



# KEEPING COMMUNITIES SAFE





# COMMUNICATION OBJECTIVE

- > This report provides an account of the Victoria State Emergency Service Authority during the 2009-2010 financial year, as required under the Financial Management Act of 1994.
- > It provides a record of events and activities, acknowledges the cooperation of the VICSES members and its supporters, and informs Government and the public about VICSES services and organisational development during the 2009-2010 financial year.

**Further copies of this Annual Report may be obtained from:**

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This report is available for viewing online at [www.ses.vic.gov.au](http://www.ses.vic.gov.au)

**Cover:** Special thanks to Clare Kelliher, Leonie Abbot and Kelly Whyte from VHQ Support Unit, Annie Watson from Edenhope Unit, Roisin Lamprell from Central RSU, Faye Bendrups from Footscray Unit, Fraser Bryden and David Baird from Doncaster Unit, Mohammed Alan from Northcote Unit, Chris and Kiri Dawes from Bacchus Marsh Unit, Adele McMannis and Tanya McRae from Frankston Unit, Alex Courtney from Malvern Unit and Toby Richards from St Kilda Unit for giving up your time to participate in the Annual Report photo shoot.

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## OUR VISION

> VICSES will be seen as a robust, innovative, emergency service organisation keeping Victorian communities safe.

## OUR PURPOSE

> Partnering with the community to provide timely and effective emergency services.

## OUR VALUES

- Our people
- Commitment
- Trust
- Community focused
- Integrity

# OUR GOALS AND OBJECTIVES

## > A sustainable volunteer and employee workforce

- Volunteer Accord updated and re-signed by State Government, VICSES and VESA
- Continued to roll out "Play Your Part" VICSES OH&S Strategy
- Developed and launched a generic Unit structure providing guidance for Unit Controllers
- Developed and launched the Unit Management Manual including Recruitment, Retention and Recognition Strategy supported through funding from the State Government's Valuing Volunteers Program
- Continued the implementation of the Operational Information Management System (OIMS) with the roll-out of the Training System (TRAIN)
- Learning and Development Strategy developed
- Independent audits of VICSES safety and training systems completed
- 36% increase in members attaining national recognised competencies
- Delivery of Pilot Crew Leader course and five courses conducted with 57 volunteers trained
- Significantly increased in members who gained accreditation in competencies from 2008/2009
  - Delivery of First Aid 36%
  - Delivery of OH&S 24%
  - Delivery of Working Safely at a CFA Incident 21%
  - 2,468 volunteers with Rescue Fundamentals (new course)
  - 594 volunteers trained in OIMS IMS (new course)
  - 526 volunteers trained in OIMS RMS (new course)
- VICSES volunteers completed a further 13,742 national training competencies
- Maintained high public profile on the work of VICSES volunteers around the State through Driver Reviver, National SES Week and other community events
- Delivered VICSES Media Training Program to 108 VICSES volunteers and five volunteers from the Australian Coastguard funded through the State Government Valuing Volunteer Program
- Video conferencing implemented within VICSES connecting VHQ and all regional offices
- Initiation of the Internal Communications Strategy for VICSES
- Development of a VICSES Social Media Strategy

## > A sustainable and independent source of funding

- Procurement of major assets including:-
  - 25 new trucks delivered to Units
  - 18 new rescue trailers delivered to Units
  - 7 new rescue boats delivered to Units
  - 12 Road Crash Rescue Kits delivered to Units
  - 72 Unit computers delivered to Units
- Continued the VICSES \$8.0M program for new and refurbished Units and upgrade to training facilities
  - Completion of the Swan Hill Unit relocation
  - Commencement of the Geelong Unit refurbishment
  - Completion of the new Whittlesea Unit
  - Completion of the new Hepburn Shire Unit
  - Commencement of the new Wyndham West Unit project
  - Commencement of the enhancements to the training grounds at Huntly, Bangholme, Fiskville and Wangaratta
- Continuation of the AAMI sponsorship delivering new equipment to VICSES Units

## > DID YOU KNOW?

# 17,330

National training competencies were completed by VICSES Volunteers

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## > An appropriately resourced emergency management and response capacity

- Commencement of Operational Radio And Dispatch (ORAD) Project
- Developed and launched the Field Officers Guide (FOG)
- Development and implementation of VICSES Pandemic Plan
- Development and implementation of the VICSES Operational Consultation Framework
- 19 Municipal Emergency Management Plans Audited
- Implemented multi-panel approach to conducting audits of Municipal Emergency Management Plans
- Review of existing Standard Operating Procedures (SOPs) and development of new SOPs
- Further development of FloodSafe and StormSafe programs
- Piloted Community Education Course for VICSES volunteers
- Conducted 38 "Introduction to Emergency Management" courses with 966 people from local council, police, ambulance, non-government agencies, DHS, healthcare groups and other state government agencies
- Developed and implemented a policy for VICSES response to Code Red Days and fire agency support
- Active involvement in the development of the State Control Centre (SCC)
- Introduction to AIIMS program continued throughout the year
- Development of Memorandum of Understanding (MOU) with Australian Volunteer Coastguard
- Partnership with Prime TV delivering new community service announcement
- Successful pilot of VICSES Mascot Paddy Platypus
- Central Region relocated to new Headquarters in Mulgrave

## > A strategic and proactive approach to service delivery in our community

- Development of community education programs for earthquake and tsunami called QuakeSafe and TsunamiSafe
- Development of a flood emergency management planning template and initiated work with councils to develop flood emergency management plans
- Printing and distribution of the revised Australian Emergency Manuals Flood Series
- Continuation of FloodSafe programs in Central and North East Regions and commencement of FloodSafe program in South West Region
- Delivery of community education and flood emergency plans in Central Region in partnership with Melbourne Water
- Engaged with bushfire-affected communities regarding enhanced flash flood and storm risks
- Development of State Hazards emergency plans for flood, storm, earthquake and tsunami
- Inaugural StormSafe week held
- In partnership with DSE facilitated development of flood studies library
- Management of tsunami briefings provided to some 200 emergency managers
- Developed emergency relief centre guidelines in partnership with DHS
- Transition emergency relief co-ordination from VICSES to DHS
- Partnered with DSE promoting a flood intelligence system for Victoria
- VICSES managed a number of storm operations, largely resulting from severe weather events
  - In August, over 900 volunteers from 108 VICSES Units responded to 2,485 Requests for Assistance (RFAs) as a result of a severe windstorm that heavily impacted the outer eastern suburbs of Melbourne
  - In November, 700 volunteers from 72 VICSES Units responded to 1150 RFAs resulting from damaging winds and heavy rainfall in the outer eastern suburbs of Melbourne
  - As a result of severe thunderstorms over the Labour Day long weekend in March, VICSES received over 7800 RFAs across the State. This was the largest single event that VICSES has responded to in terms of RFAs
- Deployment of a taskforce to Western Australia to assist with storm response



## > VOLUNTEER PROFILE

**NAME:**  
DAVID SMITH

**AGE:**  
41

**UNIT:**  
NUNAWADING

**OCCUPATION:**  
PLANNING ARBORIST

DAVID SMITH has been a volunteer with the Nunawading Unit for 15 years and in the past two years has taken up the role of Unit Controller.

David's time in SES has been eventful to say the least, and he has been involved in a number of significant operations including the Sydney Hailstorms, the Mt Dom Dom Search and the Black Saturday bushfires.

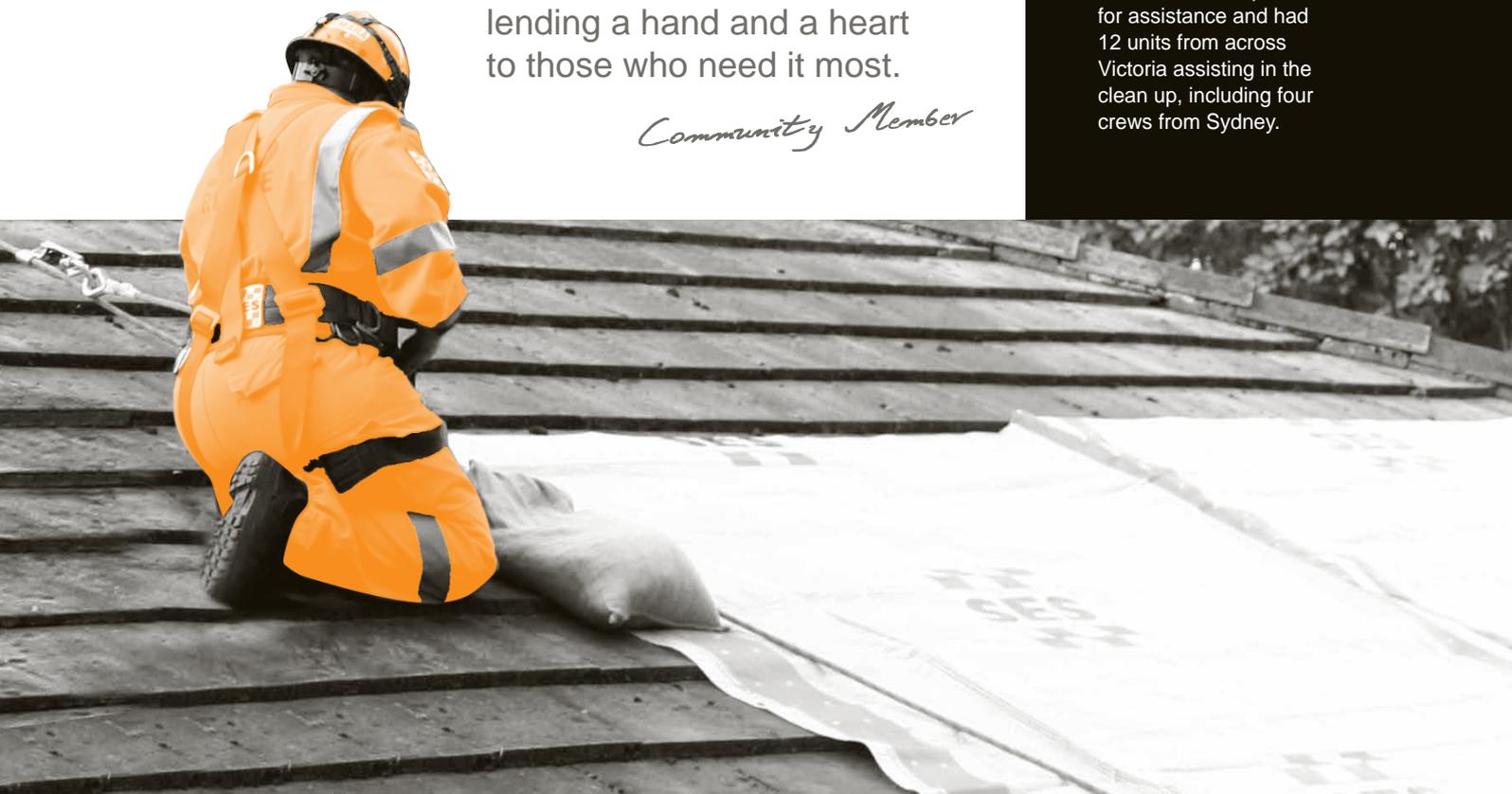
David says his most memorable operation was a storm that ripped through Nunawading in April 2008. The Unit had over 500 requests for assistance and had 12 units from across Victoria assisting in the clean up, including four crews from Sydney.

### > A sound governance framework

- Developed Unit Financial Management Manual and Training roll-out to over 200 volunteers
- Continued review of existing policies and development of new governance and administrative policies including the development and implementation of a social media policy and environmental policy
- Commenced Process Mapping project
- Cash balances for VICSES Units included in the annual report
- KPMG contracted to conduct desktop audits of all volunteer Units for 2008/2009
- Developed the VICSES Project Management Framework and project management training
- Commenced development of VICSES information Communication Technology (ICT) Strategy
- Update of the VICSES Risk Register
- Continued Business Continuity Management Framework for VICSES including commencement of business continuity project encompassing VHQ, Regions and volunteer Units

// Thanks for coming in when we are at our worst and lending a hand and a heart to those who need it most.

*Community Member*





## CHAIR'S REPORT

Thank you to the volunteers and staff who have so willingly embraced the continued transformation of the State Emergency Service. In addition, my thanks to the VICSES Board Members, the Chief Executive Officer, and executive staff for their support throughout the year.

Three significant events during the 2009-10 year have shaped our activities for the year and the positioning of the Authority for the future.

On 8 November 2009, the Victorian State Emergency Service Volunteer Accord was re-signed. The co-signatories to the Accord, the Government, VESA and VICSES re-committed to maintaining the consultative approach to matters affecting volunteers in the performance of their duties. We have seen throughout the year the benefits of this consultative process, with the successful implementation of initiatives such as the Operational Information Management System (OIMS), and the work of the Unit Financial Management Taskforce.

During the year, VICSES has made a significant undertaking to WorkSafe to improve the effectiveness of training and safety systems to ensure the safety of our volunteers and staff. We have commissioned several independent audits of our training and safety systems. These audits, together with the undertakings to WorkSafe, have enabled us to settle on a strategy to ensure that our volunteers are well trained to perform their tasks in a safe manner.

Following the tragedy of 7 February 2009, VICSES has also reflected on its performance with respect to bushfire, whilst watching closely the activities of the Victorian Bushfires Royal Commission (VBRC). In response, we have implemented a number of changes to our operational support and relief activities.

In addition, during the year we have continued our community programs under the new banners of FloodSafe and StormSafe. We have had great support from Melbourne Water in implementing localised programs, and we continue to work with the Municipalities on their preparedness. VICSES staff in consultation with Victoria Police, DHS, MAV, OESC and other stakeholders have also redesigned and implemented a multi panel approach to conduct audits of Municipal Emergency Management Plans.

The next 12 months are likely to be dominated by continued improvements in our training and safety systems and procedures – not only to satisfy the undertakings we have made to WorkSafe but, more importantly, to ensure the safety and well being of our volunteers and staff.

We will be watching closely the developments from the Bushfires Royal Commission to ensure that VICSES continues to be well positioned in emergency services.

We will also continue to pursue the rollout of our FloodSafe and StormSafe programs to assist the community in their preparedness and response to these events.

### **Our Volunteers and Staff**

Our volunteers and their families continue to be our greatest asset. 2009-10 saw our volunteers responding to over 28,896 requests for assistance – the highest number on record. Often, the requests are concentrated in a particular region, and it is testament to the strength of our volunteer commitment that VICSES has been able to respond in a timely and seamless manner.

Staff have continued to achieve great outcomes this year and have worked tirelessly in support of our volunteers. Together they have embraced and implemented a number of significant process and systems improvements in the areas of Unit management, operational information and safety systems.

Our thanks must go to the families and loved ones who provide tremendous support to our volunteers. We do not underestimate the impact that the commitment our volunteers make must have on family life and we appreciate the sacrifice they make.

### **With Grateful Thanks!**

In July 2009, after having served two years, Board Director David Vendy was farewelled.

We are very pleased that the Minister for Police and Emergency Services, the Hon. Bob Cameron MP is so committed to supporting our staff and volunteers in their community service. We thank him for his continued support and advice.

Many thanks to the Emergency Services Commissioner, and those senior staff of the Department of Justice and the Office of the Emergency Services Commissioner with whom we worked closely during the year.

Our thanks also to our partners in the community, particularly the Municipal Councils and the Municipal Association of Victoria who continue to provide Unit facilities and support to our volunteers. Also AAMI for supporting VICSES Units and Melbourne Water for their support of VICSES Community Education Programs.

We continue to work very closely with the Police and other Emergency Service organisations in Victoria, and appreciate their support during major events during 2009-10.

Last, but by no means least, a special thank you to the volunteers from Western Australia, South Australia, Tasmania and New South Wales who have assisted VICSES throughout the year – your support has been much appreciated.

### **Results**

The Board has reviewed the Authority's financial statements for the period 1 July 2009 to 30 June 2010. The net result for the Victoria State Emergency Service Authority for this period was an operating surplus of \$8.852 million.

The Board is also pleased to report an increase in education and awareness of Occupational Health and Safety requirements for all VICSES members. The continued focus on awareness, training and safety systems will help ensure the future safety and well being of our people.

On a personal note, thank you to the volunteers and staff who have so willingly embraced the continued transformation of the State Emergency Service. In addition, my thanks to the VICSES Board members, the Chief Executive Officer, and Executive Staff for their support throughout the year.

On behalf of the Board, I commend this annual report to you.



Claire Higgins

**Chair**

Victoria State Emergency Service Authority Board



## CEO'S REPORT

The last 12 months has been another very exciting and challenging year for all at VICSES as we continue our journey to becoming a more robust, innovative emergency service keeping Victorian Communities safe.

Our robustness was truly tested in March 2010, when VICSES experienced one of its largest ever operations after a severe hailstorm, and subsequent thunderstorms, swept the state over the Labour Day weekend.

During the worst hailstorm Melbourne has ever seen and the weather that preceded it, VICSES received over 7800 requests for assistance (RFAs), with over 6300 of these recorded in the Central Region.

Volunteers and staff from across the state worked tirelessly during a week-long operation, in a display of dedication, commitment and teamwork, in what has been yet another busy start to a new calendar year.

Crews from regions across the state, as well as SES crews from NSW, SA, WA and Tasmania were deployed to the worst affected areas to help with the backlog and clearing of tasks.

VICSES also received strong support from Country Fire Authority (CFA), Department of Sustainability and Environment (DSE), and Metropolitan Fire Brigade (MFB). The joint response to the storms demonstrates the commitment of all to work together during emergencies to provide better outcomes for the community.

In a busy year for VICSES, one which saw several large scale operations, it is great to see that the new Incident Reporting System (IRS), a module of the VICSES Operation Information Management System (OIMS), is being embraced by a large number of Units and volunteers. This has resulted in an increased level of reporting by Units of the activities they have undertaken, with data quality and consistency also improving significantly across the organisation.

As a timely reminder after the Labour Day storms, April saw the launch of StormSafe Week, a community education campaign aimed at raising awareness about how to prepare homes and businesses for storms, and what programs and resources VICSES has to assist the community with storm preparation, response and recovery. This week also saw the launch of our StormSafe and FloodSafe mascot Paddy Platypus.

The Community Education team have been busy developing several new resources including a Business FloodSafe program to educate businesses about flood risks and how to prepare, a revised emergency toolkit and planner for householders incorporating preparedness information on flood, storm, earthquake and tsunami, and a Community Education Course for volunteers.

Several taskforces consisting of volunteers and staff have been developed and are working hard to improve systems and processes around VICSES' online presence, learning and development and internal communication strategies.

I am very pleased to advise that the VICSES Volunteer Accord was re-signed at the Awards Ceremony held on 8 November 2009 by the Minister for Police and Emergency Services, the Hon Bob Cameron, VICSES Chair Claire Higgins, VICSES CEO Mary Barry and VESA Chair Peter Hannan. The Premier of Victoria signed the Accord prior to the Awards Ceremony. The Accord which was first signed in 2004 was revised to ensure it recognised VICSES' status as a Statutory Authority.

VICSES received funding in the 2009 State Budget which saw Project Operational Radio and Dispatch (ORAD) commence in September 2009. The aim of the ORAD Project is to implement the installation of new radio terminals with UHF, VHF and SMR Trunking capability, as well as a new Concept of Operations for Operational Communications which includes standardisation of call signs across VICSES resources and the enhancement of Dispatch services provided by ESTA. It is anticipated that the new radios will be rolled out to rural areas by November 2010 and to metropolitan areas by February 2011.

It has been a big year for VICSES with two new Units opening in Whittlesea and Hepburn and the building and construction of a third new Unit commencing in Wyndham West, as well as the new Central Regional Head Quarters opening in Mulgrave.

On 13 September the State Government launched the Vital, Valued Volunteers Campaign for emergency services. This three month campaign highlighted the remarkable contributions emergency services volunteers make every day to keep Victorian families safe.

The aim of the campaign was to recognise Victoria's emergency services volunteers who give their skills, their time and their dedication to prepare, educate and protect the community all year round. The campaign featured real-life volunteers from VICSES, the Country Fire Authority (CFA), Life Saving Victoria (LSV), Community Emergency Response Team (CERT) and the Australian Volunteer Coast Guard (AVCG).

The campaign resulted in an influx of requests to VICSES from people seeking further information on becoming a VICSES volunteer.

I would like to conclude by thanking all our volunteers and staff for their continued commitment, dedication and support to VICSES over the past 12 months. I would also like to thank my Senior Executive Team for their continued support and enthusiasm over the past months and to the Board for the excellent job they do in setting our strategic direction and ensuring the organisation has a sound governance framework in place to ensure we meet our statutory and legislative responsibilities.

I look forward to working with you all again in the next 12 months as we continue to serve our community.



Mary Barry  
**Chief Executive Officer**  
 Victoria State Emergency Service Authority

# BOARD DETAILS

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## Claire Higgins

### Board Chair

#### - Victoria State Emergency Service Authority

BComm, FCPA, FAICD

Claire Higgins is the Chair of the Victoria State Emergency Service Authority. Claire was first appointed on 1 September 2007.

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

Claire is Deputy Chair of the Country Fire Authority, and is a member of the Ambulance Victoria and Barwon Water Boards. Her other appointments include Chair of the Comcare Audit Committee and she is an independent member of the Surf Coast Shire Audit Committee.

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## Roger Jones

BEd, FAIES

Roger Jones was appointed to the Board in June 2006. Roger was first appointed Deputy Chair of the Board on 1 November 2006.

Roger brings to the Board an understanding of Australian emergency services, the regional and national context of emergency management policy and practice, and of the full-time and volunteer members who work in the field.

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## Lawrence Russell

ESM

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

Laurie was a foundation member of the Werribee VICSES Unit, a past President of the Victoria Emergency Service Association and is the current Unit Controller of the Werribee VICSES Unit.

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

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## Helen Dyson

BCom LLB (Hons), FFin, MAICD

Helen Dyson was appointed to the board in June 2006 and is a member of the Board's Governance, Finance & Audit Committee and the Remuneration Committee.

Helen has had over 25 years legal, finance, superannuation and governance experience with several of Australia's largest listed companies, including Rio Tinto Limited and the Coles Group (now part of Wesfarmers Limited).

Helen was a member elected trustee of the Coles Myer Superannuation Fund for 9 years and a board member of the Australian Institute of Superannuation Trustees for 12 years. She was formerly a board member of the Turning Point Alcohol and Drug Centre.

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## Barbara Yeoh

BSc (Hons), FAICD

Barbara Yeoh was appointed to the Board in June 2006 and is a member of the Board's Governance, Finance & Audit Subcommittee and Remuneration Subcommittee.

Barbara has had an extensive career in the finance sector and has held a wide range of directorships over the past 20 years. She is Chair of Southern Health, a Director of Melba Memorial Conservatorium of Music and a Member of the Gambling & Lotteries Licence Review Panel. Her other appointments include Chair of the Civil Aviation Safety Authority Audit & Risk Committee, Chair of the ACT Treasury Investment Advisory Board and a Member of the Commonwealth Statutory Fishing Rights Allocation Review Panel.

Barbara is currently a Principal Associate of PhillipsKPA, specialist advisers to the education sector.

# EXECUTIVE MANAGEMENT TEAM

## Mary Barry

### Chief Executive Officer

Mary Barry was appointed to the position of Chief Executive Officer in January 2006 following the re-establishment of the Victoria State Emergency Service as a Statutory Authority. Mary is responsible to the Board for the overall performance of VICSES and for leading its transition to a robust, innovative emergency service organisation keeping Victorian communities safe.

Previously Mary held the position of CEO of the Victorian Association of Health and Extended Care (VAHEC). Prior to that, Mary held executive roles at the Shire of Melton and MECWA Community Care. She has extensive experience working with community based organisations where service delivery is dependent on the efforts and commitment of both voluntary and paid employees.

## Trevor White

### Director of Operations

AFSM, GradDip Business, GAICD

Trevor White was appointed as Director of Operations in May 2006. Prior to VICSES Trevor spent his career working for CFA undertaking operational and general management roles in regional Victoria and outer metropolitan Melbourne.

Trevor is responsible for the development of operational doctrine and overseeing incident management capability development within VICSES.

He provides leadership for VICSES operations in an environment where VICSES continues to play a major role with other partner agencies in dealing with a range of emergencies that continue to challenge emergency services in Victoria. Trevor White is accountable for VICSES operations management, policy, OH&S and capability planning at the State, Regional and Unit levels within VICSES.

## Katrina Bahen

### Director Human Resources

BArts/Commerce majoring Labour Relations GradDip Business (HRM)

Katrina Bahen was appointed to the position of Director Human Resources in March 2007.

Previously Katrina was Manager Human Resources at RSPCA Victoria where she gained experience working with committed and dedicated volunteers and staff.

Prior to that role Katrina applied her skills in consultancy roles particularly in the development and implementation of OHS Management Systems. Katrina has worked in local government and lectured in Management Systems in NMIT.

Katrina provides leadership and direction in the area of Human Resource Systems including OH&S, Peer Support and Statewide Volunteer Training.

## Jeannene Stewart

### Director of Corporate Services

BBusiness (Accounting), Grad Dip Business Computing, CPA

Jeannene Stewart was appointed to the position of Director of Corporate Services in June 2008.

Previously Jeannene was Senior Adviser to the Minister for Ageing. Prior to that Jeannene was a manager for Aged Care Peak bodies in Victoria.

Jeannene is a Certified Practising Accountant (CPA) with over 20 years experience in senior management roles in the information technology, health and aged care sectors. She has also provided consulting services to the Aged Care Industry.

Jeannene's VICSES areas of responsibility are governance, finance and administration, information communication technology, project management and assets and infrastructure.

## Andrew Gissing

### Director Emergency Management Planning and Communication

B. Economics, M. Science (Hons)

Andrew Gissing was appointed to the position of Director Emergency Management Planning & Communication in February 2009.

Previously Andrew worked at NSW SES, where he held the position of Manager Planning. He has a depth of knowledge in emergency management particularly in emergency planning, warning systems, risk management, community education and disaster research.

Andrew has authored some 30 published conference and journal papers on emergency management topics and has recently taken a lead role in revising the Australian Emergency Management Manual Flood Series. He is also an Honorary Associate of Macquarie University.

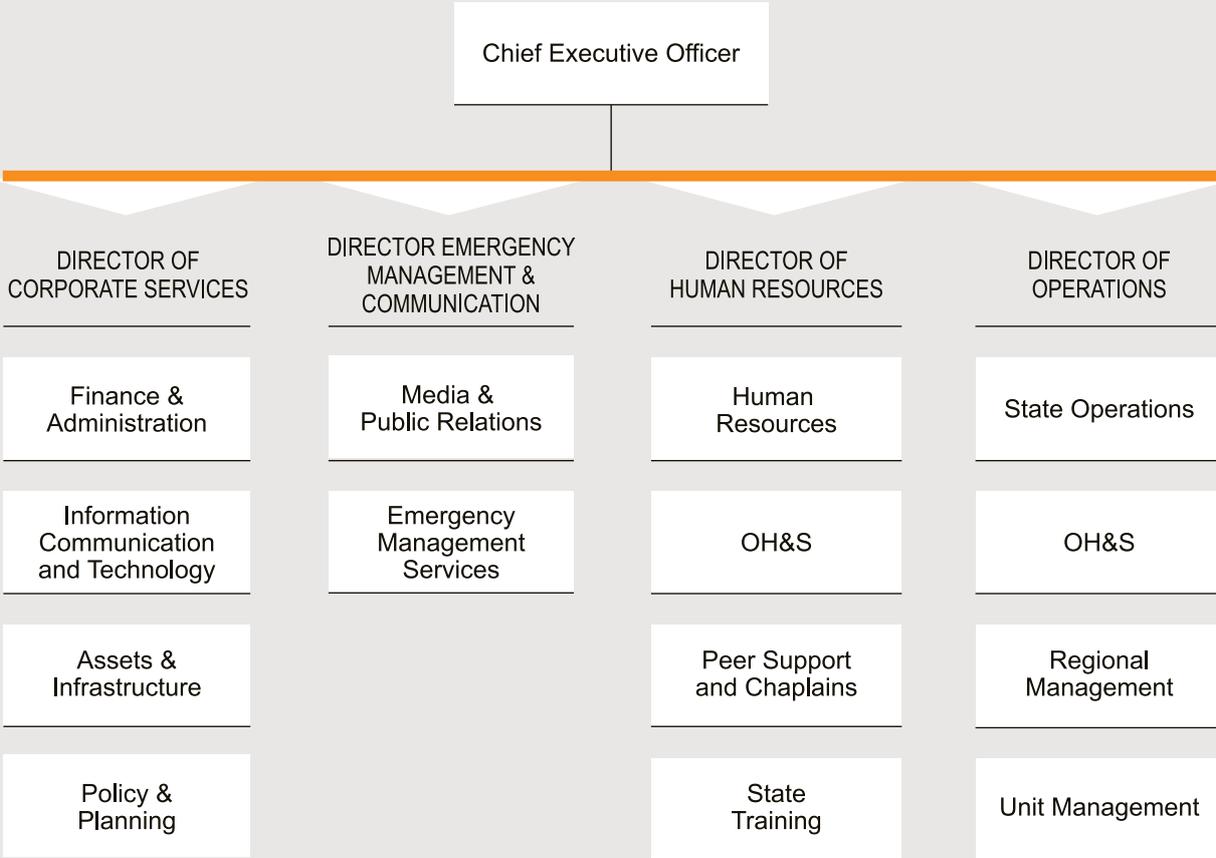
Andrew provides leadership and direction in the areas of VICSES's emergency management planning and advice functions; flood emergency management; and communication strategies.

# MEETINGS OF THE VICSES AUTHORITY

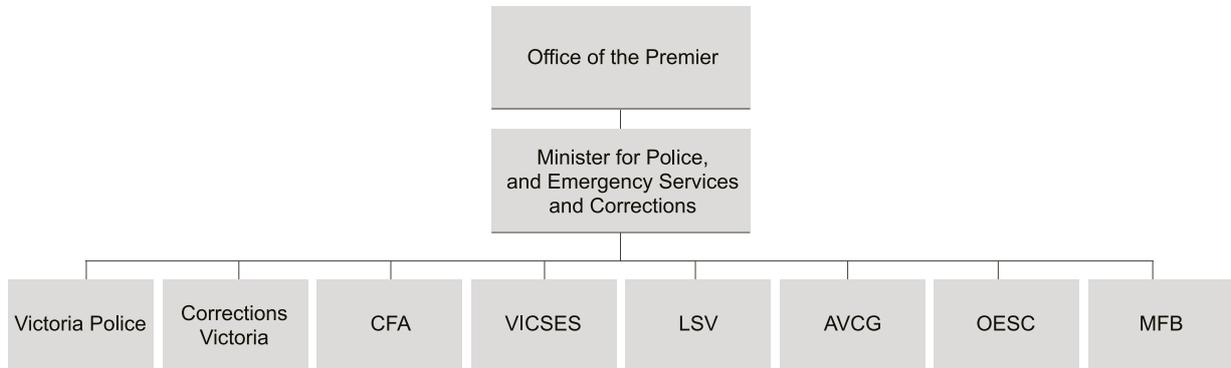
## > Attendance by Board Directors

	Board Meetings	Special Meetings	Governance, Finance & Audit Committee	People Committee	Remuneration Committee
<b>Number of Meetings from 1 July to 30 June 2009</b>	<b>11</b>	<b>0</b>	<b>8</b>	<b>2</b>	<b>4</b>
Claire Higgins	11	–	8	2	4
Roger Jones	9	–	–	2	–
Helen Dyson	10	–	8	–	3
Lawrence Russell	10	–	–	2	–
Barbara Yeoh	11	–	8	–	4
David Vendy	1	–	–	–	–

# VICSES ORGANISATIONAL CHART



# ORGANISATIONAL CHART



The March hailstorm event was a multi-agency operation, with VICSES crews working alongside their SES counterparts from NSW, SA, WA and Tasmania. Crews from CFA, MFB and DSE were also involved in the response and recovery effort.



# OPERATIONS

2009-2010 has been one of the busiest years of operational activity ever experienced by VICSES, with Units responding to 29,008 requests for assistance (RFA), equating to over 162,500 volunteer hours.

During the year VICSES managed a number of small operations (up to 500 RFAs), and several moderate and large sized storm operations largely resulting from damaging wind events, heavy rain and severe hail.

- From 1 July 2009 to 30 June 2010, 750 VICSES volunteers from 87 Units responded to over 800 RFAs as a result of storm damage, particularly across the Wimmera and Mallee areas.
- A Tsunami warning was issued on 15 July for the marine environment and the coast between Bairnsdale and Gabo Island as a result of a 7.9 magnitude earthquake off the west coast of the South Island in New Zealand. A number of agencies including VICSES, Police and DHS came together to monitor the situation at the State Control Centre (SCC). At the local level, VICSES and Police Units were deployed into the field checking beaches and fishing points, and Water Police utilised a Victorian network to contact recreational and commercial vessels and all Oil Rigs. VICSES also utilised ABC Radio for community messaging. Fortunately, the event did not result in a significant Tsunami, with no reports of any significant change in coastal observations.
- On 15 and 16 August, strong winds lashed the State, particularly across Melbourne's eastern and south eastern suburbs. Over 500 VICSES volunteers from 77 Units were kept busy responding to over 1060 RFAs.
- Between 24 and 27 August, VICSES received 2,485 RFAs as a result of a windstorm event that heavily impacted the outer eastern suburbs of Melbourne. Over 900 volunteers from 108 Units responded to this event.
- Between 20 and 22 November, 88 VICSES Units responded to over 1,100 RFAs as a result of heavy rain and damaging winds. VICSES Units attended the scenes of numerous road accidents (particularly from collisions with trees), resulting in three fatalities. Two Units also assisted with the rescue of persons who had attempted to drive through floodwaters.

- Between 25 and 28 November, 700 volunteers from 72 Units responded to over 1150 RFAs resulting from damaging winds and heavy rainfall. The majority of RFAs were in the outer eastern suburbs of Melbourne.
- Between 31 December and 2 January, over 400 VICSES volunteers responded to 623 RFAs due to severe thunderstorms that brought damaging winds and rain on New Year's Eve and significant rainfall on New Year's Day, on and north of the ranges.
- VICSES supported the fire agencies on the first of Victoria's Code Red (Catastrophic) forecast days with liaison officers in place at over 16 Incident Control Centres (ICC's) across the State. VICSES was represented at State and Area EMT's (Emergency Management Teams) throughout the day and Units responded to more than 200 RFAs during this period, including 30 specifically related to Fire Support Operations.
- On 10 and 11 February, VICSES responded to 900 RFAs resulting from severe thunderstorms and heavy rainfall, with over 550 volunteers from nearly 70 Units active over the two days.
- On 28 February, the Bureau of Meteorology (BoM) advised that they had issued a Tsunami Warning for the Marine Environment for Victoria, indicating that the threatened area extended from Lakes Entrance to Gabo Island due to a tsunami that had been generated as a result of an 8.8 magnitude undersea earthquake off Chile. Whilst there were no reported affects of Tsunami by the BoM, VICSES field crews, Water Police and Gippsland Ports monitored the situation and warnings were issued to marine vessels and Oil Rigs in Bass Strait.
- Between 5 to 15 March, VICSES received over 7800 RFAs across the State, with the VICSES Knox Unit receiving over 2870 RFAs. This was the largest single event that VICSES has responded to in terms of RFAs. The RFAs resulted from severe thunderstorms that developed across the state between 5 and 7 March. The main areas of impact were Bendigo, Shepparton and the Melbourne metropolitan area, which was hit by a "super cell" thunderstorm resulting in widespread flash flooding and major hail damage. The severity of the storms resulted in the largest hailstorm event in Melbourne's recorded history, with up to 10cm falling in some areas. The majority of RFAs related to building damage (69%), flash flooding (18%) and trees down (9%).
- Between Wednesday 25 and Saturday 28 March, a Taskforce of 43 volunteers and two staff members was deployed to Perth to assist the Fire and Emergency Services Authority (FESA) of Western Australia to deal with over 2700 RFAs following the

worst hailstorm to impact the Perth metropolitan area in four decades. SES volunteers from SA and NSW also assisted.

- During the year, VICSES volunteers assisted Police on 187 occasions with searches for missing persons, including some high-profile cases. Assistance was also provided for crime scene preservation on 242 occasions (figure at 1/6/10)

## > Operational Improvement

### After Action Reviews (AAR)

A detailed After Action Review (AAR) has been completed following the March 2010 Hailstorm event that affected Bendigo, Shepparton, Melbourne and outer suburbs including Knox. VICSES also conducted a customer survey to solicit feedback from the community about our performance. The survey indicated that as a result of the heavy downpour, hail and wind 74% of people who called the SES due to the storm reported roof damage, with 32% of people reporting internal ceiling damage.

Approximately half (43%) of respondents had any warning before the storm hit, while of those people who did receive some kind of warning 11% sort further information about it. Radio and the Weather Bureau website were the most popular sources of information for those seeking more after the initial warning/s they received.

The survey showed that 21% percent of people reported having an emergency plan for the property they called the SES about during the storm, with the most frequently given reason for not having a plan being that they either didn't think about having one, they weren't expecting an emergency or it wasn't seen as necessary (41%). More people reported having an emergency kit for the property at 37%, although, the most frequently reported reason for not having one was the same as not having an emergency plan (Didn't think about having one, they weren't expecting an emergency or it just wasn't necessary - 36%).

In general, most people (78%) took no preparations for the threat of storms in the long term either. Of those that do take precautions for the threat of storms 44% reported that they were always prepared for the possibility of storms.

A small percentage of respondents felt either dissatisfied (3%) or very dissatisfied (12%) with the timeliness of response of the SES. However, 27% felt very satisfied while another 20% felt satisfied with the timeliness of response. Overall, satisfaction with SES services was relatively high with 59% of respondents rating the service as either satisfactory (21%) or very satisfactory (38%).

## **Emergency Relief**

The accountability for coordination of emergency relief at the State and regional level transitioned from VICSES to DHS in April 2010 following approval from the Minister for Police and Emergency Services. During the year, significant work was progressed in partnership with DHS and MAV to develop practice notes for local government to support the effective delivery of Emergency Relief.

## **State Emergency Response Plan**

VICSES contributed to numerous multi-agency projects including the revised command and control arrangements and changes to the State Emergency Response Plan. VICSES emergency plans have been reviewed and developed to include the new command and control arrangements. VICSES has also reviewed its protocols with the Bureau of Meteorology, which has a legislated role to issue Severe Weather, Flood and Tsunami Warnings, to ensure that the process for the issue of Warnings is clear in the emergency plans developed.

## **Operational Readiness**

VICSES actively contributed to the revised emergency warning and command and control arrangements. Operational briefings were held for staff on the new arrangements and the operational doctrine was amended to reflect the new arrangements.

## **> Operational Capability Improvement**

### **Unit Structures Review**

After a period of extensive consultation, a review of Unit structures has been completed. The agreed structure will ensure that all Units adopt consistent structures for day to day management and operational activities. All Units are expected to transition to the new structures during 2010-2011. To support the transition to the new structures, a Unit Management Manual has been developed and incorporates role and functional statements for key Unit members along with guidance to volunteer leaders about managing people and administering the Unit.

### **Standard Operating Procedures**

Ongoing review of Standard Operating Procedures (SOP) is underway in response to After Action Reviews and the requirement to ensure that standard operating procedures are aligned to the VICSES OH&S Framework. VICSES SOP's were also reviewed and developed to address preparedness requirements related to the declaration of Code Red days.

## **Field Operations Guide**

A Field Operations Guide has been developed for issue to all VICSES operational members to provide an aide memoir to assist volunteers with quick reference guides to reinforce and support key learning during their training.

## **Operational Information Management System (OIMS)**

VICSES transitioned to the new OIMS in July 2009, moving the organisation from a paper based reporting and information management system to a modern IT based system. A key component of OIMS is the Incident Management System (IMS) which has been developed and implemented to enable VICSES to capture real time incident information. The Incident Reporting System (IRS) has also been rolled out to Units for reporting on incidents attended. There has been a noticeable improvement in the accuracy of data and timeliness of reporting since the introduction of IRS.

## **Operational Radio & Dispatch (ORAD)**

Project scoping was completed and work commenced on Project ORAD that will see VICSES achieve a state-wide radio network and dispatch service for the first time. Key elements of the project will be delivered in 2010-2011 and will result in increased operational efficiency, improved command and control and increased safety for members.

## **Operational Consultation Framework**

To ensure that all operational assets, training techniques and standard operating procedures are developed and implemented within the VICSES OH&S Framework, an operational consultation framework has been introduced. The framework provides for consultation with key internal stakeholders and external subject matter experts where appropriate.

## **> Memorandums of Understanding**

### **Memorandums of Understanding have been developed with partner agencies.**

A Memorandum of Understanding has been developed with the Australian Volunteer Coast Guard to support the provision of mutual aid and other key partnerships such as training. A Memorandum of Understanding has been developed with the Shepparton Search and Rescue Squad (SS&RS) to support the provision of mutual aid in the greater Shepparton area and to enhance the strong relationship between SS&RS and surrounding VICSES Units.



**CENTRAL**

REGIONAL HEADQUARTERS LOCATION  
**Mulgrave, Melbourne**

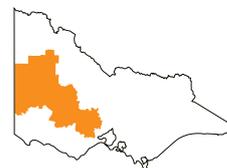
No. Operational Units	33
No. Road Crash Rescue Accredited	11
No. Regional Support Units	1



**EAST**

REGIONAL HEADQUARTERS LOCATION  
**Moe & Bairnsdale**

No. Operational Units	24
No. Road Crash Rescue Accredited	16
No. Regional Support Units	2



**MID WEST**

REGIONAL HEADQUARTERS LOCATION  
**Ballarat**

No. Operational Units	16
No. Road Crash Rescue Accredited	11
No. Regional Support Units	1



**NORTH EAST**

REGIONAL HEADQUARTERS LOCATION  
**Benalla**

No. Operational Units	26
No. Road Crash Rescue Accredited	22
No. Regional Support Units	1



**NORTH WEST**

REGIONAL HEADQUARTERS LOCATION  
**Bendigo & Swan Hill**

No. Operational Units	22
No. Road Crash Rescue Accredited	18
No. Regional Support Units	1

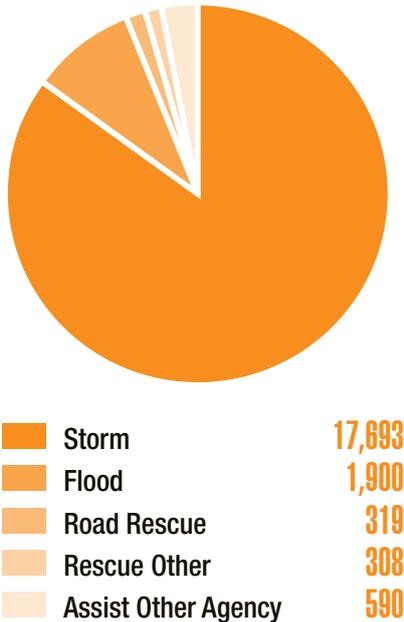


**SOUTH WEST**

REGIONAL HEADQUARTERS LOCATION  
**Hamilton & Geelong**

No. Operational Units	26
No. Road Crash Rescue Accredited	23
No. Regional Support Units	2

# CENTRAL REGION



During 2009-2010, the Central Region experienced several large scale storm events, including the March 2010 Hailstorm event which saw over 6900 Request for Assistance (RFAs) from within the Region and for the first time operational support from units across five states (Victoria, NSW, South Australia, Tasmania and for the first time Western Australia).

These storm related events, along with other incidents such as road crash rescue, saw over 20,000 RFAs for the Region during 2009-2010.

Central Region volunteers continued to help Black Saturday bushfire affected communities over 20 weekends through the Chaps and Chainsaws project and Humevale Fencing project in partnership with Whittlesea Council and DHS. Further support was provided through a partnership with Nillumbik Shire Council for tree cutting in the Strathewen area.

The growing demand on Central Region through RFAs by communities saw the need to plan and develop its own Regional Headquarters. The Minister for Police and Emergency Services, The Hon. Bob Cameron officially opened the new Central Region Headquarters in Mulgrave on 19 April.

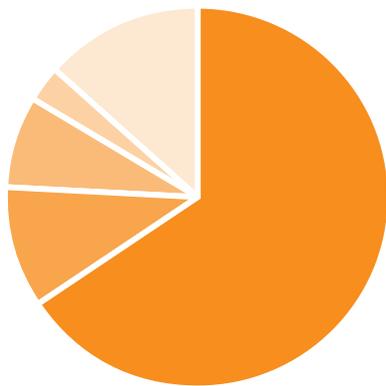
The new headquarters, based close to the geographical centre of the Region, has allowed Central Region to set up a permanent Incident Control Centre (ICC) and allows staff to work together more efficiently. The headquarters also acts as a supplies store and staging area during an incident.

The beginning of the 2009-2010 year saw the expansion of the partnership between VICSES and Melbourne Water to further build intelligence of localised flooding for the agency and local governments across metropolitan Melbourne. The partnership has also helped VICSES expand its community information and education programs to enhance community resilience with the StormSafe and FloodSafe programs. During 2009-2010, Central Region has increased its staffing within the Community Education unit from one staff member to three.

The program, in support of the Melbourne Water Drainage Strategy, sees VICSES work with local governments in developing detailed Flood Management Plans, Flood Emergency Plans and Community Education Plans for Melbourne's communities over the next three years.

Over the next 12 months Flood Management Plans will begin for – Maroondah, Yarra, Knox, Whittlesea, City of Melbourne and Stonnington and the Shires of Nillumbik, Moorabool, Mornington Peninsula, Cardinia and Melton.

# EAST REGION



<span style="display:inline-block; width:15px; height:15px; background-color:#e67e22; border:1px solid white; margin-right:5px;"></span> Storm	<b>851</b>
<span style="display:inline-block; width:15px; height:15px; background-color:#d35400; border:1px solid white; margin-right:5px;"></span> Flood	<b>138</b>
<span style="display:inline-block; width:15px; height:15px; background-color:#c9583c; border:1px solid white; margin-right:5px;"></span> Road Rescue	<b>103</b>
<span style="display:inline-block; width:15px; height:15px; background-color:#f1c232; border:1px solid white; margin-right:5px;"></span> Rescue Other	<b>39</b>
<span style="display:inline-block; width:15px; height:15px; background-color:#f9cb9c; border:1px solid white; margin-right:5px;"></span> Assist Other Agency	<b>171</b>

The East Region consists of 26 volunteer Units and approximately 800 volunteers. Sixteen of the 26 Units are road crash accredited. The Region boasts eight permanent staff with the Regional Headquarters based in Moe, and, due to the size of the area, a second Regional Office in Bairnsdale.

During 2009-2010, the Region responded to a large range of operational events, including motor vehicle accidents, storm events and land searches. Several Units from the Region were deployed to assist Central Region, after the March 2010 Hailstorm caused significant damage through the metropolitan area. The Region responded to 1436 requests for assistance (RFAs), equating to over 7,500 volunteer hours for the 2009-2010 financial year.

As the Region enjoys a long coastline, it is also prone to risks relating to coastal inundation. On 15 July, a Tsunami warning was issued for the marine environment and the coast between Bairnsdale and Gabo Island as a result of a 7.9 magnitude earthquake off the west coast of the South Island of New Zealand. At the local level, VICSES Units from the Region were deployed into the field checking beaches and fishing points. Fortunately, the event did not result in a significant Tsunami, with no reports of any significant change in coastal observations.

On 28 February, another Tsunami Warning was issued for the marine environment between Lakes Entrance and Gabo Island due to a tsunami that had been generated as a result of a 8.8 magnitude undersea earthquake off Chile.

Whilst there were no reported affects of Tsunami by the BoM, VICSES field crews from the Region monitored the situation and warnings were issued to marine vessels and Oil Rigs in Bass Strait.

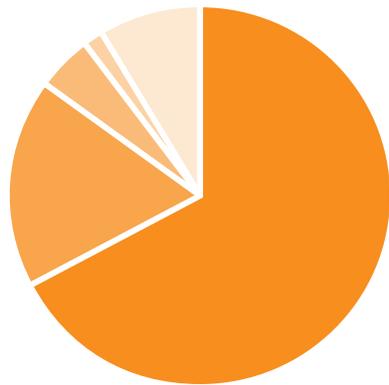
On 30 August, the Region held an Inaugural Awards function at the Yallourn Golf Club. The Awards ranged from five to 40 years of service, with John Cook from the Swifts Creek Unit receiving an award for 40 Years.

In the last 12 months, the East Region has commenced the FloodSafe and StormSafe programs throughout Gippsland with the appointment of a Community Education Coordinator (CEC) made possible through Commonwealth grant funding.

Region has seen the completion of Local headquarters (LHQ) extensions at Cann River, Sale, Bendoc and Mallacoota. The accommodation project for the Stratford Unit has also commenced after eight years of planning, following a fire that burnt down the previous LHQ in 2002.

Looking forward, the Region plans to further enhance the operational response plans for VICSES at Regional and Unit level, coupled with input to expanded comprehensive flood management planning at the municipal level. In the next 12 months, the Region will also see the establishment of an East Region Asset Maintenance Plan.

# MID WEST REGION



Storm	756
Flood	176
Road Rescue	53
Rescue Other	19
Assist Other Agency	99

The Mid West Region consists of 16 volunteer Units, 500 volunteers and is supported by the regional office located at Ballarat. The Regional Headquarters has seven staff, including the Regional Manager. Eleven of the 16 Units provide road rescue services to their communities.

During 2009-2010 volunteers and staff from the Mid West Region were involved in responding to several large scale operations. In February, Bacchus Marsh was hit by a severe storm that resulted in flash flooding across a wide area, as well as building damage to many structures. A level 2 operations structure was established over two days to control the incident.

As well as local operations in the Region, volunteers and staff provided support to Central Region in Melbourne for the March 2010 Hailstorm event, performing roles such as Incident Controller, Operations Officer, Logistics Officer, OIMS operators and field crews.

Later in March, volunteers and staff from Mid West Region also provided support to Western Australia SES for storm damage in the greater Perth area.

In 2009-2010 the Region responded to 1213 requests for assistance (RFAs) equating to over 8,200 volunteer hours for the 2009-2010 financial year.

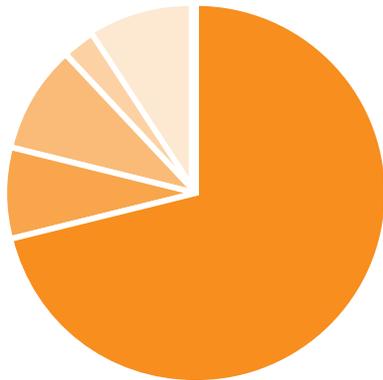
May 2010 saw the opening of the Hepburn Shire Unit's brand new Local Headquarters in Daylesford, finishing an 18-month building program. The new Unit provides a publicly visible SES presence on the Midland Highway and is the first SES Unit in the area.

During 2009-2010, the Region carried out an intensive recruitment campaign. This recruiting drive has seen quite a number of new members join across the Region. The Ballarat Unit has recruited some 40 new members since late 2009.

Public Relations programs continue throughout the Region, including the Wimmera Machinery Field days, where volunteers and staff establish a display highlighting SES activities. This event is held over three days and attracts around 30,000 people. Displays for StormSafe week were also established in many communities for the first time this year.

Looking forward there will be a significant focus on the Units and Region to further their capabilities in all aspects of their business including Occupational Health and Safety, finance and operational response.

# NORTH EAST REGION



<span style="display:inline-block; width:15px; height:15px; background-color:#e67e22; border:1px solid black;"></span> Storm	<b>1,579</b>
<span style="display:inline-block; width:15px; height:15px; background-color:#d35400; border:1px solid black;"></span> Flood	<b>176</b>
<span style="display:inline-block; width:15px; height:15px; background-color:#f39c12; border:1px solid black;"></span> Road Rescue	<b>212</b>
<span style="display:inline-block; width:15px; height:15px; background-color:#f1c40f; border:1px solid black;"></span> Rescue Other	<b>60</b>
<span style="display:inline-block; width:15px; height:15px; background-color:#f9cb9c; border:1px solid black;"></span> Assist Other Agency	<b>193</b>

The North East Region consists of 26 Units and approximately 655 volunteers, supported by a Regional Office located in Benalla. Twenty-two of the 26 volunteer Units are road rescue accredited and provide road rescue support across the Region.

It has been a busy year for the North East, with several large scale operations across the Region. Volunteers have responded to several storm events throughout the year, including the storm event in Tatura over the Labour Day weekend in March. Tatura VICSES volunteers responded to over 500 calls for assistance after storms swept through Shepparton and Tatura. Thirteen Units from across the North East Region, and seven Taskforce crews from the North West Region, were deployed to assist in the clean up.

A Taskforce crew, consisting of five volunteers from North East Regional Support, was deployed the following week to assist Western Australian crews in Perth following the severe hailstorm that hit the city.

In August, Alpine Search and Survival accredited volunteers from the Bright, Myrtleford, Mansfield and Euroa Units assisted in the search for Tim Holding, Minister for Water, after he went missing on Mt Feathertop.

Volunteers from the North East Region have continued to assist fire affected areas after Black Saturday, conducting Operation Chainsaw and Chaps. Volunteers from Wodonga, Mitta Mitta, North East Regional Support, Seymour and Kinglake Units made the trip to the fire ravaged community of Kinglake and surrounding area to help clear residential properties of fallen trees and debris.

It has been a year of milestones for the North East Region, with the Marysville Unit Local Headquarters (LHQ) being rebuilt after it was significantly damaged during the Black Saturday fires.

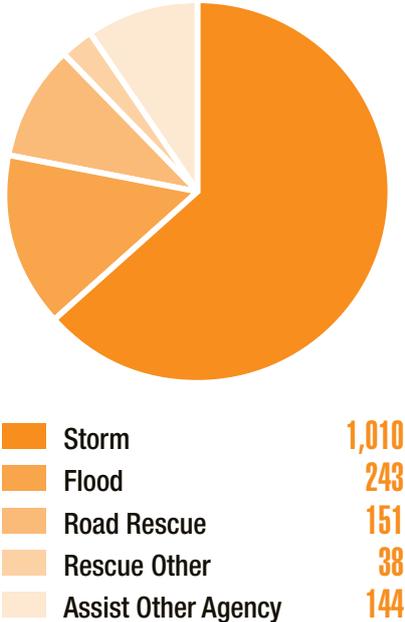
The new Mitta Mitta Emergency Services Complex was officially opened by Police and Emergency Services Minister Bob Cameron in October, and will be used as a division command point during an emergency. The Mitta Mitta Unit also received more than \$60,000 worth of equipment, with a six wheel drive Toyota and Zodiac Boat also officially handed over at the ceremony. The new station features two engine bays for CFA and two engine bays for VICSES, a meeting room and separate offices for CFA and VICSES.

In March, Minister Cameron officially announced the new site of the Kinglake SES Unit and future site of the Kinglake Fire station. The CFA and VICSES will build two separate facilities on the joint site in Kinglake, boosting the emergency services assistance for the area. The purchase of the site was jointly funded by SES and CFA.

The Region's FloodSafe program continues in the Ovens Catchment with Bright, Myrtleford and Wangaratta actively engaging their communities in this community education program. FloodSafe is entering its second stage in Benalla and the Wodonga StormSafe program continues to be successful.

Over the next 12 months, the Region will see the completion of the new LHQ for Kinglake, and continue to build on the Community Education Program and community engagement with the FloodSafe and StormSafe programs.

# NORTH WEST REGION



The North West Region consists of 23 volunteer Units and 575 volunteers and is supported by two regional offices located at Bendigo and Swan Hill. The Regional Headquarters at Bendigo has five full time staff including the Regional Manager. Swan Hill Office has three full time staff. Eighteen of the 23 Units provide road rescue services to their communities.

On New Year's Day Gisborne was hit by a significant storm event involving flash flooding, mostly in the Riddell's Creek area. Eight households were displaced for several months. The storm caused considerable damage to houses and businesses in both Gisborne and Riddell's Creek with 65mm of rain falling in just two hours. The Unit received 30 Requests for Assistance (RFAs) in a very short space of time, and a number of other Units from the Region were deployed to the area to assist.

Over the Labour Day weekend in March, Bendigo was first to be hit by the storms that lashed the State. Bendigo received a significant downpour of rain with reports of as much as 180 mm of rain falling in parts of the city within a 3-4 hour period. A number of other Units were called to assist and collectively they responded to almost 200 RFAs, mostly related to flash flooding. Seven households had to be relocated as a result of the flash flooding.

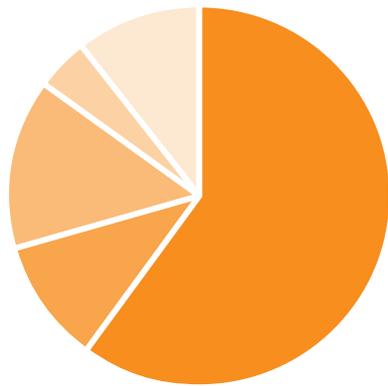
It has been an exciting year for the Region with the Bendigo, Gisborne, Swan Hill, Birchip and Mildura Units all undertaking significant extensions to their local headquarters.

During 2009-2010, the Region completed the Regional Flood Response Plan, a document that outlines the coordinated response to floods in a regional setting. The Region has conducted awareness sessions about the plan, alongside other emergency service organisations.

In the next 12 months, the Region intends to focus significantly on enhancing the Regions Operational Readiness and align with the revised Command and Control arrangements.

The Region will also assist Units to adapt to the new VICSES Unit Structures, reinforce the VICSES Safety Management System and improve the competency attainment levels of staff and volunteers.

# SOUTH WEST REGION



<span style="display:inline-block; width:15px; height:15px; background-color:#e67e22; border:1px solid white; margin-right:5px;"></span> Storm	<b>657</b>
<span style="display:inline-block; width:15px; height:15px; background-color:#d35400; border:1px solid white; margin-right:5px;"></span> Flood	<b>114</b>
<span style="display:inline-block; width:15px; height:15px; background-color:#f39c12; border:1px solid white; margin-right:5px;"></span> Road Rescue	<b>159</b>
<span style="display:inline-block; width:15px; height:15px; background-color:#f1c40f; border:1px solid white; margin-right:5px;"></span> Rescue Other	<b>50</b>
<span style="display:inline-block; width:15px; height:15px; background-color:#f9cb9c; border:1px solid white; margin-right:5px;"></span> Assist Other Agency	<b>113</b>

The South West Region consists of 26 Units and approximately 495 volunteers, supported by eight permanent staff distributed across two regional offices that are located in Geelong and Hamilton. Twenty-three of the 26 volunteer Units provide road rescue services across the Region.

The 2009-2010 year has been a busy year for the South West Region. The Region has responded to 1179 requests for assistance (RFAs), equating to over 7,000 volunteer hours for the 2009-2010 financial year. As well as responding to the usual range of storm, search and motor vehicle accidents, volunteers from the South West Region have played a crucial role in assisting with major operations in both Victoria and interstate.

In March, staff and volunteer Task Forces were deployed to the Central Region to assist with operations after the March 2010 Hailstorm. Also in March, one staff member and two crews from the Region were deployed to Perth as part of a VICSES Task Force to assist with operations after it was hit with a severe hailstorm.

During 2009-2010, the Region commenced its FloodSafe program with the Glenelg Hopkins Catchment Management Authority in the Warrnambool and Port Fairy areas. It also saw the commencement of the development of a comprehensive Regional Emergency Response Plan including all elements of flood, storm, earthquake, tsunami and support roles.

It has been an exciting year for the South West Region, with new Unit LHQs opened and operational in Winchelsea and Warrnambool. The Terang Unit extended its garage and the Geelong Unit commenced construction of its new LFS funded local headquarters (LHQ), due for completion in late 2010.

Throughout the year, four projects have been successfully funded through CSESP in the South West Region, including one light rescue vehicle, a four wheel drive, a lighting trailer and the LHQ extension at Lismore. Through the Assets Replacement Program, the Region has also received six vehicles, including trucks, boats, trailers and 4WDs.

Looking forward, the Region will be focusing on further enhancement of operational response plans for VICSES at Regional and Unit level coupled with input to expanded comprehensive flood management planning at the municipal level.

The Region will also support and guide the establishment of revised Emergency Management structures and plans in place at the Regional level, under the guidance of Regional Emergency Response Coordinator for Barwon South West and in accordance with revised EMMV requirements.



# NATURE'S FURY HAS ITS WAY

After the largest Hailstorm event in Melbourne's recorded history lashed the metropolitan area on March 6 2010, VICSES received over 7800 Requests for Assistance (RFAs) and worked tirelessly in a week long operation to clear the thousands of call-outs.

Over the Labour Day weekend of March 2010, VICSES experienced its busiest operational period on record, when severe thunderstorms impacted upon Melbourne and some parts of North West and Eastern Victoria. The metropolitan area was hit with hailstones measuring up to 10 centimetres in diameter on Saturday 6 March during Melbourne's largest hailstorm on record.

Bendigo experienced flash flooding on the evening of Friday 5 March and on Sunday evening 7 March, the Shepparton area had a severe storm that caused widespread and major damage. The BoM advised that at Shepparton, winds of up to 156km/h were recorded during the peak of the Super Cell that hit the area, with rainfall recorded at a rate of 3mm per minute.

As a result of these storms, VICSES received over 7800 Requests for Assistance (RFAs), over 6300 of those in the Central Region. The Knox Unit recorded the highest number of RFAs with over 2870 call outs in the area.

VICSES volunteers and staff worked tirelessly over a seven-day operation to clear a backlog of jobs, assisting residents with severe storm damage and applying tarps to roofs. As RFAs continued to rise, interstate SES crews from NSW, SA, WA and Tasmania were deployed to assist their Victorian counterparts.

The statistics of the operation demonstrates the impact of the Melbourne hailstorm, and subsequent severe thunderstorms across the state.

In the hours following the storm, Central Region established an Incident Control Centre (ICC) in their Regional Head Quarters at Mulgrave. Additional crews from VICSES' North West, Mid West and South West Regions were mobilised to support Central Region Units within the worst affected areas.

A combined 21 crews from CFA/MFB-assisted SES crews to carry out Rapid Impact Assessments (RIAs) in some of the more severely affected areas of Knox and surrounding suburbs. DSE also assisted VICSES to call back members of the community who were seeking assistance.



Significant work was done in partnership with DHS and Knox City Council to assist the community with advice and early recovery efforts and the Red Cross visited over 4500 households through their outreach program. The Insurance Council of Australia has estimated the value of insurance claims at over \$1 billion. DHS has reported that 238 households had been displaced across Victoria and more than 50 properties suffered significant damage that will render the house uninhabitable for more than three months. This event is rated as one of the 10 most costly Australian Natural Disasters of the past 50 years.

## > DID YOU KNOW?

- Over **1200** volunteers deployed
- **91** Units involved in the operation
- **65** VICSES staff deployed
- **220** interstate staff deployed
- Over **\$1 billion** dollars in damage across the state

**//** My house was significantly damaged during the March Hailstorm. The SES came quickly to help me and my family, despite it being in the early hours of the morning. To think that they volunteer their time, every day at all hours is truly commendable.

*Community Member*



# EMERGENCY MANAGEMENT AND COMMUNICATION

## > Audit of Municipal Emergency Management Plans

Under the Emergency Management Act 1986, VICSES is responsible for auditing Municipal Emergency Management Plans. A total of 19 Emergency Management Plans were audited during 2009-10.

VICSES adopted a revised approach to auditing Municipal Emergency Management Plans in March 2010. This completed work that was initiated three years prior to the review of the audit process. The revised approach enhances the existing process by establishing a panel of emergency management experts, including VICSES, Victoria Police and Department of Human Services (DHS) representatives to provide feedback to Municipalities regarding their Municipal Emergency Management Plans. The new audit process fosters a more collaborative approach between emergency services and municipalities to enhance best practice planning for local communities.

## > Emergency Management Training

Within the Victorian Government Emergency Management Framework, VICSES is responsible for the provision of education and training to Municipal Councils, other agencies and the community in relation to emergency management principles and practices. To meet its obligation, VICSES delivers the Introduction to Emergency Management course. The course includes information on emergency management arrangements in Victoria as well as introductory information on emergency management and emergency risk management principles. The course was updated during the year to incorporate changes to the Emergency Management Manual Victoria and relevant legislation.

VICSES conducted 38 Introduction to Emergency Management courses involving 966 participants during the past 12 months. This was an increase of 389 participants from 2008-09.

## > VICSES Emergency Planning and Advice

Throughout the year, VICSES has been developing its State Hazard Emergency Plans for Flood, Storm, Earthquake and Tsunami. These plans will provide a strategic statewide framework for the emergency management of these hazards within Victoria, including detailing the relevant responsibilities of supporting agencies. The plans will be completed by the end of 2010.

VICSES has developed a Municipal Flood Emergency Plan template for use in assisting Municipal Councils in developing emergency plans for flood risks.

VICSES, in partnership with Melbourne Water and Municipalities, has initiated the development of seven flood emergency plans over the course of the year.

VICSES also contributed to the development of eight Flood Management Plans.

In its role of providing expert emergency management advice, VICSES has assisted Victoria Police with the development of a Regional Emergency Response Plan template. This template is to be used to ensure a consistent approach to the upcoming development of Regional Emergency Response Plans.

In partnership with DHS and Municipalities, VICSES has developed guidelines for the operation of Emergency Relief Centres. These guidelines will help Municipal Councils in undertaking their emergency relief responsibilities.

VICSES has provided Municipal Councils with emergency management planning and advice services. These have included Municipal Emergency Coordination Training, Relief and Recovery Training. VICSES has also contributed to the development and piloting of the Emergency Management Liaison Officer training course.

VICSES actively contributed to the development of the Victorian Warning Protocol, and over the course of the year revised its warning procedures, including the development of specific message templates for the communication of VICSES Flood Bulletins.

VICSES also actively contributed and participated in a National Flood Workshop, which was held in April. The workshop improved the participants' understanding of flood emergency planning, flood intelligence and flood warning systems. The workshop also provided a forum for national policy discussion.

In late 2009, the Federal Attorney-General's Department launched the revised Australian Emergency Manuals Flood Series in which VICSES was a major contributor.

These manuals provide the key doctrine for flood emergency management in Australia. Copies of these manuals were provided to each VICSES Unit.

VICSES has been active in improving the availability of flood information. In partnership with the Department of Sustainability and Environment (DSE), VICSES facilitated the development of an electronic flood studies library. This library has improved the availability of flood information for flood emergency planning, community education and flood response operations.

VICSES conducted a series of briefings, which focused on emergency management arrangements for tsunami. Funded by the Federal Attorney-General's Department, these briefings were attended by some 200 emergency managers. Through the National Emergency Management Program, VICSES was also successful in gaining funding to undertake detailed tsunami inundation modelling for two Victorian communities. This work will be completed over the course of the next year in partnership with Geoscience Australia. VICSES continues to provide input for the refinement of the Australian Tsunami Warning System through the Australian Tsunami Work Group, including contributing to the development of an Australian Emergency Management Manual on Tsunami.

## > Community Education

Recent research has concluded that generally communities are not well prepared for emergencies. VICSES has continued to develop and implement its FloodSafe and StormSafe programs throughout the year. The last year has also seen the development of two new programs for earthquake and tsunami, branded QuakeSafe and TsunamiSafe. The four programs are aimed at improving the awareness of natural hazards that communities may face, and encouraging households and businesses to become better prepared to manage their affects.

### > DID YOU KNOW?

# 966

**VICSES conducted 38 Introduction to Emergency Management courses, involving 966 participants during the past 12 months.**

This year has seen a further strengthening of the VICSES-Melbourne Water partnership. The support Melbourne Water gave VICSES this year enabled the employment of three Community Education Coordinators to coordinate FloodSafe and StormSafe programs within the VICSES Central Region. Some 48 static displays, 17 schools visits and 13 community meetings have been held across the year, involving some 2900 volunteer hours. Key achievements through the partnership this year included: the flood reflections commemoration for the 75th anniversary of the 1934 Yarra River flood, the largest flood in the history of Melbourne causing some 34 deaths; the successful piloting of a new VICSES mascot "Paddy Platypus"; and the successful development and piloting of a training course for VICSES volunteer Community Education Facilitators. VICSES has been successful in obtaining grants for further resources, including those focusing on culturally and linguistically diverse communities through the Victorian Emergency Grants Program.

VICSES continued to implement programs in the East and North East Regions of the state, with community education activities, including doorknocks and displays, undertaken in these areas. Community specific FloodSafe resources were developed for the Benalla, Lakes Entrance, Gippsland Lakes and Macalister Catchment areas. In partnership with the Glenelg Hopkins Catchment Management Authority, VICSES has also been successful in obtaining funding to conduct FloodSafe programs in two South West Region communities.

Improved resources have been developed, including a statewide StormSafe brochure, StormSafe postcard and revised Household Emergency Toolkit. Work is also being finalised on the VICSES Business FloodSafe Toolkit and Home Emergency Action Plan resources. These resources will help businesses and households to develop their own emergency plans.

VICSES held its first statewide StormSafe Week – involving all VICSES Regions – in April. The week, which involved some 76 VICSES members, was successful in engaging with nearly 75,000 members of Victorian communities, and saw around 10,500 StormSafe brochures distributed. This week is set to become an annual event to provide focus on the importance of being StormSafe.

After the Black Saturday Fires, VICSES received funding from DSE to deliver FloodSafe and StormSafe programs in fire-affected areas. Through this support, VICSES developed resources and ran activities to educate communities about the increased risks posed by floods and storms following fires.

## > Media and Community Information

VICSES maintained a high profile during 2009-2010 with an average of 420 media items per month. This was an increase of 277 from 2008-09. The State Public Information Unit was formed to help provide information to the public during the August 2009 windstorm and March 2010 Hailstorm.

With the support of funding through the Valuing Volunteers program, VICSES was again able to conduct the Volunteer Media Liaison Officer training course across the state, delivering ten courses to 112 volunteers. Over the past three years, the course has trained 203 VICSES volunteers and 21 Coast Guard volunteers in total.

Throughout the year the Media and Community Information Unit planned, organised and coordinated a large number of public and internal events. Significant events included National SES Week and National Volunteer Week. Some four Unit openings and 13 vehicle handovers were coordinated. The Unit also coordinated the VICSES Annual Awards Ceremony, which was held in November. VICSES undertook a significant promotion of the 2010 Easter Driver Reviver campaign, during which VICSES volunteers operated 65 Driver Reviver sites. The promotion involved establishing a competition sponsored by AAMI, Nova FM and Mirvac Hotels and Resorts. The promotion generated more than 5000 competition entries, and significant media promotion through NOVA FM.

VICSES developed its Social Media presence during the year, with the establishment of an Official VICSES Facebook Fan Page. The page has more than 1000 fans, and has proved to be a successful medium for promoting VICSES activities. Improvements have also been made to the VICSES website, with a strategy currently being produced to redevelop the web presence of the Service.

VICSES worked in partnership with Prime TV to produce a new community service announcement (CSA) highlighting the roles VICSES volunteers perform within their communities.

The Unit's major accomplishments during the year also include the completion of the VICSES Style Guide and VICSES Social Media Policy. The Unit has also contributed to the Emergency Management Joint Public Information Unit Committee and the New Media Working Group.

The Unit has initiated the development of a VICSES Internal Communications Strategy, which will be completed by the end of 2010.



# FUNDING AND SPONSORSHIPS

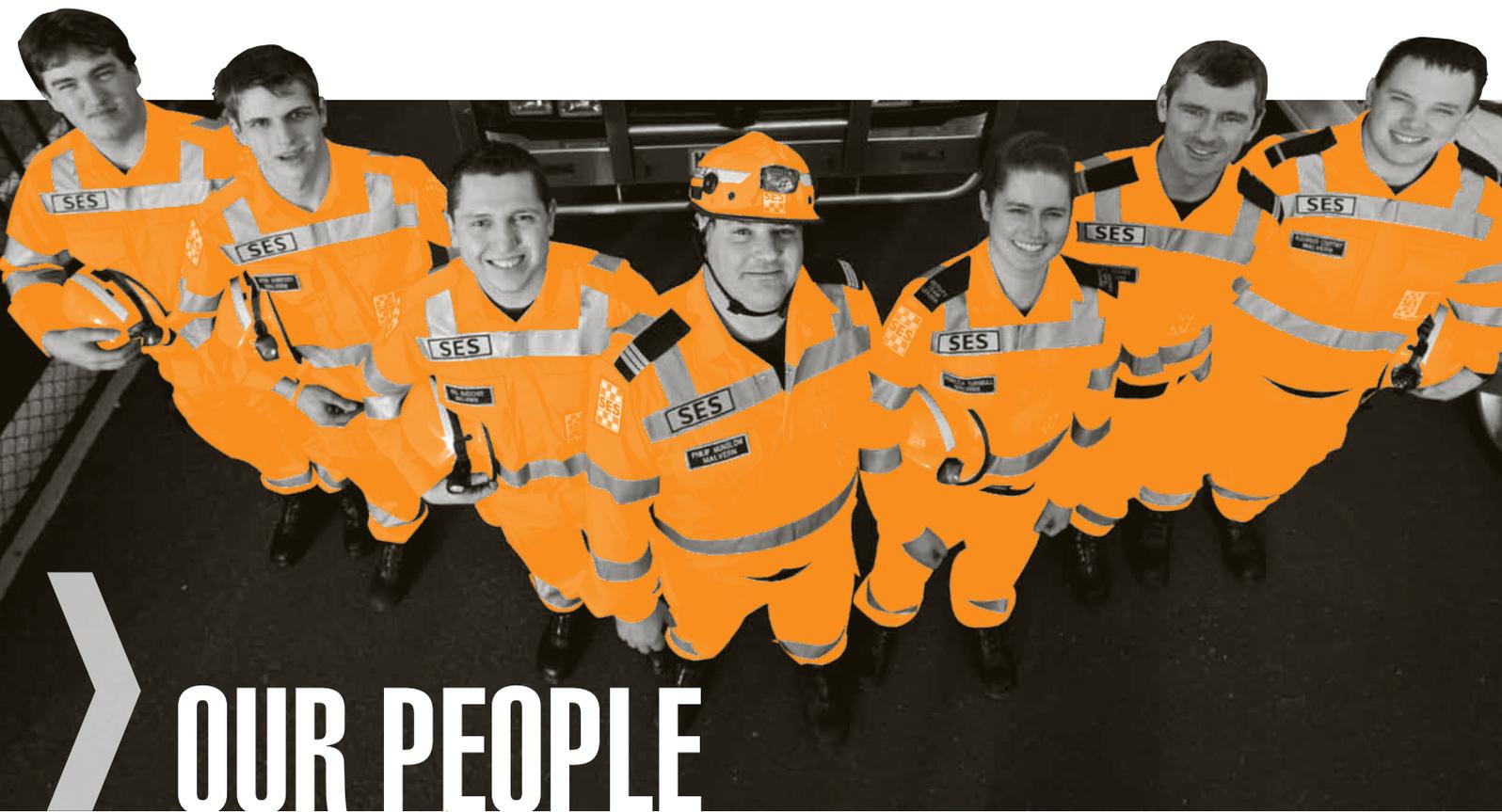
VICSES is extremely grateful for the support it receives from Government, business and local communities across the State.

VICSES recognises the importance of all contributions, and is committed to further developing and strengthening relationships with its supporters and sponsors.

VICSES would like to thank Victorian municipalities for the contribution they make to their local VICSES Units through funding, equipment and other forms of support.

**VICSES would also like to thank other significant funding sources and sponsorship contributors including:**

SPONSORSHIP CONTRIBUTOR	FUNDING	FOR
AAMI	\$495,000	Equipment, In kind
Melbourne Water	\$635,000	Community Education
Reliance	\$70,000	Road Crash Rescue Training
OESC	\$1,157,000	Various
Low Energy Supplies	\$95,000	Units (Ban the Bulb Program)
Holden	In kind support	Road Crash Rescue Training
EMA/ Commonwealth Attorney-General	\$93,000	Operations and Recruiting
OESC	\$232,000	2009/2010 Projects
Bushells	In kind support	Driver Reviver



# OUR PEOPLE

In what was anticipated to be a year of consolidation, VICSES witnessed significant achievements in 2009-10.

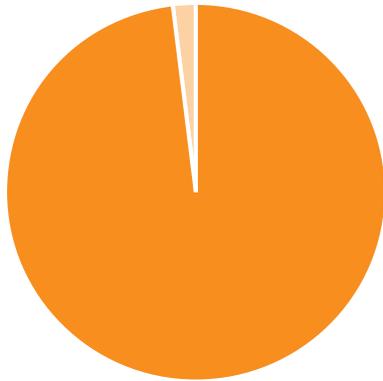
In what was anticipated to be a year of consolidation, VICSES witnessed significant achievements in 2009-10. The launch of the "Play Your Part" Occupational Health & Safety (OH&S) strategy had a significant impact in addressing the requirements of the WorkSafe Undertaking.

#### The outcomes include:

- Action plans developed and implemented to support addressing audit outcomes, and to support developing consistently safe standards of operations statewide
- Play Your Part Safety Management System was audited and successfully benchmarked as meeting national standards
- Skills development in hazard identification and risk mitigation for operational staff and Unit leaders at statewide seminars
- Reduction in the number of lost-time injuries
- Increase in Unit audits by Regional staff
- Increase in skills development of Unit Trainers

Building the capabilities of VICSES staff has continued this financial year, with delivery of another Moving Forward leadership program for developing leaders within VICSES. A partnership was formed with Swinburne University to deliver an Advanced Project Management course to 50% of VICSES staff. These development opportunities have been applied to a number of projects undertaken this financial year and continuing into the 2010-11 financial year, including the implementation of the new OH&S IT system, which will support timely and accurate reporting of OH&S hazards, incidents and accidents.

## > Key Statistics:



■ Number of volunteers **5,500**  
■ Full-time staff **125**

VICSES has continued to align the outcomes of the corporate plan to the organisation's strategic plan. This year the alignment has been improved by implementing the outcomes of the 2008 Accountabilities Review into the roles within VICSES. This means all positions across the organisation have been reviewed to ensure accountabilities for each role are aligned to the Service's desired outcomes for the next two years.

VICSES witnessed a surge in volunteer recruitment throughout the year. This surge is attributed to the State Government's Vital and Valued Volunteers media campaign. VICSES received more than 640 inquiries regarding volunteering, which the Service could not have processed effectively without the support provided through the Valuing Volunteers Program.

Recommendations from the Recruitment, Retention and Recognition Taskforce were adopted and incorporated into the Unit Management Manual launched at the two Controllers Seminars in May and June. The outcomes of the Unit Structures Taskforce were the basis for this Manual, which will support a more consistent approach to managing a Unit within VICSES and should reduce the need for Units to develop their own strategies or procedures. The Unit Structures framework developed and described in the Unit Management Manual will also support workforce planning, and when applied should reduce the workload of the Unit Controllers in administering their Unit. The outcomes were significantly supported by the Valuing Volunteers Program.

The PEER Support and Chaplaincy programs have witnessed an increased alignment during the past year. The recruitment of additional Chaplains has ensured volunteer members are supported when most at need.

In 2009 VICSES Clinical Director Peter Kueffer was awarded an Emergency Services Foundation Scholarship to conduct research into building resilience in emergency services. Peter visited various agencies in the United States, including the New York Police Department, Fire Department New York, New Jersey State Police, Baltimore City Fire Department and US Secret Service. He also consulted with leading researchers and practitioners in the fields of building individual and organisational resilience. The institutions he visited in the US include the University of Medicine and Dentistry New Jersey, University of Maryland and Johns Hopkins University in Baltimore. Peter's findings validated many of the strategies and policies implemented by VICSES. This research will provide a foundation for further enhancement of VICSES preventative stress management programs, which develop and enhance resilience in VICSES emergency response volunteers.



## > VOLUNTEER PROFILE

**NAME:** TARA CRANEY  
**AGE:** 31  
**UNIT:** MALVERN  
**OCCUPATION:** BRAND MANAGER

TARA CRANEY has been a volunteer with the Malvern Unit since January 2008. Being originally a country girl, she said being part of the team at Malvern has given her the opportunity to make friends with down to earth people from the city.

As well as the friends and the opportunity to develop practical skills, she said it's hard to narrow down what she finds most enjoyable about being a SES volunteer.

"Overall, you know there has to be a pretty special reason to make anyone want to get out of bed at 3am on a cold, rainy Melbourne night!"

"We've got a really tight-knit unit, and at the end of every call out, I always have a smile on my face from appreciative residents, a joke by one of my fellow members, and the satisfaction of a job well done."



VICSES's commitment to having policies and procedures in place to ensure so far as reasonably practicable, the safety of all its members in the future.

On 19 May 2007 Ronald Hopkins from the Mildura VICSES Unit died while participating in a Flood Boat exercise on the Murray River near Mildura – Buronga Bridge. A full investigation was carried out after this tragic event, with the cooperation and support of VICSES members. As a result of the investigation, VICSES were subsequently charged with a breach of the Occupational Health and Safety Act 2004.

In November 2009, VICSES entered a plea of guilty to the charge and gave an undertaking to the Court to carry out a review of its training materials and programs along with a commitment of extensive funding for the purpose of developing appropriate training and audit activities and the employment of sufficient staff to ensure the implementation of such actions.

The contents of the undertaking confirm VICSES's commitment to having policies and procedures in place to ensure so far as reasonably practicable, the safety of all its members in the future.



There have been a significant number of improvements introduced since the tragic drowning of Ronald Hopkins.

These include but are not limited to:

- Development and launch of a robust OH&S Management System called "Play Your Part". This system was audited by external OH&S auditors and successfully benchmarked as meeting national standards
- All staff and volunteers are aware of their accountability in maintaining a safe as practicable workplace
- 25% of Units audited by external providers on OH&S and Training standards
- Action plans developed and implemented to support addressing audit outcomes, and to support developing consistently safe standards of operations statewide
- Skills development in hazard identification and risk mitigation for operational staff and Unit leaders at statewide seminars
- Reduction in the number of lost-time injuries
- Increase in Unit audits by Regional staff
- Increase in skills development of Unit Trainers
- New Training and Assessment Manual developed
- Standard Operating Procedures, Training packages and OHS Management System mapped for review in the coming year
- Increase in Train the Trainer sessions with Unit, Regional and State staff
- Review of the website to ensure complete training tools are easily accessible including risk assessments and the required pre-requisites
- Regional Trainers are applying more stringent monitoring of Unit assessments
- Safety Advisor role and function clearly articulated and applied
- Increase in OH&S Training across the State

## > HEALTH AND SAFETY INDICATORS

<b>Incidents and Hazards</b>	1. Number and rate of Incidents	26
<b>Claims</b>	2. Number and rate of time lost claims	1 volunteer claim
	3. Number of claims exceeding 13 weeks	0 claims
<b>Fatality</b>	4. Number of fatality claims	0 fatalities
<b>Cost of Claims</b>	5. Average cost per claim	\$572
<b>Management Commitment</b>	6. OHS policy statement is displayed in all Units and offices. Monthly OHS reports on OHS plans are provided to the Board and Executive and the State OHS Committee minutes are distributed to all staff and volunteers.	
	7. VICSES purchasing contracts have OHS as a criteria in selection of contractors	
<b>Consultation</b>	8. Staff and volunteers are consulted at OHS committees at the Unit, Regional and State level. To further enhance staff and volunteer input VICSES has implemented an Operations Consultation Framework to ensure better consultation with subject matter experts.	
<b>Risk Management</b>	9. 80% of internal audits/inspections conducted as planned. 100% of external audits completed	
	10. 85% of issues identified have been actioned	
<b>Training</b>	11. 100% of operational managers and staff have received OHS risk management training. 546 volunteers received OHS training this year which is a 30% increase on the previous year	



## > Building Training Capability

Ongoing efforts to improve the training and assessment capability of VICSES resulted in the following enhancements.

### **Risk Management for Training Activities**

Training was introduced to support a revised administrative risk assessment process to enhance safety at training activities. The program enhanced regional staff capability as key points of reference for volunteer Units, with further development introducing a training session for Units on how to work with the revised risk management tools.

A review of standardised risk assessments for VICSES training activities saw revised templates made available to members through the VICSES Extranet, bringing the process in line with the VICSES OH&S framework.

### **Unit Assessor Training**

Five training programs were held across the State to increase the number of volunteers with nationally recognised qualifications in conducting competency based assessments.

The programs delivered by Northern Metropolitan Institute of TAFE used training materials customised to VICSES requirements.

## > Continuous Improvement

### **Audit of the VICSES Registered Training Organisation status**

An external audit of VICSES as a Registered Training Organisation (RTO) was conducted by an auditor working on behalf of the Victorian Registration and Qualifications Authority (VRQA).

Items raised for continuous improvement of VICSES operations as an RTO have been incorporated into the business plans of State Training Section and Regions.

As a result of the VICSES response to these items, re-registration was confirmed by the VRQA for a further five-year period.

### **Review of the Training & Assessment Procedures Manual**

A complete review of the manual used to guide how VICSES operates as a Registered Training Organisation was undertaken and completed.

This was in order to align processes and training policy to strategic changes in safety at training activities and the outcomes from the RTO audit.

The revision also allowed training delivery staff to identify improvements in procedures used to administer training.

## Re-Design of the Training Extranet

The Training site of the VICSES Extranet provides an important information access point for trainers and assessors. A complete re-design was completed to provide easier access to resources, incorporating enhanced references to critical safety information.

## > Partnerships

A range of partnerships provided additional training capability to VICSES throughout the year, including those with the Country Fire Authority, Swinburne University TAFE, Wodonga TAFE and the Northern Metropolitan Institute of TAFE.

VICSES and the Victoria Police Training Academy have renewed a Memorandum of Understanding for VICSES to use their training village located at Mount Waverley. Access to this unique site has enhanced our capacity to train our metropolitan volunteers for working at heights.

## Training Infrastructure Project

Work has commenced on building VICSES training facilities at the CFA Bangholme training site and at CFA Huntly (near Bendigo). When complete the buildings will provide realistic sites for volunteers to learn and practice skills for storm and water damage operations. Volunteers will be able to undertake training for "working at heights" on state-of-the-art roof props. Buildings have also been designed for sites at CFA Wangaratta and the CFA Training College at Fiskville.

## > Contribution to National Training Initiatives

Funding from Government Skills Australia (GSA) provided the opportunity for VICSES staff to participate in the national working party responsible for developing Learning Guides for "Induction" and "Basic Rescue Skills".

The nationally developed Learning Guides are intended to assist with standardisation of basic skills training for volunteers across the various SES agencies. These prototype materials are due for publication in late 2010.

This initiative is supported by the Australian Council of State Emergency Services (ACSES).

## > Highlight

### Development of Learning & Development Strategy

The Learning and Development Strategy 2010 - 2013 was developed in consultation with staff and volunteers. It sets the direction for learning and development in public safety skills in VICSES for the next three years. The Strategy forms the first part of broader planning for VICSES Training in the next three years.

The Strategy focuses on building our learning and development capability and capacity as well as promoting a culture that supports access and participation in learning and development.

### Implementing AIMS across VICSES

This Project supports VICSES' transition to using AIMS for operations management at all incidents.

A total of 1114 (statistic to be confirmed) VICSES members across the state have completed AIMS courses this year. This is a significant increase on last year.

### Project Highlight

The AIMS Crew Leader course was successfully implemented this year. This course is aligned to national leadership competencies in the national Public Safety Training Package. This course trains members in the role and responsibilities of crew leaders in managing their emergency response crews at local emergencies. This is an important step for members to build their incident management skills



## > VOLUNTEER PROFILE

**NAME:** CHRISTIE MCFADDEN  
**AGE:** 25  
**UNIT:** TATURA  
**OCCUPATION:** IT PROJECT SUPPORT OFFICER

**CHRISTIE MCFADDEN** joined the Tatura Unit five months ago because she thought it was a fantastic opportunity to give back to the local community.

Already Christie is learning the valuable skills she is gaining through her volunteering are skills that she can use all her life. She is also loving the camaraderie that goes along with volunteering.

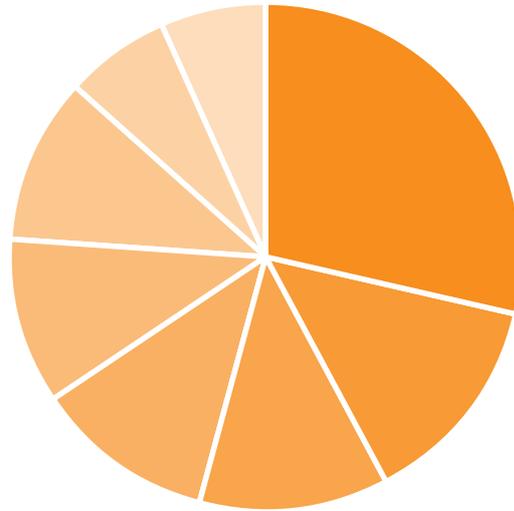
"I am loving the laughter at the Unit. The team at Tatura are a great bunch of people and I can always be guaranteed a laugh when heading to the local headquarters."

## > Training Statistics

### Competencies achieved

11,693 competencies achieved by members during the year. Significant attendance in the following courses contributed to this figure.

- 1,500 members completed a refresher course in First Aid
- 711 members completed foundation rescue skills
- 622 members completed a course in the applications for the new incident management system software
- 603 members completed a First Aid course
- 548 members completed an OHS Course
- 551 members completed the course for working safely at a CFA incident
- 353 members completed a course in managing traffic at emergency operations
- 340 members completed courses in incident management



The workforce of volunteer trainers includes 689 qualified trainers and 508 qualified assessors

Source of Data: Train



Volunteers are undertaking training in general rescue, simulating a casualty rescue down an embankment.



The 2009-2010 financial year has again been a very busy period for the Corporate Services Team. But it has also been an exciting and rewarding one, with the successful completion of several projects and a number of new ones now underway.

### > Finance and Administration Team

#### **VICSES Payroll**

As a part of the Connect.IT project, which included the implementation of SAP Financial and Assets systems and the Operational Incident Management System (OIMS), the VICSES payroll function was transferred from the Department of Justice to VICSES on 1 July 2009, and has bedded down smoothly during the year.

#### **KPMG Audits and Units' Cash Balances**

For the first time Units' Cash Balances were incorporated into the VICSES annual financial statements for the 2008-09 financial year. Thanks to the cooperation of the volunteer Units, this ran very smoothly and will be an ongoing annual requirement.

Also, for the first time, VICSES contracted KPMG to conduct desk audits of the 2008-09 financial reports for all volunteer Units. Feedback from Units has allowed us to refine the process for the 2009-10 financial year and offer this and an alternative option for this as year's audits.

#### **Unit Finance Manual and Unit Finance Training**

A Units' Financial Management Taskforce was formed in September 2008, with the aim of developing an appropriate Finance Manual and to develop and deliver Finance Training to volunteer Units.

The manual was finalised in February 2010 after extensive consultation, and has been circulated to volunteer Units at Finance Training, which also began in February 2010. Volunteer feedback about the manual and training has been extremely positive, with more than 200 attending the sessions. This training will be offered on an ongoing basis.

## > Information Communication Technology (ICT) Team

### ICT Team Service Support

This year the ICT Business Unit has focused on developing and refining a service support function and enhancing overall service management. This has resulted in a single point of contact for all ICT support and service requests, with guaranteed first-level support Monday to Friday, 8am to 5pm (excluding public holidays). Support is also provided from 5pm to 8am (including public holidays and weekends) via the IT Duty Officer role. We have placed an emphasis upon staff development, which has created capacity and enabled VICSES ICT to increase the number of skilled staff available to participate in delivering after-hours support.

### ICT Infrastructure and Operations

Volunteer Unit broadband infrastructure has been upgraded to accommodate increases in the number of volunteer Unit network-interfaced devices and demand for web-based applications, such as the Operational Information Management System (OIMS).

A PC-refresh program, which ran from September 2009 until December 2009, replaced PCs and printers in 72 Units. This refresh program also afforded the opportunity to upgrade printers with hardware capable of scanning and copying. The refresh program will run again in 2010-11 to provide upgrades for the rest of the volunteer Units.

VICSES also introduced a video-conference facility in February 2010. This facility now provides an effective and efficient communications tool, which links all Regional offices and the Victorian Headquarters.

### Operational Incident Management System (OIMS)

The completion of the Connect.IT Project in mid 2009, which concluded with the implementation of IRS and TRAIN modules, saw the Operational Information Management System (OIMS) move into a transitional period.

Over the year, the ICT Business Unit has worked with the Country Fire Authority (CFA) and key stakeholders to define a diverse range of enhancements to the OIMS system. These enhancements will streamline current operational OIMS processes.

OIMS training has remained a high priority during this transitional period, and attendance at the training sessions has been positive. To date a total of 830 volunteers have been trained in Resource Management System (RMS), 930 in Incident Management System (IMS) and 610 in Incident Reporting System (IRS).

## ICT Strategy

An ICT strategy is currently being developed in consultation with staff and volunteers. This strategy will incorporate the ICT business needs of VICSES into the future, and define a set of improvement initiatives designed to support the key ICT directions identified.

## > Assets and Infrastructure Team

### Critical Assets

VICSES received \$6.6 million for critical asset infrastructure from the State Government for the 2009-10 financial year. The Fleet Services Project team has managed the build and delivery of 13 heavy rescue trucks, three 4WD medium-rescue trucks, nine 2WD medium-rescue trucks, 18 storm trailers, 12 road-rescue kits and seven boats throughout the year.

In the State Budget in May 2010, it was announced VICSES will receive \$6.8 million for critical assets for 2010-11, so the program will continue for the next financial year.

### Equipment

This year is the third year of the four-year volunteer Unit equipment replacement program. Another 48 Units have received delivery of new equipment.

Another successful round of the AAMI equipment program handovers was also completed during the year.

### Infrastructure

In 2008 VICSES received \$8.16 million in Government funding to establish three new volunteer Units, refurbish four volunteer Units and develop co-located training facilities on CFA training grounds.

The Mitta Mitta and Swan Hill Units were completed during the last financial year. This year has seen the completion and official opening of two new Units – Hepburn Shire and Whittlesea – as well as the completion of the Swan Hill Unit refurbishment.

The building works at Geelong and Wyndham West are progressing well, with an expected completion date of October 2010.

The construction of the four new rooftop-training facilities is also progressing well, with the completion of Huntly, Fiskville and Bangholme on target for July 2010.

## > Policy And Projects

### Project Management Training

VICSES worked with consultants to develop a VICSES Project Management Framework and Training package during 2009. More than 70 staff attended the project management training.

### Grants Programs Administration

Also, from 1 July 2009, the administration of all grants programs was transferred to the Projects and Policy Officer. This has seen the streamlining of processes and communication with the Regions and volunteer Units.

### Business Continuity

The VICSES Business Continuity project, which began in 2009, has continued throughout the year with an emphasis on Regions, in particular the Central Region. This project is developing Business Continuity Plans for the volunteer Units, the Regions and Victorian State Headquarters (VHQ). This process involves comprehensive consultation with staff and volunteers, and will continue over the next financial year.





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

#### > Responsible Minister

The responsible Minister is the Minister for Police and Emergency Services.

#### > Statutory Authority

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

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

These regulations address the management of issues detailed in the Victoria State Emergency Services Act 2005, including disciplinary arrangements for volunteers; training and exercising of registered members; and various other administrative issues.

#### > Board and its Composition

The Board is the governing body of the Authority and is constituted under s9 of the Victoria State Emergency Service Act 2005 (Vic) – the Act.

The Board is responsible for the overall corporate governance of the organisation including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

The composition of the Board is determined in accordance with the Act and allows up to seven members to be appointed by the Governor in Council, one of whom is appointed as the Chair of the Board.

#### > Conflicts of Interest

The Board complies with provisions of S22 of the Act that ensures that members of the Board and Executive Management Team do not place themselves in a position where there is conflict, actual or potential, between their private interest and duty owed to VICSES.

#### > Board Committees

The Board has incorporated into its management structure a Governance, Finance, Remuneration Committee and Audit Committee. The Governance, Finance and Audit Committee is chartered to provide the Board with assurance that there are adequate business systems in place with regard to matters of a financial, risk, audit and compliance nature.

#### > Remuneration

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

### > Legal Advice

The Board is assisted in aspects of its operations with external legal advice. Maddocks was the provider of legal services during 2009-2010. Maddocks was also appointed to undertake the Corporate Secretary role for the board.

### > Consultancies

There were no consultancies costing more than \$100,000 during the 2009-2010 year.

### > Victorian Industry Participation Policy (VIPP)

In accordance with the requirement of the Victorian Industry Participation Policy Act 2003, Government agencies are required to include a statement summarising their implementation of the VIPP in their annual reports. FRD 25 specifies that VIPP be reported for contracts valued over \$3 million in metropolitan areas and \$1 million in regional areas. The Supply of Heavy Rescue Trucks and Ancillary Equipment Contract was the only VICSES contract that met the requirements of this policy. There were no contracts that fell into the category for the financial year 2009-2010.

### > Freedom of Information (FOI)

VICSES is subject to the Freedom of Information Act 1982. Requests for access to documents should be made in writing to the Freedom of Information Officer. Contact details are on the back cover of this report. Further procedural information in relation to such requests can be obtained from the FOI Officer.

### > Building Act

VICSES complies with the Building Act 1993 with respect to alterations and maintenance to the buildings owned by VICSES. It is not aware of any material non-compliance with the current building standards.

### > Risk Management

I, Mary Barry, Chief Executive Officer certify that the Victoria State Emergency Service has risk management processes in place consistent with the Australian/New Zealand Risk Management Standard ISO 3100 and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures. The risk profile of the VICSES has been critically reviewed within the last 12 months.

### > National Competition Policy

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

### > Whistleblowers Protection

As required by section 104 of the Whistleblowers Protection Act 2001 (the Act), the following is reported for the period 1 July 2009 to 30 June 2010.

#### The number and types of disclosures made to public bodies during the year:

	2009-2010 No.	2008-2009 No.
Public interest disclosures	0	0
Protected disclosures	1	0
The number of disclosures referred during the year by the public body to the Ombudsman for determination as to whether they are public interest disclosures	0	0
The number and types of disclosed matters referred to the public body by the Ombudsman for investigation	0	0
The number and types of disclosures referred by the public body to the Ombudsman for investigation	1	0
The number and types of investigations taken over from the public body by the Ombudsman	0	0
The number of requests made by a whistleblower to the Ombudsman to take over an investigation by the public body	0	0
The number and types of disclosed matters that the public body has declined to investigate	0	0
The number and types of disclosed matters that were substantiated upon investigation and the action taken on completion of the investigation	0	0
Any recommendations made by the Ombudsman that relate to the public body	0	0
Recommendation regarding file security and management	1	0

# FINANCIAL INFORMATION

## > Five year financial summary

	2009-10 \$'000s	2008-09 \$'000s	2007-08 \$'000s	2006-07 (ii) \$'000s	2005-06 (i) \$'000s
<b>Comprehensive Operating Statement</b>					
Revenue from Government (iii)	37,910	36,877	26,655	20,768	11,019
Total income from transactions	42,620	46,212	27,859	21,755	12,229
Total expenses from transactions	(33,959)	(29,378)	(27,032)	(19,073)	(11,240)
Net result from transactions for the period	8,661	16,834	827	2,682	989
Other economic flows	191	524	20	0	0
Net result	8,852	17,358	847	2,682	989
<b>Balance Sheet</b>					
Total assets	70,010	56,449	32,710	28,982	28,820
Total liabilities	(11,100)	(15,079)	(8,246)	(8,908)	(6,804)
<b>Cash Flow Statement</b>					
Net cash flow from operating activities	9,793	30,156	3,501	4,861	2,331

(i) The Victoria State Emergency Service Authority (VICSES) commenced reporting as separate entity on 1 November 2005. The financial summary for 2005-06 covers an 8-month period from 1 November 2005 to 30 June 2006.

(ii) In 2007-08 VICSES changed the threshold for asset capitalisation from \$1,000 to \$5,000. The effect of this policy caused a restatement of the 2006-07 Total Assets balance.

(iii) Includes revenue from State and Commonwealth Governments. Income from the State Government includes both output and special appropriations.

## > Current year financial review

In 2009-10 the Authority achieved a net result for the period of \$8.852 million, \$8.506 million lower than 2008-09. The reduced result for 2009-10 was due to the following:

- in 2008-09 the Authority recognised the bank account balances for all of the 140 Volunteer Units for the first time. The \$7.290 million in Volunteer Unit bank account balances was recognised as an asset in the Balance Sheet and as income in the Operating Statement. For 2009-10, only the movement in the Volunteer Unit bank balances, \$1.206 million, is reflected in the Operating Result.
- in 2008-09 the State provided both capital and output funding as a 'One-Line Grant', which was recognised as income. For 2009-10, the State reverted to providing capital funding as Contributed Capital, which is recognised as equity.

## > Current year financial review (cont.)

The 2009-10 net result of \$8.852 million is principally due to:

- the increase in Volunteer Unit bank balances of \$1.206 million; and
- funding being received and recognised as income for projects/programs where costs will not be incurred until 2010-11. The major projects/programs include:
  - Volunteer Unit accommodation at Geelong and Wyndham; and
  - the introduction of an improved operational radio and despatch system across Victoria.

Net assets continued to grow in 2009-10, increasing by \$17.540 million to \$58.910 million. The increase is due to:

- an increase of \$10.834 million in property, plant and equipment assets including:
  - capital work in progress on new Unit buildings for Wyndham and Geelong;
  - completion of new Unit buildings at Hepburn and Whittlesea, and
- the annual operating surplus of \$8.852 million.

The decline in operating cash flows in 2009-10 to \$9.793 million from \$30.156 million reflects the following:

- 2008-09 included, for the first time, \$7,290 million for Volunteer Unit bank accounts and 2009-10 only included \$1.206 million being the year-on-year increase in these bank balances;
- 2008-09 included capital funding received from Government as a 'One-Line Grant' and recognised as income – for 2009-10 capital funding of \$8.688 million was received and recorded as an addition to equity and as a financing cash flow rather than an operating cash flows; and
- in 2008-09 the Authority became responsible for the management of its own bank accounts. As part of this process, \$8.131 million in funds held by Department of Justice on behalf of the Authority at 30 June 2008 were physically transferred to the bank account of the Authority.

## > Subsequent events

No event has occurred subsequent to the reporting period that is likely to affect significantly the operations of the Authority or the results of those operations.

# FINANCIALS

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## > Comprehensive Operating Statement

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

	Notes	2010 \$'000	2009 \$'000
<b>Income from transactions</b>			
Grants and other transfers	2(a)	39,580	37,335
Sale of goods and rendering of services	2(b)	121	89
Interest income	2(c)	814	284
Other income	2(d)	2,105	8,504
<b>Total income from transactions</b>		<b>42,620</b>	<b>46,212</b>
<b>Expenses from transactions</b>			
Employee expenses	3(a)	(11,922)	(11,063)
Depreciation and amortisation expense	3(b)	(3,315)	(3,347)
Grants and other expense transfers	3(c)	(1,586)	(785)
Other operating expenses	3(d)	(16,809)	(13,870)
Interest expense	3(e)	(327)	(313)
<b>Total expenses from transactions</b>		<b>(33,959)</b>	<b>(29,378)</b>
<b>Net result from transactions (net operating balance)</b>		<b>8,661</b>	<b>16,834</b>
<b>Other economic flows included in net results</b>			
Net gain on non-financial assets (i)	4(a)	185	556
Other gains/(losses) from other economic flows	4(b)	6	(32)
<b>Total other economic flows included in net result</b>		<b>191</b>	<b>524</b>
<b>Net result</b>		<b>8,852</b>	<b>17,358</b>
<b>Comprehensive result – total change in net worth</b>		<b>8,852</b>	<b>17,358</b>

**Note:**

- (i) Net gain/(loss) on non-financial assets includes unrealised and realised gains/(losses) from revaluations, impairments, and disposals of all physical assets and intangible assets, except when these are taken through the asset revaluation reserve.

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

## > Balance Sheet

AS AT 30 JUNE 2010

	Notes	2010 \$'000	2009 \$'000
<b>Assets</b>			
<b>Financial Assets</b>			
Cash and deposits	19(a)	23,275	23,544
Receivables	6	3,828	4,745
Investments and other financial assets	7	4,000	0
<b>Total financial assets</b>		<b>31,103</b>	<b>28,289</b>
<b>Non-financial assets</b>			
Other non-financial assets	8	149	236
Non-financial assets classified as held for sale	9	0	100
Property, plant and equipment	10	38,758	27,824
<b>Total non-financial assets</b>		<b>38,907</b>	<b>28,160</b>
<b>Total assets</b>		<b>70,010</b>	<b>56,449</b>
<b>Liabilities</b>			
Payables	11	4,934	9,121
Borrowings	12	3,581	3,682
Provisions	13	2,585	2,276
<b>Total liabilities</b>		<b>11,100</b>	<b>15,079</b>
<b>Net assets</b>		<b>58,910</b>	<b>41,370</b>
<b>Equity</b>			
Contributed capital		31,030	22,342
Accumulated surplus / (deficit)		27,880	19,028
<b>Net worth</b>		<b>58,910</b>	<b>41,370</b>
Commitments for expenditure	16		
Contingent liabilities and contingent assets	17		

The above Balance Sheet should be read in conjunction with the accompanying notes.

## > Statement of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

	Equity at 1 July 2009 \$'000	Total comprehensive result \$'000	Transactions with owners in their capacity as owners \$'000	Equity at 30 June 2010 \$'000
<b>Accumulated surplus/(deficit)</b>	19,714	8,852	0	28,566
Adjustment for reassessment of FBT (Note 5)	(686)			(686)
	<b>19,028</b>	<b>8,852</b>	<b>0</b>	<b>27,880</b>
<b>Contributions by owners</b>	22,342	0	0	22,342
Capital grants	0	0	8,688	8,688
	<b>22,342</b>	<b>0</b>	<b>8,688</b>	<b>31,030</b>
<b>Total equity at end of financial year</b>	<b>41,370</b>	<b>8,852</b>	<b>8,688</b>	<b>58,910</b>

	Equity at 1 July 2008 \$'000	Total comprehensive result \$'000	Transactions with owners in their capacity as owners \$'000	Equity at 30 June 2009 \$'000
<b>Accumulated surplus/(deficit)</b>	2,122	17,592	0	19,714
Adjustment for reassessment of FBT (Note 5)	(452)	(234)		(686)
	<b>1,670</b>	<b>17,358</b>	<b>0</b>	<b>19,028</b>
<b>Contributions by owners</b>	22,342	0	0	22,342
	<b>22,342</b>	<b>0</b>	<b>0</b>	<b>22,342</b>
<b>Total equity at end of financial year</b>	<b>24,012</b>	<b>17,358</b>	<b>0</b>	<b>41,370</b>

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## > Cash Flow Statement

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

	Notes	2010 \$'000	2009 \$'000
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipts from government		36,629	42,994
Receipts from other entities		5,384	11,949
Goods and services tax recovered from the ATO		1,825	1,038
Interest received		680	284
<b>Total receipts</b>		<b>44,518</b>	<b>56,265</b>
<b>Payments</b>			
Payments of grants and other transfers		(1,582)	(785)
Payments to suppliers and employees		(32,817)	(25,012)
Interest and other costs of finance paid		(326)	(312)
<b>Total Payments</b>		<b>(34,725)</b>	<b>(26,109)</b>
<b>Net cash flow from / (used in) operating activities</b>	19(b)	<b>9,793</b>	<b>30,156</b>
<b>Cash flows from investing activities</b>			
Payments for non-financial assets		(14,184)	(9,430)
Proceeds from sale of non-financial assets		549	3,448
Payments for investments		(4,000)	0
<b>Net cash flows from/(used in) investing activities</b>		<b>(17,635)</b>	<b>(5,982)</b>
<b>Cash flows from financing activities</b>			
Owner contributions by State Government		8,688	0
Repayment of finance leases		(1,115)	(866)
<b>Net cash flows from/(used in) financing activities</b>		<b>7,573</b>	<b>(866)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(269)</b>	<b>23,308</b>
Cash and cash equivalents at the beginning of the financial year		23,544	236
<b>Cash and cash equivalents at the end of the financial year</b>	19(a)	<b>23,275</b>	<b>23,544</b>

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

## > Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

### > Note 1. Summary of significant accounting policies

The annual financial statements represent the audited general purpose financial statements for Victoria State Emergency Service Authority.

To gain a better understanding of the terminology used in this report, a glossary of terms can be found in Note 25.

#### (a) Statement of compliance

These financial statements have been prepared in accordance with the *Financial Management Act 1994* and applicable Accounting Standards, including interpretations (AASs). AASs include Australian equivalents to International Financial Reporting Standards.

Where applicable, those paragraphs of the AASs applicable to not-for-profit entities have been applied.

#### (b) 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.

These financial statements are presented in Australian dollars, the functional and presentation currency of the Authority.

In the application of AASs, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision, and future periods if the revision affects both current and future periods. Judgements made by management in the application of AASs 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 report has been prepared in accordance with the historical cost convention except for:

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

Historical cost is based on the fair values of the consideration given in exchange for assets

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.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2010 and the comparative information presented for the year ended 30 June 2009.

## > Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

### > Note 1. Summary of significant accounting policies

#### (c) Reporting entity

The financial statements include all the controlled activities of the Authority. The Authority is a government Authority of the State of Victoria established under Victoria State Emergency Services Act 2005 (Vic). Its principal address is:

Victoria State Emergency Service Authority  
168 Sturt Street  
Southbank  
Melbourne VIC 3006

The financial statements include cash balances of individual VICSES Volunteer Units.

#### Objectives and Funding

The Authority's objectives are to provide emergency management, planning, auditing of municipal management plans, emergency response to floods, earthquakes, tsunami and storms, rescue services to other emergency agencies, and to assist with rescue operations on land and water. The Authority is predominantly funded by accrual based parliamentary grants for the provision of outputs. The grants are received by the Authority from the Department of Justice. The Authority is also reliant on gifts, donations, project grants and sponsorship.

#### (d) Scope and presentation of financial statements

##### Comprehensive Operating Statement

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 *Presentation of financial statements*.

'Transactions' and 'other economic flows' are defined by the Australian system of government finance statistics: concepts, sources and methods 2005 Cat. No. 5514.0 published by the Australian Bureau of Statistics (see Note 25)

'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.

'Other economic flows' are changes arising from market re-measurements. They include gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets; actuarial gains and losses arising from defined benefit superannuation plans; fair value changes of financial instruments and agricultural assets; and depletion of natural assets (non-produced) from their use or removal.

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

##### 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 (those expected to be recovered or settled beyond 12 months) are disclosed in the notes, where relevant.

## > Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

### > Note 1. Summary of significant accounting policies

#### Statement of Changes in Equity

The statement of changes in equity presents reconciliations of each non-owner and owner equity 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 comprehensive income related to other non-owner changes in equity.

#### Cash Flow Statement

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

#### (e) Accounting for goods and services tax (GST)

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

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

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

Commitments and contingent assets or liabilities are presented on a gross basis.

#### (f) Income from transactions

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

#### One-Line grant income

Income from the outputs the Authority provides to government is recognised when those outputs have been delivered and the relevant Minister has certified delivery of those outputs in accordance with specified performance criteria and is shown as a grant received from government.

#### Other grant income

Grants from third parties are recognised as income in the reporting period in which the Authority gains control over the underlying assets.

#### Sale of goods and services

##### *Income from provision of services*

Income from the provision of services is recognised by reference to the stage of completion basis. The income is recognised when:

- the amount of the income, stage of completion and transaction costs incurred can be reliably measured; and
- It is probable that the economic benefits associated with the transaction will flow to the Authority.

The stage of completion is measured by reference to labour hours supplied or as a percentage of total services to be performed.

## > Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

### > Note 1. Summary of significant accounting policies

#### **Income from sale of goods**

Income from the sale of goods is recognised by the Authority when:

- the significant risks and rewards of ownership of the goods have transferred to the buyer;
- the Authority retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of income, and the costs incurred or to be incurred in respect of the transaction can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the Authority.

#### ***Interest income***

Interest income is recognised on a time proportionate basis that takes into account the effective yield on the financial asset. 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 in the comprehensive result.

#### ***Other income***

Other income received by the Authority is recognised on receipt.

#### **Unit Cash balances**

'Unit Cash balances' reflects the aggregated net increase in the physical cash held in bank accounts and investments by VICSES Volunteer Units between 31 March 2009 and 31 March 2010

#### **(g) Expenses from transactions**

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

#### **Employee expenses**

Employee expenses include superannuation expenses which are reported differently depending upon whether employees are members of defined benefit or defined contribution plans. In relation to defined contribution (i.e. accumulation) superannuation plans, the associated expense is simply the employer contributions that are paid and payable in respect of employees who are members of these plans during the reporting period. Employer contributions in relation to employees who are members of defined benefit superannuation plans are described below.

#### ***Superannuation- State superannuation defined benefit plans***

The amount recognised in the comprehensive operating statement in relation to employer contributions for members of defined benefit superannuation plans is simply the employer contributions that are paid or payable to these plans during the reporting period. The level of these contributions will vary depending upon the relevant rules of each plan, and is based upon actuarial advice.

The Department of Treasury and Finance (DTF), in their Annual Financial Statements, recognise on behalf of the State as the sponsoring employer, the net defined benefit cost related to the members of these plans. Refer to DTF's Annual Financial Statements for more detailed disclosures in relation to these plans.

## > Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

### > Note 1. Summary of significant accounting policies

#### **Depreciation and amortisation**

All infrastructure assets, buildings, plant and equipment and other non-current physical assets (excluding items under operating leases and assets held-for-sale) that have a limited useful life are depreciated. Depreciation is generally calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value.

Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The following are typical useful lives for different classes for both current and prior periods:

Asset Class	Useful Life
Buildings	40 years
Buildings - leasehold improvements	2 – 10 years
Plant, equipment and motor vehicles	3 – 15 years

Land, which is considered to have an indefinite life, is not depreciated. Depreciation is not recognised in respect of land as its service potential has not, in any material sense, been consumed during the reporting period.

#### **Interest expense**

Interest expenses are recognised as expenses in the period in which they are incurred. Refer to glossary of terms in Note 25 for an explanation of interest expense items.

#### **Grants and other payments**

Grants and other transfers to third parties are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as grants, subsidies and other transfer payments to local municipalities and VICSES Volunteer Units.

#### **Other operating expenses**

##### ***Supplies and services***

Supplies and services expenses are recognised as an expense in the reporting period in which they are incurred.

##### ***Operating lease rental expenses***

Operating lease rental expenses are the minimum lease payments made on operating leases entered into by the Authority and are recognised as an expense in the reporting period in which they are incurred.

#### **(h) Other economic flows included in net results**

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

##### **Net gain/(loss) on non-financial assets**

Net gain/(loss) on non-financial assets and liabilities includes realised and unrealised gains and losses from revaluations, impairments and disposals of all physical assets and intangible assets.

## > Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

### > Note 1. Summary of significant accounting policies

#### **Revaluation gains/(losses) of non-current physical assets**

Refer to accounting policy on Property, plant and equipment, provided in Note 1(j) *Non-financial assets*

#### **Disposal of non-financial assets**

Any gain or loss on the sale of non-financial assets is recognised at the date that control of the asset is passed to the buyer and is determined after deducting from the proceeds the carrying value of the asset at that time.

#### **Impairment of non-financial assets**

All assets except financial assets and non-current physical assets held for sale, are assessed for indications of impairment.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as another economic flow, except to the extent that the write-down can be debited to an asset revaluation surplus amount applicable to that asset class.

It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from asset and fair value less costs to sell.

#### **Other gains/(losses) from other economic flows**

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

### **(i) Financial assets**

#### **Cash and deposits**

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

#### **Unit cash balances**

Volunteer Units' cash and deposits as defined above have been brought to account at 30 June 2010, as part of the ongoing consolidation of Volunteer Units activities with the Authority's financial activities. The movement has been disclosed as Income in the Comprehensive Operating Statement (Note 2(d) Other Income) and as an increase in assets in the Balance Sheet (Note 19(a) *Cash flow statement information*)).

The basis of calculation for Volunteer Unit cash and cash equivalents was the balance as at 31 March 2010.

#### **Receivables**

Receivables consist predominantly of debtors in relation to goods and services, accrued investment income and GST input tax credits recoverable.

Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest rate method, less any allowance for impairment.

A provision for doubtful receivables is made when there is objective evidence that the debts will not be collected and bad debts are written off when identified.

## > Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

### > Note 1. Summary of significant accounting policies

#### Investments

The investments held by the Authority are term deposits held for more than three months but less than twelve months and at fixed interest rates.

The carrying value of these investments is considered to approximate the fair value.

The Authority assesses at each end of the reporting period whether a financial assets or group of financial assets is impaired (refer to Note (i) *Impairment of financial assets*)

#### Impairment of financial assets

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

Bad and doubtful debts for financial assets are assessed on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. The bad debts not written off by mutual consent and allowance for doubtful receivables are classified as 'other economic flows'.

In assessing impairment of statutory (non-contractual) financial assets which are not financial instruments, the Authority applies professional judgement in assessing materiality and using estimates, averages and computational shortcuts in accordance with AASB 136 *Impairment of assets*.

#### (j) Non-Financial assets

##### Non-current physical assets classified as held for sale, including disposal group assets

Non-current physical assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell, and are not subject to depreciation.

Non-current 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 sale is highly probable and the asset's sale is expected to be completed within twelve months from the date of classification.

##### Property, plant and equipment

All non-current physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment.

Non-current physical assets such as land are measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or constructive restrictions imposed on the asset and public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the asset are not taken into account until it is virtually certain that the restrictions will no longer apply.

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

## > Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

### > Note 1. Summary of significant accounting policies

#### ***Leasehold Improvements***

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

#### ***Non-current physical assets constructed by the Authority***

The cost of non-current assets constructed by the Authority includes the cost of all materials used in construction, direct labour on the project, and an appropriate proportion of variable and fixed overheads.

#### ***Revaluations of non-current physical assets***

Non-current physical assets measured at fair value are revalued in accordance with Financial Reporting Directions (FRDs) 103D issued by the Minister for Finance. A full revaluation normally occurs every five years, based upon the asset's Government Purpose Classification, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are used to conduct these scheduled revaluations and any interim revaluations are determined in accordance with the requirements of the FRDs.

#### **Revaluation increases or decreases arise from differences between an asset's carrying value and fair value.**

Net revaluation increases (where the carrying amount of a class of assets is increased as a result of a revaluation) are recognised in other comprehensive income and accumulated in equity under the revaluation surplus, except that the net revaluation increase shall be recognised in the net result to the extent that it reverses a net revaluation decrease in respect of the same class of property, plant and equipment previously recognised as an expense (other economic flows) in the net result.

Net revaluation decreases are recognised immediately as expenses (other economic flows) in the net result, except that the net revaluation decrease shall be recognised in other comprehensive income to the extent that a credit balance exists in the revaluation surplus in respect of the same class of property, plant and equipment. The net revaluation decrease recognised in other comprehensive income reduces the amount accumulated in equity under revaluation surplus.

Revaluation increases and decreases relating to individual assets within a class of property, plant and equipment, are offset against one another within that class but are not offset in respect of assets in different classes. Any revaluation surplus is not normally transferred to accumulated funds on de-recognition of the relevant asset.

#### **Other non-financial assets**

##### ***Prepayments***

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

## > Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

### > Note 1. Summary of significant accounting policies

#### **(k) Liabilities**

##### **Payables**

Payables consist predominantly of creditors and other sundry liabilities. Accounts payable represent liabilities for goods and services provided to the Authority prior to the end of the financial year that are unpaid, and arise when the Authority becomes obliged to make future payments in respect of those goods and services.

Other liabilities included in payables mainly consist of goods and services tax and employee expenses payable.

Payables are initially measured at fair value, being the cost of the goods and services, and then subsequently measured at amortised cost.

##### **Borrowings**

Borrowings are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs (refer to Note 1(l) *Leases*).

Subsequent to initial recognition, interest bearing liabilities are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in net result over the period of the borrowing using the effective interest rate method.

##### **Employee benefits**

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date.

##### **(i) Wages and salaries, annual leave and time-in-lieu**

Liabilities for wages and salaries, including non-monetary benefits and annual leave and time-in-lieu expected to be settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

Those liabilities that are not expected to be settled within 12 months are recognised in the provision for employee benefits as non-current liabilities. They are measured at the present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

##### **(ii) Long service leave**

Liability for Long Service leave (LSL) is recognised in the provision for employee benefits:

Current liability - unconditional LSL is disclosed in the notes to the financial statements as a current liability even where the Authority does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- present value - component that the Authority does not expect to settle within 12 months; and
- nominal value - component that the Authority expects to settle within 12 months.

Non-current liability – 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.

## > Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

### > Note 1. Summary of significant accounting policies

This non-current LSL liability is measured at present value. Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an other economic flow (refer to Note 1(h-Other economic flows included in net results))

#### **(iii) Termination benefits**

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Authority recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Benefits falling due more than 12 months after balance sheet date are discounted to present value.

#### **Employee benefits on-costs**

Employee benefits on-costs (payroll tax, workers compensation, superannuation) are recognised separately from provision for employee benefits.

### **(l) Leases**

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

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

#### **Finance leases**

At the commencement of the lease term, finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the lease property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The lease asset is depreciated over the shorter of the estimated useful life of the asset or the term of the lease.

Minimum finance lease payments are apportioned between reduction of the outstanding lease liability, and periodic finance expense which is calculated using the interest rate implicit in the lease and charged directly to the comprehensive operating statement. Contingent rentals associated with finance leases are recognised as an expense in the period in which they are incurred.

#### **Operating Leases**

Operating lease payments, including any contingent rentals, are recognised as an expense in the comprehensive operating statement on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset is not recognised in the balance sheet.

## > Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

### > Note 1. Summary of significant accounting policies

#### **(m) Equity**

##### **Contributions by owners**

One Line Grant funding received for the purchase of assets is treated as contributed capital and designated as contribution by owners.

#### **(n) Commitments**

Commitments are disclosed at their nominal value and inclusive of the goods and services tax (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.

#### **(o) Contingent assets and contingent liabilities**

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

#### **(p) Rounding of amounts**

Amounts in the financial report have been rounded to the nearest thousand dollars, or in other cases, to the nearest dollar.

#### **(q) Events after the reporting period**

Assets, liabilities, income or expenses arise from past transactions or other past events.

Where the transactions result from an agreement between the Authority and other parties, the transactions are only recognised when the agreement is irrevocable at or before the end of the reporting period. Adjustments are made to amounts recognised in the financial statements for events which occur after the reporting period and before the date the financial statements are authorised for issue, where those events provide information about conditions which existed in the reporting period. Note disclosure is made about events between the end of the reporting period and the date the financial statements are authorised for issue where the events relate to conditions which arose after the end of the reporting period and which may have a material impact on the results of subsequent reporting periods.

## > Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

### > Note 1. Summary of significant accounting policies

#### (r) New accounting standards and interpretations

Certain new AASs have been published that are not mandatory for the 30 June 2010 reporting period. Department of Treasury and Finance (DTF) assesses the impact of these new standards and advises the Authority of their applicability and early adoption where applicable.

As at 30 June 2010, the following standards and interpretations (applicable to Authorities) had been issued but were not mandatory for the financial year ending 30 June 2010. The Authority has not early adopted these standards.

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on the Authority's financial statements
AASB 9 Financial instruments	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 Financial instruments: recognition and measurement (AASB 139 Financial Instruments: recognition and measurement).	Beginning 1 January 2013	Detail of impact is still being assessed.
AASB 124 Related party disclosures (Dec 2009)	Government related entities have been granted partial exemption with certain disclosure requirements.	Beginning 1 January 2011	Preliminary assessment suggests that impact is insignificant. However DTF is still assessing the detailed impact and whether to early adopt.
AASB 2009-5 Further amendments to Australian Accounting Standards arising from the annual improvements project [AASB 5, 8, 101, 107, 117, 118, 136 and 139]	Some amendments will result in accounting changes for presentation, recognition or measurement purposes, while other amendments will relate to terminology and editorial changes.	Beginning 1 January 2010	Terminology and editorial changes. Impact minor.
AASB 2009-8 Amendments to Australian Accounting Standards – group cash-settled share-based payment transactions [AASB 2]	The amendments clarify the scope of AASB 2.	Beginning 1 January 2010	No impact. AASB 2 does not apply to government departments or entities; consequently this standard does not apply.
AASB 2009-9 Amendments to Australian Accounting Standards – additional exemptions for first-time adopters [AASB 1]	Applies to entities adopting Australian Accounting Standards for the first time, to ensure entities will not face undue cost or effort in the transition process in particular situations.	Beginning 1 January 2010	No impact. Relates only to first time adopters of Australian Accounting Standards.
AASB 2009-10 Amendments to Australian Accounting Standards – classification of rights issues [AASB 132]	The Standard makes amendments to AASB 132, stating that rights issues must now be classed as equity rather than derivative liabilities.	Beginning 1 February 2010	No impact. The Authority does not issue rights, warrants and options, consequently the amendment does not impact on the statements.
AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12]	This gives effect to consequential changes arising from the issuance of AASB 9.	Beginning 1 January 2013	Detail of impact is still being assessed.

## > Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

### > Note 1. Summary of significant accounting policies

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on the Authority's financial statements
AASB 2009-12 Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 and 1031 and Interpretations 2, 4, 16, 1039 and 1052]	This standard amends AASB 8 to require an entity to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for purposes of certain operating segment disclosures. This standard also makes numerous editorial amendments to other AASs.	Beginning 1 January 2011	The amendments only apply to those entities to whom AASB 8 applies, which are for-profit entities except for-profit government departments.
AASB 2009-13 Amendments to Australian Accounting Standards arising from interpretation 19 [AASB 1]	Consequential amendment to AASB 1 arising from publication of Interpretation 19.	Beginning 1 July 2010	The Authority does not extinguish financial liabilities with equity instruments, therefore requirements of Interpretation 19 and related amendments have no impact.
AASB 2009-14 Amendments to Australian Interpretation – Prepayments of a minimum funding requirement [AASB Interpretation 14]	Amendment to Interpretation 14 arising from the issuance of prepayments of a minimum funding requirement.	Beginning 1 January 2011	Expected to have no significant impact.
AASB 2010-1 Amendments to Australian Accounting Standards - Limited Exemption from Comparative AASB 7 Disclosures for First-time Adopters [AASB 1 & AASB 7]	This amendment provides limited exemptions from the requirements of adhering to AASB 1 and AASB 7 that arise from AASB 2009-2.	Beginning 1 July 2010	These exemptions are unlikely to have an impact on the Authority because it is not a first time adoption.
Erratum General Terminology changes	Editorial amendments to a range of Australian Accounting Standards and Interpretations.	Beginning 1 January 2010	Terminology and editorial changes. Impact minor.
Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	Guidance to assist entity in accounting for transactions that involves extinguishing a liability fully or partially by issuing equity instruments to the creditor.	Beginning 1 July 2010	The impact of this interpretation only affects entities that issue equity instruments.
AASB 1053 Application of Different Tiers of Australian Accounting Standards	This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements.	Beginning 1 July 2013	The impact of this Standard may affect disclosures in the financial reports of certain types of entities [public sector entities (except whole of government and general government sector)] where reduced disclosure requirements may apply. The Standard does not affect the operating result or financial position.
AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements	This Standard makes amendments to many Australian Accounting Standards, including Interpretations, to introduce reduced disclosure requirements to the pronouncements for application by certain types of entities.	Beginning 1 July 2013	Does not affect financial measurement or recognition, so is not expected to have any impact on financial result or position. May reduce some note disclosures in financial statements.

## > Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

### > Note 2. Income from Transactions

	2010 \$'000	2009 \$'000
<b>(a) Grants and other transfers</b>		
<b>Department of Justice</b>		
- One line grant income	32,393	28,223
- Community Safety and Emergency Support Program	1,596	1,223
- Valuing Volunteer Emergency Services Workers	516	191
- FloodSafe / StormSafe	368	200
<b>Other State Government Departments</b>		
- Marine Safety Victoria	20	57
- Department of Sustainability and Environment	18	82
- Department of Human Services	0	40
- Transport Accident Commission	2,888	2,728
<b>Commonwealth Departments</b>		
- National Emergency Services Volunteer Fund	111	147
- Emergency Management Australia	0	73
<b>Other grant income</b>		
- Melbourne Water	635	0
- Grant income Unit contributions	1,035	458
- Major incident funding	0	3,913
<b>Total grants and other transfers</b>	<b>39,580</b>	<b>37,335</b>
<b>(b) Sale of goods and services</b>		
Rendering of Services	121	89
<b>Total sale of goods and services</b>	<b>121</b>	<b>89</b>
<b>(c) Interest Income</b>		
Interest from financial assets not at fair value through P/L:		
- Interest on bank and term deposits	814	284
<b>Total interest income</b>	<b>814</b>	<b>284</b>
<b>(d) Other Income</b>		
Sponsorship	495	482
Donations	73	161
Other income	331	571
Change in Unit cash balances	1,206	7,290
<b>Total other income</b>	<b>2,105</b>	<b>8,504</b>

## > Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

### > Note 3. Expenses From Transactions

	Notes	2010 \$'000	2009 \$'000
<b>(a) Employee expenses</b>			
Post employment benefits:			
- Defined contribution superannuation plans	14	(521)	(486)
- Defined benefit superannuation expense	14	(135)	(127)
- Other superannuation expense	14	(144)	(152)
Termination benefits		(13)	0
Salaries, wages and long service leave		(11,109)	(10,298)
<b>Total employee expenses</b>		<b>(11,922)</b>	<b>(11,063)</b>
<b>(b) Depreciation and amortisation expense</b>			
Depreciation of property, plant, equipment and vehicles			
- Buildings		(153)	(142)
- Plant, equipment and vehicles		(2,083)	(2,103)
Total depreciation of property, plant, equipment and vehicles		(2,236)	(2,245)
Amortisation expense			
- Buildings		(284)	(170)
- Plant, equipment and vehicles		(795)	(932)
Total amortisation of property, plant, equipment and vehicles		(1,079)	(1,102)
<b>Total depreciation and amortisation expense</b>		<b>(3,315)</b>	<b>(3,347)</b>
<b>(c) Grants and other expense transfers</b>			
Grants to Local Government		(1,586)	(785)
<b>Total grants and other expense transfers</b>		<b>(1,586)</b>	<b>(785)</b>

## > Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

### > Note 3. Expenses From Transactions

	Notes	2010 \$'000	2009 \$'000
<b>(d) Other operating expenses</b>			
Supplies and Services:			
- Contractors and professional services		(1,966)	(1,796)
- Accommodation and property services		(1,396)	(1,293)
- Travel and personal expenses		(669)	(873)
- Printing, stationery and other office expenses		(909)	(954)
- Postage and communication expenses		(4,063)	(2,249)
- Vehicle expenses		(1,134)	(1,236)
- Technology services costs		(1,581)	(1,588)
- Protective clothing		(902)	(676)
- Emergency rescue equipment		(2,382)	(2,194)
- Training (Volunteers and Staff)		(1,437)	(638)
- Other		(340)	(314)
<b>Total supplies and other services</b>		<b>(16,779)</b>	<b>(13,811)</b>
Operating lease rental expenses			
- Minimum lease payments		(30)	(59)
<b>Total operating lease rental expenses</b>		<b>(30)</b>	<b>(59)</b>
<b>Total other operating expenses</b>		<b>(16,809)</b>	<b>(13,870)</b>
<b>(e) Interest expense</b>			
Finance lease costs		(320)	(296)
Other finance costs		(7)	(17)
<b>Total interest expense</b>		<b>(327)</b>	<b>(313)</b>

## > Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

### > Note 4. Other Economic Flows Included in Net Results

	2010 \$'000	2009 \$'000
<b>(a) Net gain on non-financial assets</b>		
Net gain on disposal of physical assets	185	556
<b>Total net gain/(loss) on non-financial assets</b>	<b>185</b>	<b>556</b>
<b>(b) Other gains/(losses) from other economic flows</b>		
Net gain/(loss) from revaluation of long service leave liability (i)	6	(32)
<b>Total other gains/(losses) from other economic flows</b>	<b>6</b>	<b>(32)</b>

**Note:**

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

### > Note 5. Correction of Error

During the year ended 30 June 2010 it was discovered that whilst the emergency vehicles at VICSES are used entirely for business purposes, they are not automatically exempt from FBT. VICSES has been maintaining log books in relation to all its vehicles, however an internal review identified that the log books were not necessarily compliant for FBT purposes. The total FBT liability (including on-costs) unaccounted for in the 30 June 2009 financial statement is \$686,258 (2006-\$110,688; 2007-\$173,767; 2008- \$168,139 and 2009-\$233,664) and in these current financial statements the 2009 comparative information has been adjusted to correct this misstatement.

The error has been corrected retrospectively in accordance with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors by restating the comparative amounts for the prior period presented in which the error occurred.

Stated below are extracts of affected balances.

	2009 Amount Previously Reported \$'000	2009 Amount of correction \$'000	2009 Restated balance \$'000
<b>Balance sheet (extract)</b>			
Accumulated surplus / (loss)	19,714	(686)	19,028
Payables	8,435	686	9,121
<b>Income statement (extract)</b>			
Total employee expenses	10,829	234	11,063

## > Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

### > Note 6. Receivables

	2010 \$'000	2009 \$'000
<b>Current receivables</b>		
<i>Contractual</i>		
Other receivables (i)	2,866	4,640
	2,866	4,640
<i>Statutory</i>		
GST recoverable (Net)	962	105
	962	105
<b>Total current receivables</b>	<b>3,828</b>	<b>4,745</b>
<b>Total receivables</b>	<b>3,828</b>	<b>4,745</b>

**Note:**

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

**(a) Ageing analysis of contractual receivables**

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

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

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

### > Note 7. Investments and other financial assets

	2010 \$'000	2009 \$'000
<b>Current investments and other financial assets</b>		
Term deposits		
- Australian dollar term deposits > 3 months	4,000	0
<b>Total current investments and other financial assets</b>	<b>4,000</b>	<b>0</b>
<b>Total investments and other assets</b>	<b>4,000</b>	<b>0</b>

**(a) Ageing analysis of investments and other financial assets**

Please refer to Table 18.4 in Note 18 for the ageing analysis of investments and other financial assets.

**(b) Nature and extent of risk arising from investments and other financial assets**

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

## > Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

### > Note 8. Other non-financial assets

	2010 \$'000	2009 \$'000
<b>Current other non-financial assets</b>		
Prepayments	149	236
<b>Total current other non-financial assets</b>	<b>149</b>	<b>236</b>
<b>Total other non-financial assets</b>	<b>149</b>	<b>236</b>

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

	2010 \$'000	2009 \$'000
<b>Non-Current Assets</b>		
Motor vehicles held for sale	0	100
<b>Total non-current non-financial assets classified as held for sale</b>	<b>0</b>	<b>100</b>
<b>Total non-financial assets classified as held for sale</b>	<b>0</b>	<b>100</b>

> **Notes to the Financial Statements**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

> **Note 10. Property, Plant and Equipment**

**Table 10.1 Classification by 'Purpose Group' – Gross carrying amounts, accumulated depreciation and net carrying amount**

Nature based classification	Gross carrying amount			Accumulated depreciation			Net carrying amount		
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	
Land - Crown Land – at fair value	2,454	2,454	0	0	0	0	2,454	2,454	
Buildings at fair value	8,250	7,240	(1,347)	(911)			6,903	6,329	
Plant, equipment and vehicles at fair value	24,534	24,245	(10,056)	(8,807)			14,478	15,438	
Assets under construction	14,923	3,603	0	0			14,923	3,603	
<b>Total Property, Plant and equipment</b>	<b>50,161</b>	<b>37,542</b>	<b>(11,403)</b>	<b>(9,718)</b>			<b>38,758</b>	<b>27,824</b>	

**Notes:**

(i) Property, plant and equipment are classified primarily by the 'purpose' for which assets are used, according to one of six purpose groups based upon government purpose classifications (GPC). All assets within a purpose group are further sub categorised according to the asset's nature (i.e. land, buildings, plant and equipment etc), with each sub category being classified as a separate class of asset for financial reporting purposes.

(ii) All the Authorities assets are classified to the GPC, 'Public Safety and environment'.

> **Notes to the Financial Statements**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

> **Note 10. Property, Plant and Equipment**

**Table 10.2 Classification by “Public safety and environment” purpose group – Movements in carrying value**

	Land		Buildings		Plant, equipment and vehicles		Assets under construction		Total	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<b>Opening balance</b>	2,454	2,454	6,329	5,603	15,438	11,206	3,603	4,199	27,824	23,462
Additions	0	0	0	854	1,122	5,040	13,492	3,537	14,614	9,431
Transfers in/(out) of assets under construction	0	0	1,010	223	1,162	3,905	(2,172)	(4,128)	0	0
Disposals	0	0	0	(39)	(365)	(1,578)	0	(5)	(365)	(1,622)
Transfer to disposal group assets held-for-sale	0	0	0	0	0	(100)	0	0	0	(100)
Depreciation /amortisation expense	0	0	(436)	(312)	(2,879)	(3,035)	0	0	(3,315)	(3,347)
<b>Closing Balance</b>	<b>2,454</b>	<b>2,454</b>	<b>6,903</b>	<b>6,329</b>	<b>14,478</b>	<b>15,438</b>	<b>14,923</b>	<b>3,603</b>	<b>38,758</b>	<b>27,824</b>

**Notes:**

(i) Fair value assessments have been performed for all classes of assets and the decision was made that movements were not material (less than or equal to 10%) for a full revaluation. The next scheduled full revaluation for this purpose group will be conducted in 2011

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

Aggregate depreciation recognised as an expense during the year is disclosed in Note 3 Expenses from Transactions

## > Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

### > Note 11. Payables

	2010 \$'000	2009 \$'000
<b>Current payables</b>		
<b>Contractual</b>		
Amounts payable to other government agencies (i)	0	3,366
Supplies and services	4,203	4,901
	<b>4,203</b>	<b>8,267</b>
<b>Statutory</b>		
Taxes payable	731	854
<b>Total current payables</b>	<b>4,934</b>	<b>9,121</b>
<b>Total payables</b>	<b>4,934</b>	<b>9,121</b>

**Notes:**

- (i) Terms and conditions of amounts payable to other government agencies vary according to a particular agreement with that agency.
- (ii) The average credit period is 30 days. No interest is charged on the other payables.
- (iii) The taxes payable for 2009 is restated for prior period FBT liability per note 5.

**(a) Maturity analysis of contractual payables**

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

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

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

### > Note 12. Borrowings

	Notes	2010 \$'000	2009 \$'000
<b>Current borrowings</b>			
Finance lease liabilities (i)	15	1,001	1,380
<b>Total current borrowings</b>		<b>1,001</b>	<b>1,380</b>
<b>Non-current borrowings</b>			
Finance lease liabilities (i)	15	2,580	2,302
<b>Total non-current borrowings</b>		<b>2,580</b>	<b>2,302</b>
<b>Total borrowings</b>		<b>3,581</b>	<b>3,682</b>

**Note:**

- (i) Secured by assets leased. Finance leases are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

**(a) Maturity analysis of borrowings**

Please refer to Note 18.5 for maturity analysis of borrowings.

**(b) Nature and extent of risk arising from borrowings**

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

**(c) Defaults and Breaches**

During the current and prior year, there were no defaults and breaches.

## > Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

### > Note 13. Provisions

	Notes	2010 \$'000	2009 \$'000
<b>Current provisions</b>			
Employee benefits (i) – annual leave (iv)	13(a)		
Unconditional and expected to be settled within 12 months (ii)		889	699
Unconditional and expected to be settled after 12 months (iii)		0	0
<hr/>			
Employee benefits (i) – long service leave	13(a)		
Unconditional and expected to be settled within 12 months (ii)		290	236
Unconditional and expected to be settled after 12 months (iii)		675	741
		<b>1,854</b>	<b>1,676</b>
<b>Provisions related to employee benefit on-costs</b>			
Unconditional and expected to be settled within 12 months (ii)		278	258
Unconditional and expected to be settled after 12 months (iii)		113	125
		<b>391</b>	<b>383</b>
<b>Total current provisions</b>		<b>2,245</b>	<b>2,059</b>
<hr/>			
<b>Non-Current provisions</b>			
Employee benefits (i)	13(a)	291	186
Employee benefits on costs		49	31
<b>Total non-current provisions</b>		<b>340</b>	<b>217</b>
<hr/>			
<b>Total Provision</b>		<b>2,585</b>	<b>2,276</b>
<hr/>			
<b>(a) Employee benefits and related on-costs</b>		<b>2010 \$'000</b>	<b>2009 \$'000</b>
<b>Current employee benefits</b>			
Annual leave entitlements (iv)		889	699
Long service leave entitlements		965	977
<hr/>			
<b>Non-current employee benefits</b>			
Long service leave entitlements		291	186
<b>Total employee benefits</b>		<b>2,145</b>	<b>1,862</b>
<hr/>			
Current on-costs		391	383
Non-current on-costs		49	31
<b>Total on-costs</b>		<b>440</b>	<b>414</b>
<hr/>			
<b>Total employee benefits and related on-costs</b>		<b>2,585</b>	<b>2,276</b>

Notes:

- (i) Provision for employee benefits consist of amounts for annual leave, time-in-lieu and long service leave accrued by employees, not including on-costs.
- (ii) The amounts disclosed are nominal amounts.
- (iii) The amounts disclosed are discounted to present values.
- (iv) Annual leave includes annual leave and time-in-lieu entitlements.

## > Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

### > Note 13. Provisions

<b>(b) Movement in Provisions</b>	<b>On-Costs 2010 \$'000</b>
<b>Opening balance</b>	<b>414</b>
Additional provisions recognised	144
Reductions arising from payments / other sacrifices of future economic benefits	(118)
<b>Closing balance</b>	<b>440</b>
Current	391
Non-current	49
	<b>440</b>

### > Note 14. Superannuation

Employees of the Authority are entitled to receive superannuation benefits and the Authority contributes to both defined benefit and defined contribution plans. The defined benefit plans provide benefits based on years of service and final average salary.

The Authority does not recognise any defined benefit liability in respect of the plans because the entity has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. Department of Treasury and Finance recognises and discloses the State's defined benefit liabilities in its financial statements.

However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the Comprehensive Operating Statement of the Authority.

The name and details of the major employee superannuation funds and contributions made by the Authority are as follows:

<b>Fund</b>	<b>Contribution Paid for the Year</b>	
	<b>2010 \$'000</b>	<b>2009 \$'000</b>
<b>Defined benefits plans:</b>		
State Superannuation Fund - Revised and New (i)	135	127
<b>Defined contribution plans:</b>		
VicSuper	521	486
Other	144	152
<b>Total</b>	<b>800</b>	<b>765</b>

**Notes:**

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

(ii) The above amounts were measured as at 30 June of each year, or in the case of employer contribution plans they relate to the years ended 30 June.

## > Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

### > Note 15. Leases

#### Finance Leases

##### Leasing arrangements

Finance leases relate to equipment with lease terms of 1 to 5 years. The Authority has options to purchase the equipment for a nominal amount at the conclusion of the lease agreements.

	Notes	Minimum future lease payments		Present value of minimum future lease payments	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<b>Finance lease liabilities payable</b>					
Not longer than 1 year		1,304	1,681	1,001	1,380
Longer than 1 year and not longer than 5 years		2,923	2,893	2,580	2,302
<b>Minimum future lease payments (i)</b>		<b>4,227</b>	<b>4,574</b>	<b>3,581</b>	<b>3,682</b>
Less future finance charges		(646)	(892)	0	0
<b>Present value of minimum lease payments</b>		<b>3,581</b>	<b>3,682</b>	<b>3,581</b>	<b>3,682</b>
Included in the financial statements as:					
Current borrowings lease liabilities	12			1,001	1,380
Non-current borrowing lease liabilities	12			2,580	2,302
				<b>3,581</b>	<b>3,682</b>

**Note:**

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

#### Operating Leases

##### Leasing arrangements

Operating leases relate to office facilities and equipment and logistics facilities of between 1 to 10 years with options to extend. The Authority does not have the option to purchase the leased items at the expiry of the lease period.

	2010 \$'000	2009 \$'000
<b>Non-cancellable operating leases payable</b>		
Not longer than one year	560	296
Longer than one year and not longer than five years	1,250	751
Longer than five years	261	206
	<b>2,071</b>	<b>1,253</b>

## > Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

### > Note 16. Commitments for Expenditure

	2010 \$'000	2009 \$'000
<b>a) Capital expenditure commitment</b>		
<b><i>Plant and equipment</i></b>		
Not longer than 1 year	1,836	3,009
Longer than 1 year and not longer than 5 years	0	0
Longer than 5 years	0	0
<b>Total capital expenditure commitments</b>	<b>1,836</b>	<b>3,009</b>
<b>b) Other expenditure commitments (i)</b>		
<b><i>Outsourcing commitments</i></b>		
Not longer than 1 year	456	267
Longer than 1 year and not longer than 5 years	0	0
Longer than 5 years	0	0
<b>Total other expenditure commitments</b>	<b>456</b>	<b>267</b>
<b>Total commitments for expenditure (inclusive of GST)</b>	<b>2,292</b>	<b>3,276</b>
Less GST recoverable	(208)	(298)
<b>Total commitments for expenditure (exclusive of GST)</b>	<b>2,084</b>	<b>2,978</b>

**Notes:**

- (i) All amounts shown in the commitments note are nominal amounts inclusive of GST.
- (ii) Finance lease and non-cancellable operating lease commitments are disclosed in Note 15.

### > Note 17. Contingent Liabilities and Contingent Assets

#### (a) Contingent Assets

There were no contingent assets at balance date. (2009: Nil).

#### (b) Contingent Liabilities

At 30 June 2010 Victoria State Emergency Service Authority had a liability for FBT payments to the ATO that were past due. At the time of completing this financial report there existed a possibility that interest and penalties would be payable in relation to the liability. As no arrangements had been finalised it was not possible to quantify any potential additional liability that may have existed in relation to interest and penalties.

## > Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

### > Note 18. Financial Instruments

#### (a) Financial risk management objectives and policies

The Authority's principal financial instruments comprise:

- cash assets
- term deposits
- receivables (excluding statutory receivables)
- payables (excluding statutory payables); and
- finance lease payables

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

The main purpose in holding financial instruments is to prudentially manage the Authority's financial risks within the Government policy parameters.

The carrying amounts of the Authority's contractual financial assets and financial liabilities by category are in table 18.1 below.

**Table 18.1 Categorisation of Financial Instruments**

	Contractual financial assets –receivables		Contractual financial liabilities at amortised cost		Total	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<b>Contractual financial assets</b>						
Cash and deposits	23,275	23,544	0	0	23,275	23,544
Receivables (i)						
- Sale of goods and services	2,866	4,640	0	0	2,866	4,640
- Other Receivables	0	0	0	0	0	0
Investments and other contractual financial assets:						
- Term deposits	4,000	0	0	0	4,000	0
<b>Total contractual financial assets</b>	<b>30,141</b>	<b>28,184</b>	<b>0</b>	<b>0</b>	<b>30,141</b>	<b>28,184</b>
<b>Contractual financial liabilities</b>						
Payables (ii)						
- Supplies and services	0	0	4,203	4,901	4,203	4,901
- Amounts payable to government and agencies	0	0	0	3,366	0	3,366
- Other payables	0	0	0	0	0	0
Borrowings						
- Lease liabilities	0	0	3,581	3,682	3,581	3,682
<b>Total contractual financial liabilities</b>	<b>0</b>	<b>0</b>	<b>7,784</b>	<b>11,949</b>	<b>7,784</b>	<b>11,949</b>

**Notes:**

- (i) The amount of financial assets disclosed here excludes statutory payables (ie amounts owing from Victorian Government and GST input tax credit recoverable).
- (ii) The amount of financial liabilities disclosed here excludes statutory payables (ie taxes payable).

## > Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

### > Note 18. Financial Instruments

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

	Total Interest income / (expense) \$'000	Impairment loss \$'000	Total \$'000
<b>2010</b>			
<b>Contractual financial assets</b>			
Financial assets - receivables	814	0	814
<b>Total contractual financial assets</b>	<b>814</b>	<b>0</b>	<b>814</b>
<b>Contractual financial liabilities</b>			
Financial liabilities at amortised cost	320	0	320
<b>Total contractual financial assets</b>	<b>320</b>	<b>0</b>	<b>320</b>
<b>2009</b>			
<b>Contractual financial assets</b>			
Financial assets - receivables	284	0	284
<b>Total contractual financial assets</b>	<b>284</b>	<b>0</b>	<b>284</b>
<b>Contractual financial liabilities</b>			
Financial liabilities at amortised cost	296	0	296
<b>Total contractual financial liabilities</b>	<b>296</b>	<b>0</b>	<b>296</b>

The net holding gains or losses disclosed above are determined as follows:

- For cash and cash equivalents or receivables the net gain or loss is calculated as the interest income, minus any impairment recognised in the net result.
- For financial liabilities measured at amortised cost, the net gain or loss is calculated as the interest expense, plus or minus losses arising from the revaluation of financial liabilities measured at amortised cost.

#### (b) Credit Risk

Credit risk arises from the contractual financial assets of the Authority, which comprise cash and deposits, and non-statutory receivables. The Authority's exposure to credit risk arises from the potential default of a counterparty on their contractual obligations resulting in financial loss to the Authority. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the Authority's financial assets is minimal as the debtors are mainly State and Commonwealth government.

In addition, the Authority does not engage in hedging of its financial assets and mainly obtains contractual financial assets that have a fixed rate of interest, except for cash assets which are mainly cash at bank. As with the policy for debtors, the Authority's policy is to only deal with banks with a high credit rating.

## > Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

### > Note 18. Financial Instruments

Provision for impairment of contractual financial assets is calculated based on past experience, and current and expected changes in client credit ratings.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Authority's maximum exposure risk without taking account of the value of any collateral obtained.

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

**Table 18.3 Credit quality of contractual financial assets that are neither past due nor impaired**

	Financial institutions (AAA credit rating) \$'000	Government agencies (AAA credit rating) \$'000	Government agencies (BBB credit rating) \$'000	Other (min BBB credit rating) \$'000	Total \$'000
<b>2010</b>					
<b>Contractual financial assets</b>					
Cash and cash equivalents	0	10,000	0	13,275	23,275
Receivables	0	917	0	1,949	2,866
Investments and other financial assets	0	2,000	0	2,000	4,000
<b>Total contractual financial assets</b>	<b>0</b>	<b>12,917</b>	<b>0</b>	<b>17,224</b>	<b>30,141</b>
<b>2009</b>					
<b>Contractual financial assets</b>					
Cash and cash equivalents	0	0	0	23,544	23,544
Receivables	0	0	0	4,640	4,640
Investments and other financial assets	0	0	0	0	0
<b>Total contractual financial assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>28,184</b>	<b>28,184</b>

**Note:**

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

#### **Contractual financial assets that are either past due or impaired**

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

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

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

## > Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

### > Note 18. Financial Instruments

**Table 18.4 Ageing analysis of contractual financial assets**

	Carrying amount \$'000	Not past due and not impaired \$'000	Past Due but not Impaired				Impaired Financial Assets \$'000
			Less than 1 Month \$'000	1-3 Months \$'000	3 Months - 1 Year \$'000	1-5 Years \$'000	
<b>2010</b>							
<b>Receivables (i)</b>							
- Sale of goods and services	2,866	2,794	20	18	34	0	0
- Other receivables	0	0	0	0	0	0	0
<b>Investments and other contractual assets</b>							
- Term deposits	4,000	4,000	0	0	0	0	0
<b>Total</b>	<b>6,866</b>	<b>6,794</b>	<b>20</b>	<b>18</b>	<b>34</b>	<b>0</b>	<b>0</b>
<b>2009</b>							
<b>Receivables (i)</b>							
- Sale of goods and services	4,640	4,232	0	230	178	0	0
- Other receivables	0	0	0	0	0	0	0
<b>Investments and other contractual assets</b>							
- Term deposits	0	0	0	0	0	0	0
<b>Total</b>	<b>4,640</b>	<b>4,232</b>	<b>0</b>	<b>230</b>	<b>178</b>	<b>0</b>	<b>0</b>

**Note:**

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

### (c) Liquidity risk

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

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

- close monitoring of its short-term and long-term borrowings by senior management, including monthly reviews on current and future borrowing levels and requirements;
- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short term obligations;

## > Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

### > Note 18. Financial Instruments

- holding investments and other contractual financial assets which are readily tradeable in financial markets
- careful maturity planning of its financial obligations based on forecasts of future cashflows; and
- a high credit rating for the State of Victoria (Moody's Investor Services and Standard and Poor's AAA), which assists in accessing debt markets at a lower interest rate

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

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

**Table 18.5 Maturity analysis of contractual financial liabilities (ii)**

	Carrying amount \$'000	Nominal amount \$'000	Maturity dates			
			Less than 1 Month \$'000	1 to 3 Months \$'000	3 Months to 1 Year \$'000	1 to 5 Years \$'000
<b>2010</b>						
<b>Payables (i)</b>						
- Supplies and services	4,203	4,203	4,203	0	0	0
- Amounts payable to government and agencies	0	0	0	0	0	0
- Other payables	0	0	0	0	0	0
<b>Borrowings</b>						
- Finance lease liabilities	3,581	3,581	55	264	858	2,404
<b>Total</b>	<b>7,784</b>	<b>7,784</b>	<b>4,258</b>	<b>264</b>	<b>858</b>	<b>2,404</b>
<b>2009</b>						
<b>Payables</b>						
- Supplies and services	4,901	4,901	4,108	793	0	0
- Amounts payable to government and agencies	3,366	3,366	3,366	0	0	0
- Other payables	0	0	0	0	0	0
<b>Borrowings</b>						
- Finance lease liabilities	3,682	4,574	230	382	1,069	2,893
<b>Total</b>	<b>11,949</b>	<b>12,841</b>	<b>7,704</b>	<b>1,175</b>	<b>1,069</b>	<b>2,893</b>

**Notes:**

- (i) The carrying amounts disclosed exclude statutory amounts (e.g. GST payables)
- (ii) Maturity analysis is presented using the contractual undiscounted cash flows

## > Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

### > Note 18. Financial Instruments

#### (d) Market Risk

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

##### Interest Rate Risk

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

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

The Authority has minimal exposure to cash flow interest rate risks through its cash and deposits that are at floating rate.

The Authority manages this risk by mainly undertaking fixed rate financial instruments. The Authority has assessed its cash at bank to be a financial asset that can be left at a floating rate without necessarily exposing the Authority to significant risk. Management monitors movements in interest rates on a daily basis.

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

**Table 18.6: Interest rate exposure of financial instruments**

	Weighted Average Effective Interest Rate %	Carrying Amount \$'000	Interest Rate Exposure		
			Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non- Interest Bearing \$'000
<b>2010</b>					
<b>Financial assets</b>	3.75%	23,275	0	23,275	0
Cash and Deposits					
Receivables		2,866	0	0	2,866
- Sale of goods and services		0	0	0	0
- Other receivables Investments and other contractual financial assets					
- Term deposits	5.26%	4,000	4,000	0	0
<b>Total financial assets</b>		<b>30,141</b>	<b>4,000</b>	<b>23,275</b>	<b>2,866</b>
<b>Financial liabilities</b>					
Payables					
- Supplies and services		4,203	0	0	4,203
- Amounts payable to government and agencies		0	0	0	0
- Other payables		0	0	0	0
Borrowings					
- Finance lease liabilities	9.59%	3,581	3,581	0	0
<b>Total financial liabilities</b>		<b>7,784</b>	<b>3,581</b>	<b>0</b>	<b>4,203</b>

## > Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

### > Note 18. Financial Instruments

	Weighted Average Effective Interest Rate %	Carrying Amount \$000	Maturity dates		
			Fixed Interest Rate \$000s	Variable Interest Rate \$000s	Non- Interest Bearing \$000s
<b>2009</b>					
<b>Financial assets</b>	3.76%	23,544	2,000	21,544	0
Cash and Deposits					
Receivables		4,745	0	0	4,745
- Sale of goods and services		0	0	0	0
- Other receivables Investments and other contractual financial assets					
- Term deposits	0.00%	0	0	0	0
<b>Total financial assets</b>		<b>28,289</b>	<b>2,000</b>	<b>21,544</b>	<b>4,745</b>
<b>Financial liabilities</b>					
Payables					
- Supplies and services		4,901	0	0	4,901
- Amounts payable to government and agencies		3,366	0	0	3,366
- Other payables		0	0	0	0
Borrowings					
- Finance lease liabilities	9.32%	3,682	3,682	0	0
<b>Total financial liabilities</b>		<b>11,949</b>	<b>3,682</b>	<b>0</b>	<b>8,267</b>

#### Sensitivity disclosure analysis and assumptions

The Authority's sensitivity to market risk is determined based on the observed range of historical data for the preceding five year period, with all variables other than the primary risk variable held constant. The Authority's fund managers cannot be expected to predict movements in market rates and prices, sensitivity analyses shown are for illustrative purposes only. A movement of 200 basis points up and down in market interest rates (AUD) is "reasonably possible" over the next twelve months (2009: 150 basis points down and 100 up).

Table 18.7 below discloses the impact on the Authority's net result for each category of financial instrument held by the Authority at year-end as presented to key management personnel, if the above movements were to occur.

## > Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

### > Note 18. Financial Instruments

Table 18.7 Market risk exposure – Interest rate

	Carrying amount \$'000s	Interest rate	
		-200 basis points	+200 basis points
		Net result \$'000s	Net result \$'000s
<b>2010</b>			
<b>Contractual financial assets</b>			
Cash and deposits (i)	23,275	(465)	465
Investments and other contractual financial assets (ii)	4,000	0	0
<b>Total impact</b>	<b>27,275</b>	<b>(465)</b>	<b>465</b>
<b>Contractual financial liabilities</b>			
Borrowings	3,581	0	0
<b>Total impact</b>	<b>3,581</b>	<b>0</b>	<b>0</b>
<b>2009</b>		<b>-150 basis points</b>	<b>+100 basis points</b>
<b>Contractual financial assets</b>			
Cash and deposits (i)	23,544	(353)	235
<b>Total impact</b>	<b>23,544</b>	<b>(353)</b>	<b>235</b>
<b>Contractual financial liabilities</b>			
Borrowings	3,682	0	0
<b>Total impact</b>	<b>3,682</b>	<b>0</b>	<b>0</b>

**Notes:**

(i) Cash and deposits includes \$23,275 thousand (2009: \$23,544 thousand) that is exposed to floating rate movements. Sensitivities to these movements are as follows:

2010: \$23,275 thousand x -0.02 = -\$465 thousand; and \$23,275 thousand x 0.02 = \$465 thousand

2009: \$23,544 thousand x -0.015 = -\$353 thousand; and \$23,544 thousand x 0.01 = \$235 thousand

(ii) Investments and other contractual financial assets include Nil (2009: Nil) that is exposed to floating rate movements.

(iii) Borrowings include Nil (2009: Nil) that is exposed to floating rate movements

## > Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

### > Note 18. Financial Instruments

#### (e) Fair Value

The Authority considers that the carrying amount of financial assets and financial liabilities recorded in the financial report to be a fair approximation of their fair values, because of the short-term nature of the financial instruments and the expectation that they will be paid in full.

### > Note 19. Cash Flow Statement Information

#### (a) Reconciliation of cash and cash equivalents

	2010 \$'000	2009 \$'000
Total Cash and Cash Equivalents Disclosed in the Balance Sheet	23,275	23,544
<b>Balance as per cash flow statement</b>	<b>23,275</b>	<b>23,544</b>

#### (b) Reconciliation of Net Result for the Period to Net Cash Flows from Operating Activities

	2010 \$'000	2009 \$'000
<b>Net result for the period</b>	8,852	17,592
<b>Non-cash movements</b>		
- (Gain)/Loss on sale or disposal of non-current assets	(185)	(556)
- Depreciation and amortisation of non-current assets	3,315	3,347
- Adjustment for prior year FBT assessment (Refer note 5)	686	(686)
<b>Movements in assets and liabilities</b>		
- (Increase)/decrease in receivables	917	3,951
- (Increase)/decrease in other non-financial assets	87	(207)
- Increase/(decrease) in payables (Refer note 5)	(4,187)	6,330
- Increase/(decrease) in provisions & borrowings	308	385
<b>Net Cash Flows from/(used in) operating activities</b>	<b>9,793</b>	<b>30,156</b>

## > Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

### > Note 20. Ex-gratia Payments

The Authority did not make any ex-gratia payments for the period ending 30 June 2010. (2009: Nil).

### > Note 21. Responsible Persons

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

#### Names

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

##### Minister for Police and Emergency Services (1 July 2009 to 30 June 2010)

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The Hon. Bob Cameron, MP	322 days
The Hon. Tony Robinson, MP	24 days
The Hon. John Lenders, MLC	8 days
The Hon. Tim Holding, MLA	11 days

##### Board Members

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C Higgins	(Chairperson)
R Jones	
L Russell	
B Yeoh	
H Dyson	
D Vendy	Term Ended 17th Jul 2009

##### Accountable Officer of the Victoria State Emergency Service Authority

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Mary Barry - Chief Executive Officer

#### Remuneration

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

Remuneration band	2010 No.	2009 No.
\$1 - \$9,999	0	0
\$10,000 - \$19,999	4	5
\$20,000 - \$29,999	0	0
\$30,000 - \$39,999	1	0
\$40,000 - \$49,999	0	1
\$210,000 - \$219,999	0	0
\$220,000 - \$229,999	1	1
	<b>6</b>	<b>7</b>

Amounts relating to Ministers are reported in the financial statements of the Department of Premier and Cabinet.

## > Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

### > Note 21. Responsible Persons

#### Other transactions

Other related transactions and loans requiring disclosure under the Directions of the Minister for Finance have been considered and there are no matters to report.

#### Related parties

C Higgins who is the Authority's chairperson is also a Board member of the Country Fire Authority.

During the financial year, the Authority and the Country Fire Authority conducted business transactions at arms length and on normal commercial terms.

Other related transactions and loans requiring disclosure under the Directions of the Minister for Finance have been considered and there are no matters to report.

### > Note 22. Remuneration of executives

The numbers of executive officers, other than Ministers and Responsible Officers, and their total remuneration during the reporting period are shown in the first two columns in the table below in their relevant income bands. The base remuneration amounts of executive officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, long-service leave payments, redundancy payments and retirement benefits

The increase of actual remuneration paid results from VICSES having its full compliment of executives for the full year with the Director Emergency Management Planning and Communication commencing part way through 2008-09.

Income band	Total remuneration		Base remuneration	
	2010 No.	2009 No.	2010 No.	2009 No.
Less than \$100,000	0	1	0	1
\$110,000 - \$119,999	0	0	0	0
\$120,000 - \$129,999	0	0	0	0
\$130,000 - \$139,999	0	1	1	1
\$140,000 - \$149,999	1	0	0	0
\$150,000 - \$159,999	0	1	2	1
\$160,000 - \$169,999	2	1	1	1
\$170,000 - \$179,999	1	0	0	0
\$210,000 - \$219,999	0	0	0	0
<b>Total numbers</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
<b>Total amount</b>	<b>649,839</b>	<b>517,048</b>	<b>612,441</b>	<b>517,048</b>

## > Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

### > Note 23. Remuneration of Auditors

	2010 \$'000	2009 \$'000
<b>Victorian Auditor General's Office</b>		
- Audit of the financial statements	44	40
	<b>44</b>	<b>40</b>

### > Note 24. Subsequent Events

There has not arisen any other item, transaction or event of a material or unusual nature, likely, in the opinion of the Board, to affect significantly the operations of the Victoria State Emergency Service Authority, the results of those operations, or the state of affairs of the Authority, in subsequent financial years.

### > Note 25. Glossary of Terms

#### **Comprehensive result**

Total comprehensive result is the change in equity for the period other than changes arising from transactions with owners. It is the aggregate of the net result and other non-owner changes in equity.

#### **Commitments**

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

#### **Employee benefits expenses**

Employee benefits expenses include all costs related to employment including wages and salaries, payments of leave entitlements, redundancy payments and superannuation contributions.

#### **Financial asset**

A 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
  - 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.

## > Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

### > Note 25. Glossary of Terms

#### **Financial instrument**

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

#### **Financial statements**

Depending on the context of the sentence where the term 'financial statements' is used, it may include only the main financial statements (i.e. comprehensive operating statement, balance sheet, cash flow statements, and statement of changes in equity); or it may also be used to replace the old term 'financial report' under the revised AASB 101 (Sept 2007), which means it may include the main financial statements and the notes.

#### **Grants and other transfers**

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. 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. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers. 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.

#### **Interest expense**

Costs incurred in connection with the borrowing of funds. Interest expenses include interest on bank overdrafts and short-term and long-term borrowings, amortisation of discounts or premiums relating to borrowings, interest component of finance leases repayments, and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.

#### **Interest income**

Interest income includes interest received on bank term deposits, interest from investments, and other interest received.

#### **Net result**

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

#### **Net result from transactions/net operating balance**

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

## > Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

### > Note 25. Glossary of Terms

#### **Non-financial assets**

Non-financial assets are all assets that are not 'financial assets'.

#### **Other economic flows**

Other economic flows are changes arising from market re-measurements. They include gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets; actuarial gains and losses arising from defined benefit superannuation plans; fair value changes of financial instruments and agricultural assets; and depletion of natural assets (non-produced) from their use or removal.

#### **Payables**

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

#### **Receivables**

Includes short and long term trade credit and accounts receivable, 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 service 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 equipment, but excludes rent income from the use of non-produced assets such as land. User charges includes sale of goods and services income.

#### **Supplies and services**

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

#### **Transactions**

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

## > Accountable Officer's and Chief Finance and Accounting Officer's Declaration

We certify that the attached financial statements for the Victoria State Emergency Service Authority have been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards, including interpretations, and other mandatory professional reporting requirements.

We further state, that in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and notes forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2010 and financial position of the Authority at 30 June 2010.

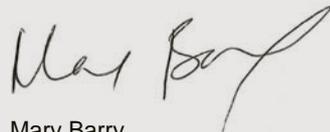
We are not aware of any circumstances, which would render any particulars included in the financial report to be misleading or inaccurate.

We authorise the attached financial statements for issue on 8th September 2010.



Claire Higgins

**Chairperson**  
**8 September 2010**



Mary Barry  
**Chief Executive Officer**  
**8 September 2010**



Jeannene Stewart  
**Director of Corporate Services**  
**8 September 2010**

# VAGO

Victorian Auditor-General's Office

## INDEPENDENT AUDITOR'S REPORT

### To the Board Members, Victoria State Emergency Service Authority

#### *The Financial Report*

The accompanying financial report for the year ended 30 June 2010 of the Victoria State Emergency Service Authority which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the accountable officer's and chief executive officer's declaration has been audited.

#### *The Board Members' Responsibility for the Financial Report*

The Board Members of the Victoria State Emergency Service Authority are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the *Financial Management Act 1994*. This responsibility includes:

- establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

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

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

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

Level 24, 35 Collins Street, Melbourne Vic. 3000

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## Independent Auditor's Report (continued)

### *Matters Relating to the Electronic Presentation of the Audited Financial Report*

This auditor's report relates to the financial report published in both the annual report and on the website of the Victoria State Emergency Service Authority for the year ended 30 June 2010. The Board Members of the Victoria State Emergency Service Authority are responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the Victoria State Emergency Service Authority web site.

### *Independence*

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

### *Auditor's Opinion*

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Victoria State Emergency Service Authority as at 30 June 2010 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE  
8 September 2010

  
D D R Pearson  
Auditor-General

## > Disclosure Index

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

Legislation	Requirement
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### > Ministerial Directions

Report of Operations – FRD Guidance

#### Charter and purpose

FRD 22B	Manner of establishment and the relevant Ministers
FRD 22B	Objectives, functions, powers and duties
FRD 22B	Nature and range of services provided

#### Management and structure

FRD 22B	Organisational structure
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#### Financial and other information

FRD 10	Disclosure index
FRD 12A	Disclosure of major contracts
FRD 15B	Executive officer disclosures
FRD 22B, SD 4.2(k)	Operational and budgetary objectives and performance against objectives
FRD 22B	Employment and conduct principles
FRD 22B	Occupational health and safety policy
FRD 22B	Summary of the financial results for the year
FRD 22B	Significant changes in financial position during the year
FRD 22B	Major changes or factors affecting achievement
FRD 22B	Subsequent events
FRD 22B	Application and operation of Freedom of Information Act 1982
FRD 22B	Compliance with building and maintenance provisions of Building Act 1993
FRD 22B	Statement on National Competition Policy
FRD 22B	Application and operation of the Whistleblowers Protection Act 2001
FRD 22B	Details of consultancies over \$100,000
FRD 22B	Details of consultancies under \$100,000
FRD 22B	Statement of availability of other information
FRD 24C	Reporting of office-based environmental impacts
FRD 25	Victorian Industry Participation Policy Disclosures
FRD 29	Workforce Data disclosure
SD 4.5.5	Risk management compliance attestation
SD 4.2(g)	General information requirements
SD 4.2(j)	Sign-off requirements

## > Disclosure Index

### Financial Statements

#### Financial statements required under Part 7 of the FMA

SD 4.2(a)	Statement of Changes in Equity
SD 4.2(b)	Operating Statement
SD 4.2(b)	Balance Sheet
SD 4.2(b)	Cash flow statement

#### Other requirements under Standing Directions 4.2

SD 4.2(a)	Compliance with Australian accounting standards and other authoritative pronouncements
SD 4.2(a)	Statement of Compliance
SD 4.2(c)	Accountable officer's declaration
SD 4.2(d)	Rounding of amounts

#### Other disclosures as required by FRDs in in notes to the financial statements

FRD 11	Disclosure of ex-gratia payments
FRD 21A	Responsible person and executive officer disclosures
FRD103D	Non-current physical assets
FRD106	Impairment of assets
FRD110	Cash flow statements
FRD112A	Defined benefits superannuation obligations
FRD114A	Financial instruments – General government entities and public non-financial corporations
FRD119	Contributions from owners

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## > Legislation

Freedom of Information Act 1982

Building Act 1993

Financial Management Act 1994

Whistleblowers Protection Act 2001

Victorian Industry Participation Policy Act 2003

Multicultural Victoria Act 2004

| ALEXANDRA |  
| ALTONA | ARARAT |  
| BACCHUS MARSH |  
BAIRNSDALE	BALLARAT								
BALMORAL	BANNOCKBURN								
BEECHWORTH	BELLARINE	BENALLA							
BENDIGO	BENDOC	BIRCHIP	BONANG						
BRIGHT	BRIMBANK	BROADMEADOWS							
BRUTHEN	BUCHAN	CAMPERDOWN	CANN RIVER						
CASTLEMAINE	CHELSEA	CHILTERN	COBDEN	COLAC	COBRAM				
CORIO	CORRYONG	CRAIGIEBURN	CROYDON	DARTMOOR	DIMBOOLA	DONCASTER	DUNKELD		
DUNOLLY	ECHUCA	EDENHOPE	ELTHAM	EMERALD	ERICA	ESSENDON	EUROA	FALLS CREEK	
FOOTSCRAY	FOSTER	FRANKSTON	FRENCH ISLAND	GEELONG	GISBORNE	GOROKE	HAMILTON		
HASTINGS	HEALESVILLE	HEATHCOTE	HEPBURN SHIRE	HEYWOOD	HORSHAM	INVERLOCH	KANIVA		
KEILOR	KERANG	KILMORE	KINGLAKE	KNOX	KYABRAM	LEONGATHA	LILYDALE	LISMORE	LOCH
SPORT	LORNE	MAFFRA	MALLACOOTA	MALVERN	MARYBOROUGH	MANSFIELD	MARONG	MARYSVILLE	
MELTON	MILDURA	MITTA MITTA	MOE	MOORABBIN	MORTLAKE	MORWELL	MURCHISON	MURRAYVILLE	
MYRTLEFORD	NARRE WARREN	NHILL	NORTHCOTE	NUMURKAH	NUNAWADING	OAKLEIGH	ORBOST	OTWAY	OUYEN
PAKENHAM	PHILLIP ISLAND	PORT CAMPBELL	PORT FAIRY	PORTLAND	ROBINVALE	ROCHESTER	ROSEDALE	RUPANYUP	
RUSHWORTH	RUTHERGLEN	SALE	SAN REMO	SEYMOUR	SORRENTO	SOUTH BARWON	SPRINGVALE	ST ARNAUD	
ST KILDA	STAWELL	STRATFORD	SUNBURY	SWAN HILL	SWIFTS CREEK	TALLANGATTA	TATURA	TERANG	
TORQUAY	UPPER YARRA	WANGARATTA	WARRACKNABEAL	WARRAGUL	WARRNAMBOOL				
WAVERLEY	WEDDERBURN		WERRIBEE	WINCHELSEA	WODONGA				
WONTHAGG		WOODEND	WOOMELANG	WYCHEPROOF					
YARRAM		YACKANDANDAH	YARRAWONGA						



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