Triple Zero emergency calls	1,849,042	1,884,077	1,864,504	1,883,991	1,891,724	0.4%	0.6%	2.3%
Non-Triple Zero emergency calls	381,909	373,426	360,365	362,970	449,016	23.7%	4.1%	17.6%
VICSES Storm (132500) calls answered	19,902	32,345	29,275	22,175	31,591	42.5%	12.2%	58.7%
Non-Emergency and Operational Calls	204,883	201,734	210,412	216,369	223,834	3.5%	2.2%	9.2%
Enquiry Calls	88,972	103,544	105,726	120,069	189,260	57.6%	20.8%	112.7%
<i>Average calls per day</i>	<i>6953</i>	<i>7110</i>	<i>7042</i>	<i>7139</i>	<i>7610</i>	<i>6.6%</i>	<i>2.3%</i>	<i>9.5%</i>
<i>Average Triple Zero emergency calls per day</i>	<i>5052</i>	<i>5162</i>	<i>5108</i>	<i>5162</i>	<i>5169</i>	<i>0.1%</i>	<i>0.6%</i>	<i>2.3%</i>
Events Dispatched	2,133,502	2,161,706	2,145,038	2,232,116	2,247,794	0.7%	1.3%	5.4%
Emergency Calls - Triple Zero, Direct and Storm	2,250,853	2,289,848	2,254,144	2,269,136	2,372,331	4.5%	1.3%	5.4%

ESTA total calls answered



CTD volumes



Calls answered per agency

Agency	2015-16	2016-17	2017-18	2018-19	2019-20	Growth on LY	Four Year CAGR	Four Year Growth
Victoria Police	1,416,144	1,428,728	1,369,121	1,369,893	1,442,824	5.3%	0.4%	1.9%
Ambulance Victoria	893,686	914,453	945,757	979,379	1,009,047	3.0%	2.5%	12.9%
CFA	143,622	149,362	156,669	169,879	234,996	38.3%	10.3%	63.6%
VICSES	49,758	69,498	64,125	52,526	67,696	28.9%	6.4%	36.1%
MFB	41,498	33,085	34,610	33,897	30,862	-9.0%	-5.8%	-25.6%
Total	2,544,708	2,595,126	2,570,282	2,605,574	2,785,425	6.9%	1.8%	9.5%

Agency	2019-20	% of total
Victoria Police	1,442,824	51.8%
Ambulance Victoria	1,009,047	36.2%
CFA	234,996	8.4%
VICSES	67,696	2.4%
MFB	30,862	1.1%
Total	2,785,425	100.0%

Dispatch events per agency

Agency	2015-16	2016-17	2017-18	2018-19	2019-20	Growth on LY	Four Year CAGR	Four Year Growth
Victoria Police	1,325,856	1,366,105	1,321,165	1,373,308	1,360,477	-0.9%	0.6%	2.6%
Ambulance Victoria	699,675	676,237	705,069	742,255	761,068	2.5%	2.1%	8.8%
CFA	45,664	44,876	48,531	50,297	49,832	-0.9%	2.2%	9.1%
MFB	40,435	41,244	42,017	41,931	41,143	-1.9%	0.4%	1.8%
VICSES	21,872	33,244	28,256	24,325	35,274	45.0%	12.7%	61.3%
ESTA TOTAL Events Dispatched	2,133,502	2,161,706	2,145,038	2,232,116	2,247,794	0.7%	1.3%	5.4%

Agency	2019-20	% of total
Victoria Police	1,360,477	60.5%
Ambulance Victoria	761,068	33.9%
CFA	49,832	2.2%
MFB	41,143	1.8%
VICSES	35,274	1.6%
ESTA TOTAL Events Dispatched	2,247,794	100%

AV Emergency includes ERT C3 from 2013-14.

Events Dispatched	FY2017	FY2018	FY2019	FY2019 Variance
AV - Code 1 - Emergency	279,819	295,702	303,405	2.60%
AV - Code 2 - Emergency	218,353	224,045	228,829	2.1%
ERTCOMM - Code 3	41,898	42,255	38,114	-9.8%
VICPOL - Priority 1	132,347	134,545	129,759	-3.6%
VICPOL - Priority 2	781,292	833,352	820,907	-1.5%
VICPOL - Priority 3	407,526	405,411	409,811	1.1%
VicSES - Other Agency Priority 1	2295	2512	2498	-0.6%
VicSES - Other Agency Priority 2	4469	4263	6331	48.5%
VicSES - Other Agency Priority 3	4483	3804	4761	25.2%
VicSES - Rural Priority 2	1642	1580	2491	57.7%
VicSES - Rural Priority 3	2321	2165	3068	41.7%
VicSES - Urban Priority 2	2970	2422	3823	57.8%
VicSES - Urban Priority 3	10,076	7579	12,302	62.3%
MFB - Priority 1 - Alarms	12,546	12,398	12,928	4.3%
MFB - Priority 1 - EMR	5923	5855	5784	-1.2%
MFB - Priority 1 - Telephone Events	12,596	12,170	10,894	-10.5%
MFB - Priority 1 - Other Agency	10,952	11,508	11,537	0.3%
CFA - Priority 1 - Alarms	6414	6393	6498	1.6%
CFA - Priority 1 - EMR	2913	4111	4841	17.8%
CFA - Priority 1 - Rural	6002	6125	5608	-8.4%
CFA - Priority 1 - Urban	9807	9793	8858	-9.5%
CFA - Priority 3 - Rural	1854	1861	1569	-15.7%
CFA - Priority 3 - Urban	3616	3377	2897	-14.2%
CFA - Priority 1 - Other Agency	17,925	18,637	19,561	5.0%
Ambulance Victoria - Patient Transport	164,999	18,0253	190,720	5.8%
Total Events Dispatched	2,145,038	2,232,116	2,247,794	0.7%

Events Dispatched by Agency	FY2017	FY2018	FY2019
VICPOL	61.6%	61.5%	60.5%
AMBULANCE	32.9%	33.3%	33.9%
MFB	2.0%	1.9%	1.8%
CFA	2.3%	2.3%	2.2%
VICSES	1.3%	1.1%	1.6%
Total Events Dispatched	2,145,038	2,232,116	2,247,794



Calls Answered											
Category	FY 2017	FY 2018	FY 2019	FY2019 Variance	% of total	Agency	FY2017	FY2018	FY2019	FY2019 Variance	% of total
A	360,365	362,970	449,016	23.7%	16.1%	CFA	156,669	169,879	234,996	38.3%	8.4%
B	1,864,504	1,883,991	1,891,724	0.4%	67.9%	ERTCOMM	782,008	804,565	831,674	3.4%	29.9%
						MFB	34,610	33,897	30,862	-9.0%	1.1%
C	29,275	22,175	31,591	42.5%	1.1%	NETCOMM	163,749	174,814	177,373	1.5%	6.4%
N	163,749	174,814	177,373	1.5%	6.4%	VICPOL	1,369,121	1,369,893	1,442,824	5.3%	51.8%
O	46,663	41,555	46,461	11.8%	1.7%	VICSES	64,125	52,526	67,696	28.9%	2.4%
Q	105,726	120,069	189,260	57.6%	6.8%	Total	2,570,282	2,605,574	2,785,425	6.9%	100.0%
Total	2,570,282	2,605,574	2,785,425	6.9%							
TZ %	72.5%	72.3%	67.9%	-6.1%							
Call every X seconds	12.3	12.1	11.4	-6.2%							
Calls Per Day	7041.9	7138.6	7610.5	6.6%							
000 Calls Per Day	5108.2	5161.6	5168.6	0.1%							

PERF_CATEGORY_ID	Description	Description_ESTA
A	Emergency - Direct to ESTA	Emergency - Direct to ESTA
B	Emergency - Triple Zero	Emergency - Triple Zero
C	Storm Emergency	Storm 132500
F	Facsimile	Fax Calls
N	Non Emergency	Non Emergency
O	Operational / Field	Calls to Dispatchers
Q	Enquiry / Notifications	Notifications / Burnoffs

Call Answer Performance (Emergency Calls)¹

Agency	Benchmark	2018- 2019	2019- 2020	Change	Average	Answer Time (secs)	
						50th Percentile	90th Percentile
Victoria Police	80 per cent answered within 5 seconds ²	86.2%	84.6%	-1.6%	6.9	1	19
Ambulance	90 per cent answered within 5 seconds ³	92.8%	93.6%	0.8%	3.6	1	2
CFA	90 per cent answered within 5 seconds	96.3%	95.5%	-0.8%	3.8	1	2
MFB	90 per cent answered within 5 seconds	95.9%	94.9%	-1.0%	4.0	1	2
VicSES	90 per cent answered within 20 seconds	88.3%	80.8%	-7.5%	41.6	1	94

Time to Dispatch Performance (Emergency Events)

Agency	Benchmark	2018- 2019	2019- 2020	Change	Average	Dispatch Time (secs)	
						50th Percentile	90th Percentile
Victoria Police (state-wide) priority one events	80 per cent dispatched within 160 seconds ⁴	89.9%	92.6%	2.7%	67.4	43	138
Ambulance (state-wide) code one events	90 per cent dispatched within 150 seconds ⁵	85.7%	85.8%	0.1%	113.4	99	165
CFA priority one events ⁶	90 per cent dispatched within benchmark	93.6%	93.3%	-0.3%			
P1 Urban					83.9	70	138
P1 Rural					109.7	91	190.3
Alarms					9.3	7	10
Other Agency					31.6	21	48
EMR					7.7	7	10
MFB priority one events ⁷	90 per cent dispatched within benchmark	94.3%	93.9%	-0.4%			
Telephone					89.9	75	146
Alarms					12.5	7	11
Other Agency					30.0	20	41
EMR					7.4	6	9
VicSES priority one events	90 per cent dispatched within 60 seconds	91.4%	89.2%	-2.2%	355.6	21	63.3

Time to Dispatch Performance⁸ (Lower Priority Events)

Agency	Benchmark	2018- 2019	2019- 2020	Change	Dispatch Time (secs)		
					Average	50th Percentile	90th Percentile
Victoria Police (state-wide) priority two events	80 per cent dispatched within 300 seconds ⁹	88.4%	87.3%	-1.1%	154.5	90	343
Victoria Police (state-wide) priority three events	80 per cent dispatched within 900 seconds ¹⁰	97.9%	98.0%	0.1%	265.6	148	716
Ambulance (state-wide) code two events	90 per cent dispatched within 300 seconds ¹¹	94.6%	93.7%	-0.9%	164.6	126	254
CFA priority three events ¹²	90 per cent dispatched within benchmark	91.0%	88.2%	-2.8%			
Urban					108.8	93	173
Rural					137.1	114	230
VicSES priority two and three events ¹³	90 per cent dispatched within benchmark	98.4%	96.1%	-2.3%			
Urban					215.3	190	332
Rural					228.1	195	361
Other Agency					60.2	33	107

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 ESTAs services are provided Statewide and the figures displayed reflect Statewide activity and performance against the standard as presented.
- 3 ESTAs services are provided Statewide and the figures displayed reflect Statewide activity and performance against the standard as presented. However, for the 2016/17 FY, this standard applied to Metropolitan Service Delivery only.
- 4 ESTAs services are provided Statewide and the figures displayed reflect Statewide activity and performance against the standard as presented.
- 5 ESTAs services are provided Statewide and the figures displayed reflect Statewide activity and performance against the standard as presented. However, for the 2016/17 FY, this standard applied to Metropolitan Service Delivery only.
- 6 Emergency Medical Response / Alarm Events – 28 seconds, Urban Telephone Events – 120 seconds, Rural Telephone Events – 190 seconds, Other Agency Events – 60 seconds.
- 7 Emergency Medical Response / Alarm Events – 28 seconds, Telephone Events – 120 seconds, Other Agency Events – 60 seconds.
- 8 Where reference is made to dispatch performance, it should be noted that following the upgrade of the ESTA CAD system to Version 9v11, there was a period where the 'Create Event' button timestamp was not available for measurement. Resultantly ESTA had to change how it determined Event Create Time, instead measuring from the first update to the event form.
- 9 ESTAs services are provided Statewide and the figures displayed reflect Statewide activity and performance against the standard as presented.
- 10 ESTAs services are provided Statewide and the figures displayed reflect Statewide activity and performance against the standard as presented.
- 11 ESTAs services are provided Statewide and the figures displayed reflect Statewide activity and performance against the standard as presented. However, for the 2016/17 FY, this standard applied to Metropolitan Service Delivery only.
- 12 Urban Events – 160 seconds, Rural Events – 230 seconds.
- 13 Urban Priority 2 and 3 Events – 460 seconds, Rural Priority 2 and 3 Events – 460 seconds, Other Agency Events – 230 seconds.

Cumulative performance

Call taking	Benchmark	FY2017		FY2018		FY2019	
		Compliant Month Count	Cumulative 12 Month Performance	Compliant Month Count	Cumulative 12 Month Performance	Compliant Month Count	Cumulative 12 Month Performance
AV Emerg (S.Wide)	90 per cent answered within 5 seconds ²	12	93.10%	12	92.80%	12	93.60%
AV Non-emerg (S.Wide)	90 per cent answered within 30 seconds ²	12	94.50%	12	94.40%	12	96.10%
Vic Pol (S.Wide)	80 per cent answered within 5 seconds ³	12	88.30%	12	86.20%	12	84.60%
CFA Emerg	90 per cent answered within 5 seconds	12	96.40%	12	96.30%	12	95.50%
CFA Non-Emerg / Operational	90 per cent answered within benchmark	12	95.20%	12	95.60%	12	95.30%
SES Emerg	90 per cent answered within 20 seconds	8	86.80%	7	88.30%	8	80.80%
SES Non-Emerg / Operational	80 per cent answered within 20 seconds	12	90.90%	12	96.20%	12	93.40%
MFB Emerg	90 per cent answered within 5 seconds	12	96.00%	11	95.90%	11	94.90%
MFB Non-Emerg / Operational	90 per cent answered within benchmark	12	96.30%	12	96.30%	12	96.80%

Dispatch	Benchmark	FY2017		FY2018		FY2019	
AV Emerg (Code 1) (S.Wide)	90 per cent dispatched within 150 seconds ²	0	85.40%	0	85.70%	0	85.80%
AV Emerg (Code 2) (S.Wide)	90 per cent dispatched within 300 seconds ²	12	94.60%	12	94.60%	12	93.70%
Vic Pol (Priority 1) (S.Wide)	80 per cent dispatched within 180 seconds ³	12	89.70%	12	89.90%	12	92.60%
Vic Pol (Priority 2) (S.Wide)	80 per cent dispatched within 300 seconds ³	12	88.20%	12	88.40%	12	87.30%
Vic Pol (Priority 3) (S.Wide)	80 per cent dispatched within 900 seconds ³	12	98.10%	12	97.90%	12	98.00%
SES (Priority 1)	90 per cent dispatched within 60 seconds	4	89.20%	10	91.40%	4	89.20%
SES (Priority 2 and 3)	90 per cent dispatched within benchmark	12	94.90%	12	98.40%	11	96.10%
MFB (Priority 1)	90 per cent dispatched within benchmark	12	94.60%	12	94.30%	12	93.90%
CFA (Priority 1)	90 per cent dispatched within benchmark	12	93.20%	12	93.60%	12	93.30%
CFA (Priority 3)	90 per cent dispatched within benchmark	7	90.50%	8	91.00%	0	88.20%

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

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



Call answer percentiles	Count	AvgCAS	MAX CAS	50th Percentile	80th Percentile	90th Percentile
CFA EMERGENCY	39,555	3.8	418	1	2	2
CFA Enquiry	189,260	26.4	1250	1	2	72
CFA Op/Field	6181	7.5	441	5	7	10
ERTCOMM	831,674	3.6	422	1	2	2
MFB EMERGENCY	26,687	4.0	404	1	2	2
MFB Enquiry	-	-	-	-	-	-
MFB Op/Field	4175	6.1	278	4	6	9
NETCOMM	177,373	7.1	1479	3	4	5
VICSES Op/Field	36,105	10.1	1717	5	7	14
VICSES STORM	31,591	41.6	2710	1	2	94
VP EMERGENCY	1,442,824	6.9	447	1	2	19

Dispatch percentiles	Count	AvgTTD	MAX_TTD	PC50	PC80	PC90
MFB						
Phone Events	10,894	89.9	2572	75	114	146
Alarms	12,928	12.5	6408	7	9	11
Other Agency	11,537	30.0	2373	20	31	41
EMR	5784	7.4	336	6	8	9
ERTCOMM STATEWIDE						
CODE 1	303,405	113.4	548,175	99	137	165
CODE 2	228,830	164.6	209,442	126	195	254
VICPOL STATEWIDE						
Priority 1	129,759	67.4	5202	43	92	138
Priority 2	820,907	154.5	39,510	90	230	343
Priority 3	409,811	265.6	339,933	148	504	716
VICSES						
P1 - Other Agency	2498	355.6	680,904	21	42	63.3
P2 and 3 - Other Agency	11,092	60.2	2817	33	66	107
P2 and 3 - Urban	16,125	215.3	1393	190	267	331.6
P2 and 3 - Rural	5559	228.1	3071	195	282.4	361.2
CFA						
P1 Urban - Phone	8858	83.9	3625	70	107	138
P1 Rural - Phone	5608	109.7	1873	91	145	190.3
Alarms	6498	9.3	4956	7	9	10
Other Agency	19,561	31.6	8166	21	36	48
EMR	4841	7.7	318	7	8	10
P3 Urban - Phone	2897	108.8	1488	93	137.6	173
P3 Rural - Phone	1569	137.1	981	114	177.4	230.2

Sundry events	FY 2016	FY 2017	FY 2018	FY 2019	
AV Code 1 Events	272,960	279,819	295,702	303,405	Based on IGEM Code 1, code 1 implies lights and siren's emergency ambulance response
Police Pursuits	859	658	467	496	Based on SP or TP POLiCE TYCOD
Cardiac Events	8016	8758	8991	8945	Based on Card 9 Events ERTCOMM Report
Burnoffs Regd	96,437	100,623	112,700	171,124	FSV Burnoffs CAD9 function
Assist with babies born	109	116	110	127	Baby born Event Report

MMR radio calls

Agency	2015-16	2016-17	2017-18	2018-19	2019-20	2019-20 % Change	CAGR %
Ambulance Victoria	5,117,652	5,325,844	5,828,435	8,779,387	12,981,143	47.86%	26.20%
Metropolitan Fire Brigade	1,426,602	1,398,821	1,507,935	2,258,758	2,826,612	25.14%	18.64%
Victoria Police	13,456,971	13,594,628	14,099,906	14,542,281	15,177,355	4.37%	3.05%
TOTAL Calls	20,001,225	20,319,293	21,436,276	25,580,426	30,985,110	21.13%	11.56%

MDN transactions

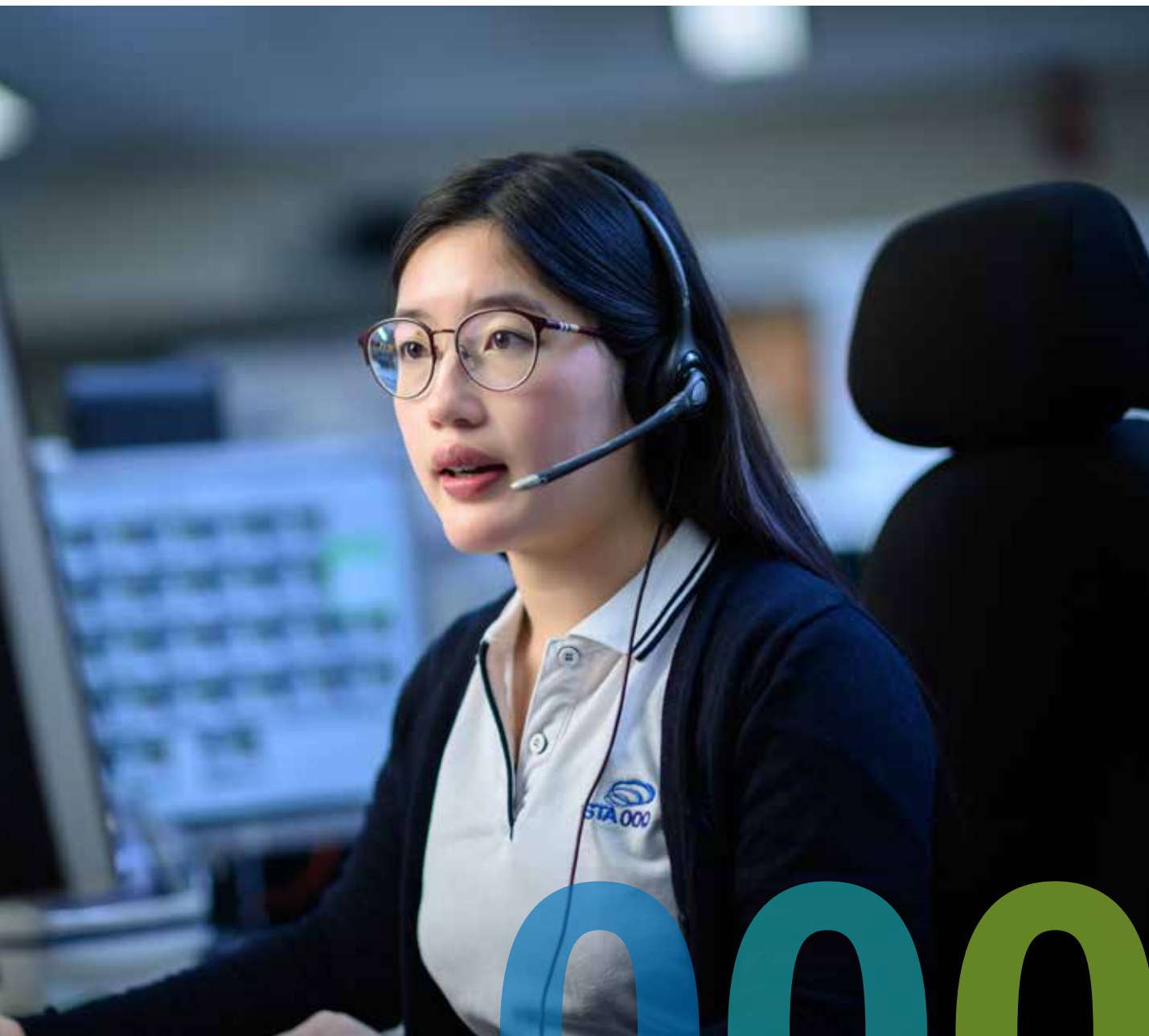
Transaction Type	2015-16	2016-17	2017-18	2018-19	2019-20	2019-20 % Change	CAGR %
CAD – Ambulance Victoria	506,139	512,668	533,571	548,437	557,308	1.62%	2.44%
CAD – Victoria Police	1,853,145	2,030,132	2,081,368	2,036,650	506,790	-75.12%	-27.68%
LEAP inquiries	7,681,627	8,817,130	9,444,769	9,332,351	2,367,187	-74.63%	-25.49%
Sheriff's Office	6,990	6,371	3,114	0	0	0	-100.00%
TOTAL Transactions	10,047,901	11,366,301	12,062,822	11,917,438	3,431,285	-71.21%	-23.56%

EAS messaging volumes

Message Priority	2015-16	2016-17	2017-18	2018-19	2019-20	2019-20 % Change	CAGR %	2019-20 Delivery Success
Emergency	482,654	443,927	486,853	514,438	524,636	1.98%	2.11%	100.000%
Non-Emergency	646,106	832,120	747,920	721,255	764,192	5.95%	4.29%	100.000%
Administrative	152,185	125,155	288,918	186,024	138,871	-25.35%	-2.26%	100.000%
TOTAL Messages	1,280,945	1,401,202	1,523,691	1,421,717	1,427,699	0.42%	2.75%	100.000%



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