



VICTORIA STATE EMERGENCY SERVICE
Volunteering for Victorians
Annual Report 2007–2008



PREPARE
RESPOND
RECOVER



Communication Objective

This report provides an account of the Victoria State Emergency Service Authority during the 2007–2008 financial year, as required under the Financial Management Act 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 2007–2008 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

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ABOUT VICSES



OUR VISION

By 2009, VICSES will be a robust, innovative emergency service 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 & OBJECTIVES

GOAL 1 A sustainable volunteer and employee workforce

- VICSES' workforce supports the organisation's vision, purpose and values
- VICSES' staff and volunteers are professional and appropriately trained
- VICSES provides a safe working environment for volunteers and staff
- VICSES' volunteer workforce is appropriately supported and resourced
- VICSES' role within the Victorian Emergency Management Framework is understood by the broader community

GOAL 2 A sustainable and independent source of funding

- VICSES has a sustainable funding base
- VICSES has an independent financial management system

GOAL 3 An appropriately resourced emergency management and response capacity

- VICSES has a totally integrated operational incident management system
- VICSES complies with all legislative requirements in relation to its response role as control agency and/or support agency
- VICSES has an effective and sustainable asset management system
- VICSES complies with all legislative requirements in relation to its emergency management responsibilities
- VICSES has strong partnerships and professional working relationships with local councils across the State

GOAL 4 A strategic and proactive approach to service delivery and meeting community expectations

- VICSES has strong partnerships and professional working relationships with key flood management agencies, other emergency service organisations and relevant stakeholders
- VICSES provides community awareness and education programs for floods, storms, tsunamis and earthquakes

GOAL 5 A sound governance framework

- VICSES complies with all State and Federal legislation and directives that impact on the Victoria State Emergency Services Authority
- VICSES operates within a shared knowledge environment
- VICSES has an appropriate risk management strategy with policies and procedures in place

Our Services

VICSES provides the following services, as prescribed in Section 5C of the Victoria State Emergency Act 2005:

Emergency Response

- VICSES is the control agency for responding to floods and storms, earthquakes, tsunamis, and their effects across the State
- VICSES is the largest single road rescue response agency in Australia, providing road rescue services from 101 accredited Units across the State

Emergency Support

- VICSES provides invaluable support to other emergency service organisations, both within Victoria and across Australia in relation to the performance and exercise of their duties and responsibilities under the Emergency Management Act 1986. This includes:
 - Search and rescue for persons lost on land or in water
 - Assistance with lighting at crime scenes
 - Assistance with road blocks and transport during major fires and other support roles as requested by emergency service organisations during emergencies

Emergency Management

Emergency Management Planning

- VICSES provides assistance to municipal councils in relation to the performance and exercise of their duties and responsibilities under the Emergency Management Act 1986, including:
 - Assisting councils in the activities of their Municipal Emergency Management Planning Committees and in the development of their individual municipal emergency management plans

Auditing Municipal Emergency Management Plans

- VICSES has responsibility for auditing all municipal emergency management plans on a 3-year cycle. This process is in accordance with the Emergency Management Act 1986

Our Volunteers

VICSES, as a volunteer-based emergency service organisation, has 5,500 committed and dedicated volunteers. VICSES operates from 140 Units and 10 Headquarter Support Units across the State, and volunteers spend a substantial number of hours in training and providing services each week. The volunteers are supported by a workforce of 92 staff located at State Headquarters in Melbourne and in 6 regions around metropolitan and rural Victoria.



NEW HYDRAULIC RESCUE TOOLS FUNDED BY STATE GOVERNMENT

State Emergency Service volunteers received a boost following the delivery of 97 state-of-the-art road rescue cutters and 10 full road-rescue rescue kits. VICSES volunteers demonstrated the new 'jaws of life' at Federation Square by cutting through a new car in record time. With stronger, new materials being used in the manufacture of cars, road rescue cutters need to be replaced to cut through these new vehicles. The new road cutters have a cutting force of 97.5 tonnes, and are faster, quicker and stronger than the previous models. Time is critical at a road rescue and this new equipment gives VICSES a greater capacity to carry out life-saving work.

GOAL 1 A sustainable volunteer and employee workforce

- The Leading One VICSES leadership development program attended by the VICSES Management Team was completed in February 2008
- Developed a VICSES Media Strategy
- Commenced the VICSES Media Training Program
- Developed and delivered the Working Together One VICSES to 24 Units across the State
- Capability model and performance management system incorporated into Performance Management Program
- OH&S Management Policies developed and being reviewed by the OH&S State Committee and People Committee
- Peer Support training provided to 60 volunteers

GOAL 2 A sustainable and independent source of funding

Commenced delivering the outcomes of The Output Price Review which included:

- \$36.8 million was allocated to VICSES over 4 years to reflect increased operational costs, the implementation of IT systems, occupational health and safety systems and volunteer support.

Achievements included:

Connect.IT program

- Completed the first stage, with the implementation of broadband in all VICSES Units across the State
- Commenced the implementation of the Operational Information Management System (OIMS), with a transition plan developed. Working in partnership with the Country Fire Authority (CFA), all scoping of the project has been completed and the development of software has commenced
- Implemented the corporate finance and asset management system, SAP. Working in partnership with the Metropolitan Fire Brigade (MFB), the finance system will be in place for the commencement of the 2008-2009 financial year. The second phase, the Asset Management component, is on target for implementation in August 2008

GOAL 2

... continued

One-off asset injection was administered:

- Opened the VICSES State Logistic Centre to appropriately manage the storage and distribution of assets across the State
- Developed major equipment specifications to maximise benefits for procurement of major assets
- Developed the Asset Procurement Strategy
- Delivered on
 - 8 heavy rescue trucks delivered to Units
 - 11 road accident rescue kits have been delivered across the State
 - Service-funded transport truck for Central Region
 - Relocation of the Hamilton Regional Headquarters
- Commenced procurement of major assets including:
 - 6 trucks currently being built
 - 9 boats, due to be delivered early 2008–09

Asset maintenance program was put in place including:

- Appointment of a third-party provider to undertake the statewide repairs and maintenance contract, conducting on-site servicing for all Service-funded trucks, vehicles, vessels and state lighting trailers
- Commenced repairs and maintenance program across the State

New Units/improve Units and upgrading training facilities, \$7.5M over a 3-year period

- Developed generic designs for new Units, in consultation with VICSES volunteers, architects and planners and other agencies
- VICSES new and refurbished Units
 - **Moe:** currently in design development stage and Expressions of Interest have been called for construction
 - **Geelong:** land has been identified, masterplan has been developed
 - **Hepburn:** collocation in a multi-agency site. Rural Ambulance Victoria (RAV) and VICSES have commenced project development
 - **Mitta Mitta Unit:** collocation with CFA, commenced concept design
 - **Whittlesea Unit & Wyndham:** Council negotiations have commenced, with concept designing about to progress
 - **Swan Hill Unit:** Potential collocation with Corrections, Police and RAV
- Commenced discussions with CFA to begin the enhancement of the training grounds in Wangaratta, Carrum, Fiskville and Penshurst, with concept designing in progress
- Developed timeframes for staged constructions of all new and improved Units
- Commenced negotiations with local councils where new Units are being established and identified land options for the building of new Units

Regional service delivery

- Appointed 6 Volunteer Support Officers across the State to assist with the management of Units and reduce the paperwork for Unit Controllers.

Completed the review of identifying community benefits of VICSES services

One-line grant achieved for 1 July 2008

GOAL 3 An appropriately resourced emergency management and response capacity

Emergency Response

- VICSES responded to over 20,317 tasks during 2007–2008 with a total of 135,566 volunteer hours
- VICSES provided support to NSWSES during significant flood and storms in May 2007
- Undertook a review of the General Rescue Training arrangements with Stage 1 research and consultation being completed
- Commenced the Unit Structures Taskforce to determine clear roles and responsibilities consistently within each of the Units
- Completed Version 1 of Regional Flood Plans across the State
- Standard Operating Procedures (SOPs) were completed and distributed to all Units
- Commenced implementation of Australasian Inter-Service Incident Management System (AIIMS) across the State

Emergency Management Capacity

- Developed the review and establishment of a more robust auditing system for the municipal emergency management plan across the State
- Completed the review on VICSES' relationships with local councils and developed an action plan

GOAL 4

A strategic and proactive approach to service delivery and meeting community expectations

- Delivery of FloodSmart and StormSmart Community Education Programs in high risk areas of Benalla and Wodonga. Developed the programs for StormSmart Maroondah and FloodSmart Alpine and Wangaratta and Wodonga
- Molino Stewart completed the Total Flood Warning System in Victoria Report
- VICSES established a Flood Project Board consisting of representatives from Melbourne Water, Bureau of Meteorology, Department of Sustainability and Environment (DSE), Municipal Association of Victoria, Department of Human Services (DHS) and Victorian Police to review and define VICSES' role in the Victorian flood warning system

GOAL 5

A sound governance framework

- Recruitment and selection policies and procedures developed, implemented and ongoing coaching provided to recruiting managers
- TRIM electronic documents management system implemented across the State
- Risk Management Framework implemented

CHAIR'S REPORT



I am very pleased to present, as Chair, the 2007–2008 Annual Report for the Victoria State Emergency Service.

As this is my first report as Chair, I commend to you the activities and achievements of the Authority for the 2007–2008 year as one in which the Authority has continued its development as an independent Statutory Authority, whilst continuing to ensure timely, effective and quality services in partnership with the community and other emergency services.

The Board has undergone some transition through the year with my appointment as Board Director and Chair in September 2007, and the appointment of Cr David Vendy from the Ballarat region to the Board in July 2007. In addition, Mr Roger Jones has been appointed as Deputy Chair of the Authority during the year. I would like to take this opportunity on behalf of the Authority to thank Ms Julia Mason for her contribution as both Director and Chair. The Board has worked very closely with the CEO and her team in delivering against the 2006–2009 Strategic Plan, and the outcomes of the Output Price Review.

During the year, significant progress has been made towards the achievement of our goals and objectives. In particular, significant effort at Board level has been focused on ensuring that there is a sound governance framework, and whilst negotiations to ensure the Authority's resourcing and sustainability have been successful, efforts in this area continue.

Our focus on engaging with both the volunteer and employee workforce has continued through the year and this will be very important as we continue to strive to ensure the safety and wellbeing of our volunteers and staff, whilst continuing to help the community.

VICSES is also now taking a lead role in the area of educating the community in its preparedness for flood and storm, but also in ensuring that Victoria is well prepared in the event of flood. VICSES will commence its final year of the existing 3-year Strategic Plan in 2008–2009 and, importantly, the Board will commence the review of the organisation's strategic vision for the next 3 years at its strategic planning day in November 2008.

The Board has reviewed the Statutory Authority's financial statements for the period 1 July 2007 to 30 June 2008. The net result for the Victoria State Emergency Service Authority for this period was a consolidated operating surplus of \$.874M, which includes a trust account surplus of \$.547M. This net result demonstrates the significant reliance on the Trust Account for the Authority to fund Unit improvements and capital equipment. The implementation of the initiatives funded through the Output Price Review and the 2007–2008 Corporate Plan have been achieved.

On behalf of the Board, I would like to thank our partners: The Minister for Police and Emergency Services, the Department of Justice, the Office of the Emergency Services Commissioner, local government and the other emergency service organisations in Victoria. The VICSES Authority has recognised the need to work closely with these partners to ensure the delivery of seamless emergency services in the State. We appreciate the support that has been provided.

Finally, I would like to particularly acknowledge the dedication and commitment of the CEO, Senior Executive, staff and volunteers in delivering a very successful year. I have particularly enjoyed my first year as part of the Victoria State Emergency Service Authority, and I look forward to continued success in 2008–2009.



Claire Higgins

CHAIRPERSON

Victoria State Emergency Service Authority Board

CEO'S REPORT



The 2007–2008 financial year has certainly been another very exciting and challenging year for VICSES.

The year began with VICSES volunteers and staff responding to a major flood in the Gippsland area, one of the worst in the history of the region. This was followed by another major flood in November which once again kept volunteers and staff extremely busy for a significant period of time.

My congratulations to volunteers and staff who did a wonderful job responding to and working with the local community during this time.

The VICSES FloodSmart and StormSmart programs have continued to be rolled out to several regional locations. FloodSmart, as well as being implemented in Benalla, is also being rolled out in the Alpine and Wangaratta regions with StormSmart in the Cities of Maroondah and Wodonga respectively. All of these programs, which are well supported by VICSES volunteers, are being very well received by local communities and other emergency services stakeholders. The floods in Gippsland well and truly tested the Gippsland FloodSmart program, which was met with an overwhelmingly positive response from local communities and councils.

Funding received through the Output Price Review has enabled VICSES to commence the implementation of our new IT systems under the Connect.IT project. This began in October 2007 with the implementation of broadband to all Units across the State. This is not only a first for VICSES, but is also an Australian first for a volunteer organisation. This was followed by the establishment of 2 important partnerships, with the MFB to implement new financial and asset management systems using SAP, and with the CFA to develop and implement OIMS across the whole organisation. VICSES is well on track with MFB to implement SAP from 1 July 2008. The roll out of OIMS and asset management systems will significantly reduce the amount of paperwork for volunteers associated with operations and provide real-time analysis of operational situations. Not only will this ensure VICSES is on par with other leading emergency services organisations in Victoria, it will also ensure VICSES continues to evolve as an important and professional emergency services organisation.

Other important milestones have been the implementation of several leadership courses for staff and volunteers, including Controller Conferences and the implementation of the AIIMS. The appointment of 6 Volunteer Support Officers (VSOs) across the State has also been a major boost to the level of support available to Unit Controllers across the State in relation to administrative tasks and paperwork. Another very important milestone for VICSES was the opening of the State Logistics Centre by the Minister for Police and Emergency Services the Hon. Bob Cameron in April 2007. This centre, located in Sunshine, will enable the Assets Department to code and deliver all State assets directly to Units rather than going through regional offices. The VICSES Assets Department has also delivered 8 new, purpose-built general rescue trucks to Units across the State. This program will continue next year as VICSES was successful in its bid for further funding, being allocated \$2.6 million by the State Government for the purchase of trucks, boats and other rescue vehicles. Other achievements in relation to asset management has been the implementation of a national maintenance program for all State-owned vehicles delivered to local Units. This will assist VICSES to maintain consistency in maintenance programs across the organisation.

I am very much looking forward to the next 12 months at VICSES as we continue on our journey to become a more independent Statutory Authority. I would like to take this opportunity to thank all our volunteers for their continued support, commitment and dedication and in particular their continued commitment to assisting VICSES management and staff in implementing the many changes that have occurred over the past 12 months. I would also like to thank my Executive Team and all the staff at VICSES for their commitment and support over the past 12 months and for their willingness to accept and be part of the changes occurring throughout VICSES.



Mary Barry
CHIEF EXECUTIVE OFFICER

Victoria State Emergency Service Authority

BOARD DETAILS



Claire Higgins

CHAIRPERSON

BCOMM, FCPA, FAICD

Claire Higgins has over 25 years governance, management, finance and accounting experience with major Australian Corporates – BHP and OneSteel Limited, and major Belgian Corporate – NV Bekaert SA.

Claire was appointed Chair of the Victorian State Emergency Services Authority in September 2007, and is Deputy Chair of the Country Fire Authority.

In addition, Claire is also Chair of Barwon Health and a Director of Barwon Water. She is an independent member of the Surf Coast Shire Audit Committee, and a member of the Victorian Health Service Management Innovation Council.

Claire is married with two daughters and lives in the Surf Coast Shire.



Julia Mason

BA, BCOM, MBA, GRADDIPAFI, FFSIA

Julia Mason was appointed to the Board in March 2006 and became the second Chairperson of VICSES Authority on 1 November 2006. Julia resigned from the Board on 31 August 2007 to contest the Federal Election.



Roger Jones

BED, FAIES

Roger Jones was appointed to the Board in June 2006. Roger was appointed Deputy Chair of the Board on 1 November 2006 and is a member of the Board's People Committee.

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.



Lawrence (Laurie) Russell

ESM

Laurie Russell was appointed to the Board in November 2005. Laurie is also a member of the Board's People Subcommittee. 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, the past President of the Victoria Emergency Service Association and is the current Controller of the Werribee VICSES Unit. Laurie was awarded the Emergency Service Medal in 2001.

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



Helen Dyson

Helen Dyson was appointed to the Board in June 2006. Helen is a member of the Board's Audit and Governance Subcommittee.

She is currently a Board Member of the Australian Institute of Superannuation Trustees, and Turning Point Alcohol and Drug Centre.



Barbara Yeoh

BSC(HONS), FAICD

Barbara Yeoh was appointed to the Board in June 2006 and is a member of the Board's Audit and Governance Subcommittee. She currently holds directorships at Eastern Health, Southern and Eastern Integrated Transport Authority, and Melba Memorial Conservatorium of Music. Her other appointments include Chair of the Civil Aviation Safety Authority Audit & Risk Committee, Chair of the ACT Government Finance & Investment Advisory Board, Chair of the Victorian Fisheries Compensation Assessment Panel and Member of the Commonwealth Statutory Fishing Rights Allocation Review Panel.



David Vendy

David Vendy has been the Mayor of Ballarat since March 2001 and a councillor of the City of Ballarat since municipal amalgamation in 1996. Prior to amalgamation, Cr Vendy spent 4 years as a councillor with the Shire of Ballarat, and was its last President. Before becoming Mayor of Ballarat, David worked in the transport industry, holding senior management jobs in both the public and private sector. David also has extensive experience as an owner and manager in the hospitality sector.

ATTENDANCE BY BOARD MEMBERS

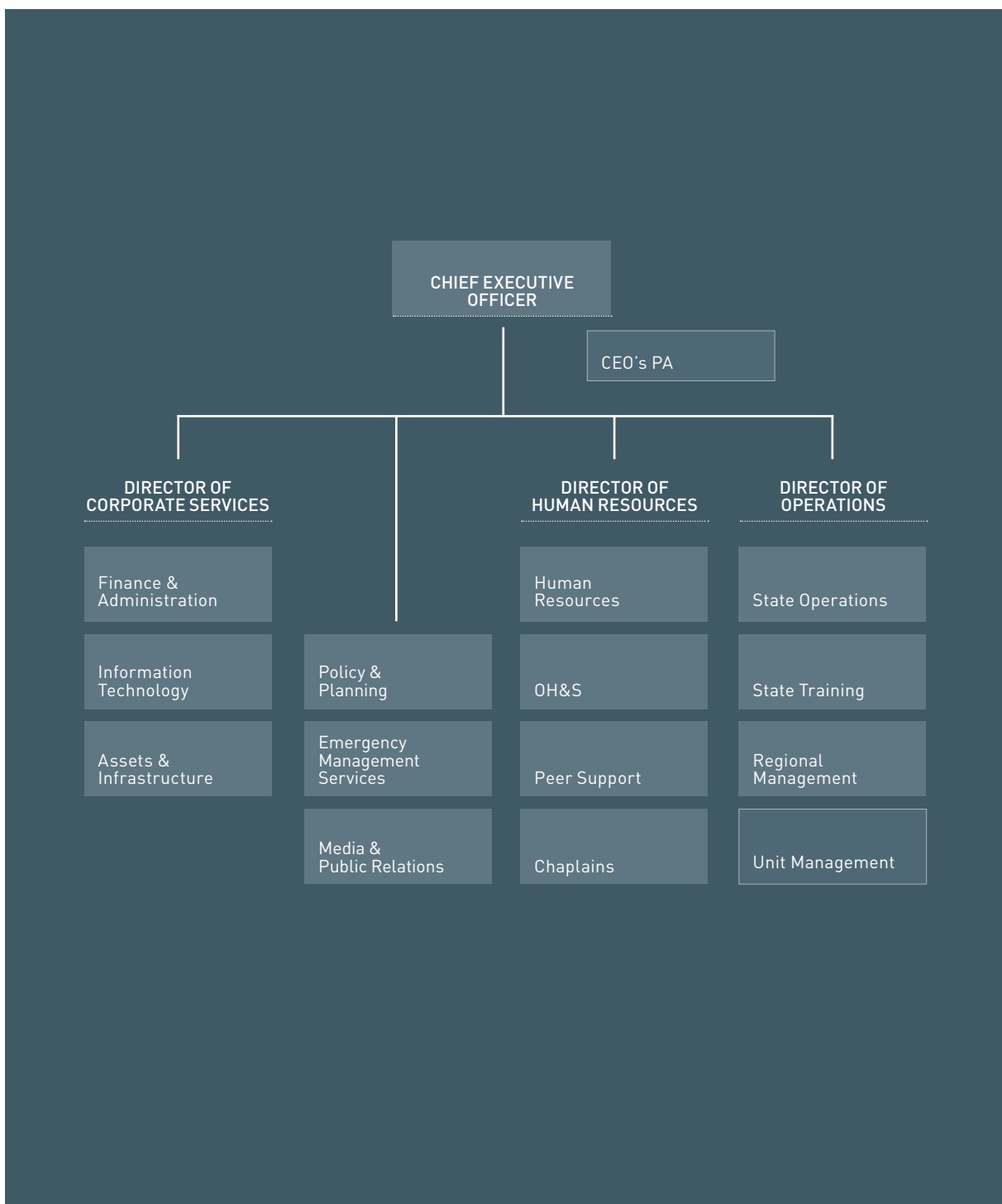
	BOARD MEETINGS	SPECIAL MEETINGS	AUDIT & GOVERNANCE	PEOPLE	REMUNERATION
NO. OF MEETINGS TO 30 JUNE 2008	11	0	4	8	4
Claire Higgins	6	-	2	1	1
Julia Mason	2	-	1	2	1
Roger Jones	9	-	-	3	2
Helen Dyson	10	-	4	-	-
Lawrence Russell	11	-	-	5	-
Barbara Yeoh	9	-	4	-	3
David Vendy	9	-	-	2	-

Notes

C Higgins – Chairperson
Appointed 1 Nov 2007
R Jones – Acting Chairperson
1 Sept to 31 Oct 2007
D Vendy – Appointed 17 July 2007
Julia Mason – Chairperson
Resigned 31 Aug 2007

ORGANISATIONAL

CHART



EXECUTIVE

MANAGEMENT TEAM



Mary Barry

CHIEF EXECUTIVE OFFICER

Mary Barry was appointed to the position of Chief Executive Office in January 2006.

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 staff.

Responsible to the Board for the overall performance of VICSES, Mary also takes responsibility for community safety, media and public relations and corporate planning. Mary uses an energetic approach to lead the Senior Executive, staff and volunteers of VICSES.



Trevor White

DIRECTOR OF OPERATIONS

AFSM, GRADDIP BUSINESS, GAICD

Trevor White was appointed Director of Operations in May 2006. Trevor has over 30 years experience in both a volunteer and career capacity for the CFA throughout rural and regional Victoria and outer metropolitan Melbourne. He has extensive experience in operational and general management roles within the emergency management and community service sectors.

Trevor provides leadership for the VICSES operations management and policy at the State, regional and Unit levels, and for training within the VICSES.



Katrina Bahen

DIRECTOR OF HUMAN RESOURCES

BARTS/COMMERCE
MAJORING LABOURING 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 OH&S 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, Peer Support and the Chaplaincy program.



Jeannene Stewart

DIRECTOR 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 Commonwealth Minister for Ageing, Hon. Christopher Pyne. Prior to that Jeannene was the Funding and Retirement Living Manager for ACCV (Aged and Community Care Victoria) formerly VAHEC (Victorian Association of Health and Extended Care). Jeannene is a Certified Practising Accountant (CPA) with over 20 years experience in senior management roles in the welfare, information technology, health and aged care sectors. Jeannene has also provided consulting services to the aged care industry, particularly in the areas of financial management, funding and legislative compliance. Jeannene's VICSES areas of responsibility are governance, finance and administration, information technology and assets and infrastructure.

Julie Green was Director of Corporate Services until 31 March 2008.

OPERATIONS



The past year has marked one of the busiest operational periods in the history of VICSES. In late June and early July, devastating floods impacted on the Macalister Valley in Gippsland, and widespread flooding occurred in and around Sale, Bairnsdale, Lakes Entrance and the Gippsland Lakes area. This event required a statewide response for 2 weeks. Later in the year flooding occurred again, and although less widespread and damaging, it still required a significant commitment of resources.

Just prior to Christmas, severe storms lashed parts of the South West Coast and the Melbourne metropolitan area, and operations were conducted over 4 days. On 2 April, some regional centres and the metropolitan area endured severe windstorms with wind speeds of up to 120 km/hr being recorded and 6,000 jobs were allocated to Units, taking 5 days to clear. The December and April storm events resulted in 10,000 calls for assistance. For the first time, NSWSES crews worked in the Melbourne metropolitan area to support VICSES Units to clear a backlog of jobs. All VICSES volunteers can be proud of the way in which they responded to all of these events, and for their commitment to serving the Victorian community.

Following the April windstorm event, the Premier and Minister for Police and Emergency Services both visited VICSES' Victoria Headquarters to acknowledge the successful operation and to thank VICSES volunteers and staff for their efforts. The Emergency Services Commissioner Mr Bruce Esplin also visited VICSES to acknowledge our performance during the April storms and to encourage our ongoing efforts to improve operational planning and performance.



NEW OCEAN RESCUE BOAT DELIVERED TO INVERLOCH UNIT

In a joint initiative with Marine Safety Victoria, VICSES received a new ocean rescue boat to be housed at the Inverloch Unit. Inverloch is the only VICSES ocean rescue Unit, and provides 24-hour marine search and rescue response to coastal and enclosed Victorian waterways along the South Eastern Victoria coast. The new rescue boat is built to 2C Commercial Survey and includes equipment such as radar, GPS, marine communications and life saving devices. The new boat is being used for marine search and rescue, offshore rescue, towing vessels and on-water logistical support for other emergency services.

Experiencing a number of significant operations in relatively quick succession has given VICSES the opportunity to review our performance and to identify opportunities for improvement. Detailed internal reviews of the Gippsland floods and the April windstorm operation have been completed and actions have been identified to address recommendations made.

Much progress has been made on the development of flood response plans at State and regional level and over the next 12 months, regions will be working with Units to develop local response plans. The availability of flood intelligence is still a challenge in many areas and VICSES is working with local government and other agencies to build our capacity to source and interpret data to improve our preparedness plans and response to flood events.

We are developing strong relationships with other organisations such as CFA, DHS, DSE, MFB and VICPOL as we continue to develop our preparedness plans and establish support arrangements. Work is also progressing on the establishment of an integrated Emergency Coordination Centre (iECC) at the DSE facility in East Melbourne. This facility was used effectively by VICSES during last year's floods, during the recovery phase for the April storms and in preparation for predicted damaging windstorms on 25 and 26 June. VICSES regions are also establishing arrangements to access other agencies' emergency coordination centres in regional Victoria. This will ensure that effective whole-of-government integration occurs during operations and allows VICSES to access the support and expertise of other organisations.

VICSES is developing partnerships with other organisations to roll out education programs such as FloodSmart and StormSmart. These programs will play an important role in the future by increasing community capacity to make informed decisions about their personal safety and property protection and will be a key consideration in operational preparedness activities.

The new State Logistics Centre, incorporating the establishment of modern logistics management systems, has improved responsiveness and the timeframes for re-supply of critical items during large-scale events. This was demonstrated during the April storm event when procurement and deployment was able to keep pace with demand for the first time. Increased funding from State Government has allowed us to replace a number of rescue vehicles, rescue boats and other vital equipment such as road crash rescue cutters.

All VICSES Units are working hard to maintain an effective capacity to respond to emergencies. This requires a significant commitment to meet training and accreditation requirements in core and specialist skills. A review of the General Rescue program has been completed and, prior to December 2008, training kits will be reviewed to reduce the workload in completing base level training. More flexible arrangements for delivery of training are also being developed to assist in making training more accessible and ultimately reducing the timeframe for volunteers to complete the requirements. It is anticipated that the revised program should be ready for sign-off in December this year. Leadership training for Unit Controllers has been a key priority and many volunteers have taken the opportunity to participate in multi-agency programs, increasing their knowledge and skills and establishing valuable networks with volunteers from our partner agencies.

VICSES has been introducing AIIMS as the primary incident management system to be used at all levels. Regions have commenced the process of identifying the incident management capability required to manage large-scale events within the region. This will see individual volunteers being targeted to undertake training for specific roles in an incident management team. Operational principles are also being developed by the Operations Advisory Group to support the implementation of AIIMS within VICSES. All operations staff have now participated in desktop exercises on flood-based scenarios. And this will continue to occur twice yearly, using storm, flood, earthquake and other scenarios. VICSES plans to lead multi-agency desktop exercises based on flood scenarios over the next year. The last phase of the Standard Operating Procedures review was completed in June, and early in 2008–2009 we plan to issue Check Lists to provide basic but important information to all volunteers that will assist them operating in the field.

Safety continues to be a high priority for VICSES with the development of the OH&S framework and the integration of OH&S policy and standards with Standard Operating Procedures (SOPs). A number of training policies and procedures have been reviewed to ensure that risk-mitigation strategies are included to reduce the likelihood of injury.

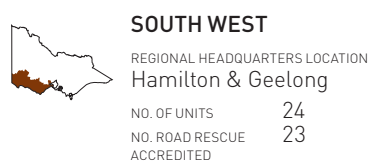
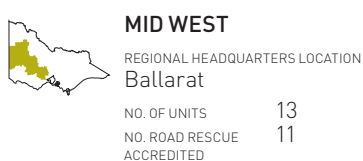
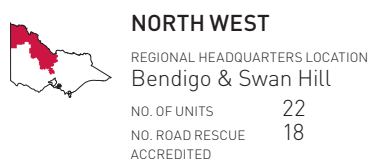
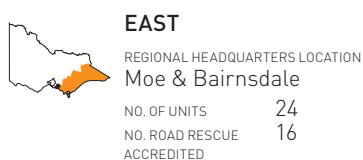
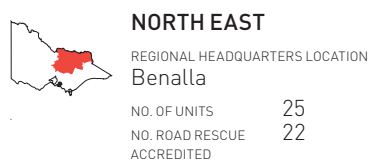
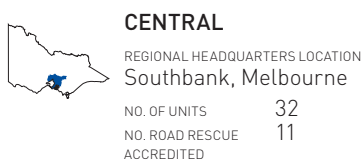
The introduction of new operational management systems in 2008–2009 will significantly enhance visibility across the organisation and lead to more timely provision of information to support key decision making by agencies and Government. An ongoing challenge is the lack of widespread radio coverage for Units and VICSES will be developing a radio communications strategy in early 2008–2009 to provide options to address current gaps.

In all, 2007–2008 has been a very eventful year, however, volunteers and staff have worked tirelessly with the support of our partner agencies to provide all Victorians with a high standard of protection and we have made great strides in our development as a key emergency service provider.

REGIONS



Region	RHQ	Support Office	Gen Units	RCR Units	Total
 Central	Southbank		21	11	32
 East	Moe	Bairnsdale	8	16	24
 Mid West	Wendouree (Ballarat)		2	11	13
 North East	Benalla		3	22	25
 North West	East Bendigo	Swan Hill	4	18	22
 South West	Hamilton	Geelong	1	23	24



EMERGENCY MANAGEMENT



Community Engagement and Education

In accordance with the Victoria State Emergency Services Act 2005 and the Emergency Management Act 1986, VICSES is control agency for storm and wind events, earthquakes, tsunami and for floods in Victoria. It is still recognised that of all the natural disasters that can affect Australia, floods and storms are the most costly. On average, floods in Victoria cause \$450 million (2007) of damage per annum. In light of VICSES' responsibilities as control agency and having accepted the challenge of being 'Champion' of flood warning, in February 2007 an external consultant, Molino Stewart Pty Ltd, was commissioned by VICSES to:

- Determine roles and responsibilities for VICSES in flood awareness and education
- Assess the sustainability of flood warning systems in Victoria including gaps
- Determine the roles and responsibilities for VICSES in relation to flood warning systems
- Determine resources for flood education and warning systems and the steps required to meet those responsibilities for VICSES

During late June 2007, substantial flooding occurred in the Gippsland region causing widespread damage. Flood warnings were issued by the Bureau of Meteorology for 12 rivers in South East Victoria as well as the Traralgon Creek and Gippsland Lakes. Outflows from Lake Glenmaggie on the Macalister River have been estimated to have been the equivalent to a 1 in 105 year flood, the largest flood event on the river in recorded history. Heavy rain also fell in the Gippsland region in early November 2007. This too had the potential for substantial flooding, particularly along the Macalister River, where inflows into Lake Glenmaggie reached 68,500 mega-litres per day.

From the research commissioned by VICSES through Molino Stewart, into which these 2 flood events fed, a raft of recommendations were made. These recommendations were workshopped by a VICSES-led, multi-flood agency subcommittee in May 2008. Out of this workshop 4 critical areas were identified which required action; flood intelligence, flood warning, flood planning and community engagement. It was also established by stakeholders that of all the agencies in Victoria that could deliver the necessary community flood education, VICSES was the most appropriate to bring this forward through its FloodSmart/StormSmart programs.

FloodSmart/StormSmart Victoria

There is a growing body of evidence that global climate changes are likely to lead to more frequent, intense storm events. It has also become increasingly apparent that structural measures, such as levees and the like, by themselves cannot protect communities in all flood events. It is accepted that community engagement through education programs is one of the best methods of preparing individuals and communities against the effects of floods and storms.

The FloodSmart/StormSmart Victoria programs are whole-of-community programs designed to prepare and empower the community with the skills and knowledge to appropriately prepare for, respond to and recover from flood and storm events. The VICSES FloodSmart and StormSmart Victoria community engagement programs have been piloted and have proved successful in areas across the State from Maroondah, Wodonga (storms) to Benalla and the North East Alpine Valleys (floods).

The success of these programs has been built on the dedication and commitment of volunteers within units, regional staff and a small team of dedicated Community Education coordinators. The challenge now is to fund and expand these programs across the whole State, thus enhancing the total flood warning system in Victoria.



FLOODSMART & STORMSMART

PROGRAMS IMPLEMENTED
ACROSS THE STATE

VICSES entered into a new partnership arrangement with Melbourne Water to further enhance our commitment to implementing community education and awareness programs in relation to floods/storms across the State. On seeing the successful development and implementation of both FloodSmart and StormSmart in Benalla and Wodonga respectively, Melbourne Water agreed to fund a full-time Community Education and Awareness Officer in VICSES Central Region. The role implements a program similar to FloodSmart and StormSmart across Greater Metropolitan Melbourne focusing on the catchment area covered by Melbourne Water. Working with Melbourne Water is a positive step towards reducing the damage and impact of flooding for the community, business and individuals.

Emergency Management Planning

MEMP Audit Review Process

The multi-agency reference group has continued to review and consider options to address the concerns raised during the consultation process and advance the development of a revised MEMPlan (Municipal Emergency Management Plan) auditing process. The subsequent outcome has resulted in a revised set of audit questions which provide greater clarity surrounding audit requirements; a collaborative multi-agency approach to the MEMPlan audit; and establishment of a Best Practice Emergency Management Planning Panel model which seeks to investigate current challenges as well as to promote best practice and continuous improvement in the development and maintenance of MEMPlans.

Within both the MEMPlan audit and Best Practice Emergency Management Planning Panel process, provision has been made for other agencies to join this team where sub plans (i.e. fire management plans) exist within the MEMPlan. This approach was endorsed by the VICSES Board in June 2008 along with a decision that VICSES should investigate options to have the auditing function performed by an independent body. This endorsement has set the scene for VICSES to undertake a pilot of the revised MEMPlan audit process from July to December 2008. Thirteen councils across Mid West, Central and East Regions have elected to participate in this process. Upon completion of the pilot, a review will be undertaken to consider the viability of the process and further implementation.

Introduction to Emergency Management

VICSES continues to receive demand from local government, emergency service organisations, non-government organisations and the private sector to undertake Introduction to Emergency Management. To address this increasing demand, EMS has built capacity to undertake additional courses and provide greater support to VICSES regions. The course also continues to go through the national reaccreditation process. As such, version 5 continues to be modified to ensure it reflects current needs and accreditation requirements.

Community Emergency Risk Management (CERM) Review

VICSES first developed the Community Emergency Risk Management (CERM) tool in 1999. The tool was designed for use by VICSES emergency management planners to assist local government to implement a risk-based approach to emergency management planning. The CERM tool was based on the AS/NZS 4360:1995 and was a leader in the emergency management industry at that time. Since the development of CERM there has been a significant evolution of thinking around the use of risk-management techniques in emergency management. While there have been some changes made to the CERM tool, it has not undergone a major review since its inception.

VICSES have commenced a review of the CERM process in consultation with local government, MAV, Office of the Emergency Services Commission (OESC) and emergency service organisations. This review is also being undertaken in consideration of the project being overseen by the National Risk Assessment Advisory Group, which aims to develop National Emergency Risk Assessment Guidelines.

It is intended that the guidelines, when developed, will:

- Be based on AS/NZS 4360, and be designed for emergency risk assessments at State, regional (sub-state) and local application
- Provide usable results both with and without detailed information inputs, so that priorities can be derived
- Facilitate outputs that are comparable and consistent, so that they are able to be aggregated up to a national level, in principle

This national project will potentially have an impact on the future look of any emergency risk management planning tool the VICSES uses to assist local government, therefore it is important that this national project should be completed before any final position is reached within VICSES. It is anticipated that outcomes of the national project will be known by December 2008.



STATE LOGISTICS CENTRE OPEN & OPERATIONAL

On Wednesday 9 April 2008, the Minister for Police and Emergency Services, the Hon. Bob Cameron, officially opened the new VICSES State Logistics Centre in Sunshine West. The new facility is one of a number of projects aimed at improving and enhancing VICSES' assets and infrastructure. The facility has 600 square metres of specialised warehouse space and 150 square metres of open plan office space, both of which have been specially modified to fit VICSES' needs. The centre accommodates 5 full-time staff members, and houses one State support truck and 2 utilities. The facility also houses a large quantity of consumables such as sandbags, tarps and emergency equipment, and allows for quick and efficient deployment of these items to VICSES Units across the state when required.

TRAINING



Leadership Development

Two weekend seminars were attended by 147 Controllers and Deputy Controllers in the Grampians and the Yarra Valley this year. These seminars recognise the importance of Controllers and Deputies as a level of management in VICSES and provide an important opportunity for volunteers to network with their peers. Work has commenced on the development of a customised program for crew leaders at incidents using AIIMS. This program will provide training for working safely and effectively at incidents.

Partnerships with CFA Facilities

Special State Government funding for infrastructure development has been used to refurbish training sites and build classrooms and props at CFA training grounds at Carrum (South East Melbourne), Peshurst (Western District), Wangaratta and Fiskville (near Ballan). These sites are used by VICSES volunteers for training in storm and water damage, urban search and rescue, as well as AIIMS courses.

Partnership with Ford Motors

Ford offered several vehicles for a workshop held at Geelong in November 2007. Volunteers used this unique opportunity to practice using VICSES rescue equipment on new car technology in current-model vehicles. Volunteers attending this workshop learned ways to apply rescue techniques to next generation vehicles, including how to cut through modern car metals.



Building Training Capability

Several initiatives were implemented by State Training Section during the reporting period to increase the training capability of Units and regions.

Equipment Purchases

A range of training equipment was purchased to improve member access to training and enhance the quality of the training delivery. Equipment distributed across the State included data projectors to provide all Units with the capacity to use electronic training aids. All Units were also provided with high-quality adult and child mannequins to add realism to casualty handling during rescue training. To improve access to quality training aids for road crash rescue training, a statewide purchase of motor wrecks was conducted that achieved placement of vehicles at a number of locations. The 75 wrecks purchased will play an important role in providing realistic training and assessment in stabilisation, cutting and extrication skills needed for effective road crash rescue operations.

Training Capability

To enhance the ability of Units to be self sufficient in providing training locally for a range of training programs, State Training Section coordinated 5 Unit Trainer courses across the State. The training programs were delivered by Melbourne University, with 47 volunteers attending from Units with little or no existing training capability. By completing this national competency standard for skills trainers, volunteers will now be able to take on this key role within their Unit.

Highlights

During a busy year for State Training Section, the following highlights stand out.

First Aid Program

This important training program underwent a number of enhancements during the year to improve access to the skills covered and improve internal capability to maintain them. A revised First Aid policy was released in September that incorporated a rolling update format over 3 years that will allow volunteers to keep their skills current more easily than through a full training course every 3 years. A policy was also developed on the use of cervical collars and defibrillators by volunteers during operations. The internally approved first aid trainers were also provided with revised training and assessment tools incorporating changes to Australian Resuscitation Council policies.

Traffic Control Training

In response to recognition by State Operations of the high risks involved with VICES volunteers assisting police at traffic control points, a tender process was completed during the year to locate a high-quality training provider for Traffic Control training. The extensive tender process attracted a large number of quality submissions allowing State Training Section to select a provider with capacity to provide statewide delivery of a professional training program, aligned to the national competency standard. Implementation of the training program across the State will commence with a pilot course to be conducted in 2008.





Contribution to National Initiatives

Volunteers from the Ballarat Unit competed in the National Disaster Rescue Competition held in Perth in November 2007. The Unit won the award for the best first aid responders in the competition.

Phase 2 of the Public Safety Training Package

VICSES is represented on the National Education and Training Committee for all State and territory emergency services. This committee is chaired by the VICSES Manager of Training. The SES National Education and Training Committee (NETC) is considering whether volunteers would benefit from a more flexible qualifications pathway and greater emphasis on 'skilling for role' and skills maintenance, rather than being driven by a qualifications-only outcome.

This project is producing a new qualifications framework for the SES sector which includes skill sets, new and revised units of competency, updated qualifications, future contextualisation and industry standards. To date, there has been considerable consultation undertaken across the SES sector, including with both paid and volunteer personnel. This has identified the need to change qualifications and units based upon internal and external drivers within the sector. The revised national Public Safety Training Package is due for release in late 2009.

Emergency Management Australia (EMA) Skills Series Manuals

VICSES provided expertise to the rewriting of the national Australian Emergency Management Manual for Road Rescue published by Emergency Management Australia. This manual is part of a series of national best practice manuals that provide fundamental technical principles that State and territory emergency services can customise for local training.

Future Projects

The foundations have been laid during the reporting period for a number of future projects that are expected to be completed during the next financial year.

Rescue Skills Training

Following an extensive consultation process on the content of the General Rescue training program, the future delivery of these important rescue skills is planned to be provided over 3 stages, fundamental rescue skills, general rescue skills and specialist rescue skills. The redevelopment of the training program and resources to reflect the 3 stages is expected to allow members to access other training programs more quickly. At the same time, the staged approach ensures important rescue skills are not lost from the Service.

TRAIN

The project to achieve transition to a new training management software application commenced during the year, with State Training Section working closely with the OIMS project team and CFA to identify system requirements. This work will inform the customisation of CFA's TRAIN training management software for the VICSES training environment. When implemented, the software is expected to provide staff and volunteers with improved tools for records management, course administration and training reporting.

AIIMS

VICSES, along with the other State and territory emergency services, has AIIMS as the means of managing operational activities. In Victoria, VICSES joins the CFA, DSE and the Metropolitan Fire and Emergency Services Board (MFESB) as users of AIIMS, which gives significant advantages in the management of incidents by using common terminology and systems.

The Department of Justice has funded a project to implement AIIMS in VICSES as a response to recommendations of the Victorian Bushfire Inquiry in 2003. Training has been conducted throughout the State for volunteers and staff in a range of skills necessary to implement AIIMS. Courses have been tailored to suit VICSES, and this year a course in managing floods using AIIMS has been developed and delivered to 22 staff. VICSES has also been involved in the development of joint training material with CFA and DSE. A total of 156 personnel from VICSES have attended AIIMS courses in the past year. At the Controllers seminars this year, a short activity was included on the benefits of AIIMS, including a demonstration of some systems associated with AIIMS, which was well received.

Training Statistics

No. of competencies achieved by members during the year:	4224
No. of Qualified Assessors:	427
No. of Qualified Trainers:	642

Significant increases (%) in number of competent active members:

Maps & Navigation:	56%
AIIMS:	181%
AIIMS Staging Area:	121%
Working Safely at a CFA Incident:	33%
Land Search:	38%

Significant (%) totals of members with competency:

Manage Injuries at an Incident (F/A Level 2):	55%
Hazmat & CBR Awareness:	42%
General Rescue:	41%
Provide Emergency Care (F/A Level 1):	40%
Working Safely at CFA Incident:	44%

*Australasian Integrated Incident Management System is a framework for incident management used by emergency services across Australia

OUR PEOPLE



KEY STATISTICS

5,500
number of volunteers

92
FTE Staff

The 2007–08 year saw VICSES embark on the next stage of its development as a professional emergency service organisation keeping Victorian communities safe.

People Development

To achieve VICSES’ strategic directions and provide support to volunteer members, it is essential that the Service build a professional and motivated workforce that is committed to its values and policies, and equipped to meet the Service’s current and future demands. The recruitment and/or development of new skill sets, in conjunction with the leadership and management of individual and team performance is required, so that the Service outcomes can be achieved.

A key stage to this process was developing and implementing VICSES’ People Development Framework. This framework integrates and articulates the policies and processes for leading and managing our people, in a way that is aligned to and supports the Strategic Plan and values of the Service. We now have a recruitment system that ensures we attract and retain the best staff for a position. We appropriately induct people into the Service to ensure they are successful in their roles. The volunteer induction kit has proved very successful for Units by ensuring potential new members understand the requirements in becoming a VICSES member. This has contributed to the reduction in turnover of new members in some Units.

The Working Together One VICSES program was piloted in late 2007 and has been rolled out to 30 Units since February. This program was developed to assist Units in attracting and retaining volunteers from diverse backgrounds to better reflect the communities VICSES serves. This program also articulates the policies and procedures VICSES has in place to ensure all members or potential members are treated in a respectful and fair manner.

2007–08 saw the implementation of the VICSES specific performance management system for staff. This process has facilitated individual and organisational learning, by identifying development opportunities, and ensuring these opportunities are realised. The new performance management system enables VICSES to focus on activities aligned to the strategic directions of the service, which will ensure better outcomes for members.

All managers at VICSES completed the Leading One VICSES program in 2008. This leadership program has supported the managers' development to ensure the service has the strategic capabilities to take it to the next stage of the service's development.

A taskforce has reviewed and developed a revised Code of Conduct for volunteer members that better represents the values, behaviours and policies of all members at VICSES and will become the minimum by which we operate. This code of conduct will support the development of a new level of member satisfaction.



MEDIA LIAISON OFFICER

TRAINING PROGRAM UP & RUNNING ACROSS THE STATE

On 13 May 2008, the Emergency Services Commissioner, Mr Bruce Esplin, officially launched the new VICSES Media Liaison Officer Training Program. The first course was attended by 11 volunteers from VICSES and Australian Volunteer Coastguard, and was extremely well received by all participants. Two further courses were held in June, resulting in 28 volunteers being media trained by the end of the 2007–08 financial year. During the training, volunteers participate in a number of practical exercises that simulate real television and radio interviews, and learn strategies for promoting their Unit to the local media. The VICSES Media Liaison Officer Training is an ongoing training program and will continue to run in all Regions over the next financial year.

Workplace Safety

The key objective when establishing the Human Resources Department in 2007 was to develop an OH&S Management System that would integrate VICSES' activities with compliance to OH&S Act 2004, OH&S Regulations 2007, and relevant codes of practice and Australian standards. The VICSES Board and Executive are well aware of their duty of care to members and, whilst significant work had been undertaken to identify risks and to eliminate these risks through training and standard operating procedures, there were still gaps in compliance. VICSES members operate in a unique environment that has little resemblance to other worksites or businesses. Added to this complexity, the members are often the only people who have the ability and the willingness to respond to major hazards or dangers, and hence eliminate risks for others in the community. It is for this very reason that volunteers must be trained in realistic and complex situations that reflect the unusual hazards in order to prepare them for the challenges they may face in an operation.

A significant issue for VICSES is there is an increasing strain on volunteers and they must be trained to rising standards as they are required to devote more time to becoming competent in the use of increasingly sophisticated equipment and reporting tools. Compounding this issue is the prediction that rural communities will continue to decline and research identifies an increase in the age of the general population. The demands of the community and the need to support their safety will not diminish and research predicts demand may increase for VICSES services with the impacts of climate change.

The People Committee (a VICSES Board committee) and the State OH&S Committee have worked closely with the Director Human Resources in developing the policies, procedures and templates for the new OH&S Management System. This system is now complete and will be launched in July 2008. The OH&S strategy, which is linked to VICSES People Management strategy, will be an ongoing program and, given the number of volunteers VICSES has in the various locations across the State, the implementation of this multifaceted program will take up to 5 years before it is embedded into current systems and VICSES reaches the desired safety culture.

Chaplaincy

There are currently 6 ordained Ministers of Religion providing chaplaincy services to VICSES volunteers across the State. The Chaplains are:

Pastor Don Varcoe
Father David Turner
Jean Smart
Major Walter Smart
Major Arthur Ford
Ken Rookes

The Chaplains are on-call at all times and are dedicated to being available to all volunteers and Units who request their services.



AWARD

WINNING EXHIBITION AT ROYAL MELBOURNE SHOW

VICSES was the proud winner of second prize for best Government exhibition at the 2007 Royal Melbourne Show. The VICSES exhibit was focused on Driver Reviver and flood education, and included a mock-up Driver Reviver site serving Billy Tea and a sandbag filling activity for children. FloodSmart information was displayed around the exhibit to advise families of how to prepare for floods. Receiving second prize was a great achievement for VICSES given the high standard of innovative and exciting displays in the Government Pavilion.

This financial year, VICSES has introduced a new Chaplain for the Central Region who is now actively engaged in supporting Central Region volunteers. The Chaplaincy is currently looking at the possibility of a Chaplain being available for each individual VICSES region. There are currently 3 Chaplains within VICSES who are maintaining their service to us while still being active as Church Ministers, and we would like to thank them for their service. Unit and personal visits have kept the Chaplains busy over the past 12 months – weddings have been celebrated, baptisms conducted and funerals attended. There have also been many special blessings of trucks, boats and buildings, and a number of VICSES events have been opened with special prayers.

Chaplains from all regions have also conducted many hospital visits throughout the State. These hospital visits are an important part of the Chaplains' service, letting volunteers and their families know that they are remembered in their time of need.

Major Walter Smart
MBE OAM
Senior State Chaplain



NEW HEAVY RESCUE TRUCKS DELIVERED

Eight VICSES Units received new Hino heavy rescue vehicles as part of the ongoing VICSES truck replacement program. The new trucks allow for equipment to be easily stored and accessed, and can generate electrical power and compressed air from their hydraulics systems so volunteers no longer need to carry dedicated power or air compression equipment. The VICSES truck replacement program replaces Service-funded rescue trucks that have reached the end of their useful life through a program of replacement and relocation of assets. The program is funded by the State Government through the ERC process, which gives VICSES funds for the implementation of capital projects. The 2007–08 program also commissioned a further 6 medium rescue trucks for VICSES Units across the State.

Honours & Awards

Award	Name	Unit
Emergency Services Medal	Graeme Jackman	Torquay
Commendation for Bravery	Steve Monks	Horsham
Commendation for Bravery	Hugh Widdowson	Horsham
Commendation for Service	Meg Sleeman	Horsham
CEO Award	Eric Doherty	Mid West RHQ
CEO Award	Michael Hellwege	Mildura
CEO Award	Kerang Unit	Kerang
CEO Award	Kenneth Hubbard	Mildura

National Medals	No. of Recipients
National Medal 15 years diligent service	57
1st Clasp 25 years diligent service	38
2nd Clasp 35 years diligent service	7
3rd Clasp 45 years diligent service	2

Long Service Medals	No. of Recipients
10 years	81
15 years	53
20 years	38
25 years	32
30 years	23
35 years	3



The 2007–2008 year has been both very busy and very exciting for Corporate Services. Some of the highlights have been:

Information Technology

The Output Price Review provided funding to implement a number of systems within VICSES in order to improve both operational information management and corporate systems. To facilitate these implementations, the Connect.IT project was established in September 2007. The project will continue into 2009, but to June 2008 has reached significant milestones:

- Implementation of Stage 1 SAP Financial and Assets Corporate System
- Significant development of the Operational Information Management System (OIMS) and the transition and roll-out strategy
- Roll-out of broadband to all Units

In addition to these achievements, the IT department has also upgraded some of the servers.

Finance

- As part of VICSES' transition to a Statutory Authority, a one-line grant with Department of Justice (DOJ) has been negotiated effective 1 July 2008. This will allow VICSES to manage and allocate funds to appropriately meet the organisation's needs
- VICSES partnered with MFB to implement the corporate finance and assets system, SAP, for which funding was received from The Output Price Review

The SAP project team has put tremendous effort into the planning, testing and training stages of this project to ensure a smooth implementation and a go-live date of 1 July 2008. The success of this project was largely due to the collaborative efforts of Department of Justice, the VICSES Finance team, MFB staff and the Connect.IT team.



The introduction of SAP will provide all business Units with the ability to better manage their budgets and make decisions based on online, real-time, accurate information. This system will also provide the ability to purchase goods and services with a greater deal of autonomy using SAP's purchase requisition, approval, ordering and goods receipting functions.

Assets and Infrastructure

This year has seen a number of significant achievements in the Assets and Infrastructure area. In particular:

- Establishment of the State Logistics Centre, which was officially launched in April 2008.
- Development of a co-ordinated assets replacement program and the 10-year multi-year asset and infrastructure strategy for capital investment
- Completion of an Asset Audit and Fixed Asset Reconciliation
- As part of the SAP corporate system, the implementation of Phase 1 of SAP for Purchasing and Assets

Governance

- Continue to improve compliance with the Financial Management Compliance Framework
- Continue to improve the Risk Management Framework
- Continue the internal audit program

The Year Ahead

2008–2009 also promises to be very busy as we continue to implement and improve systems, policies and procedures to strengthen VICSES' Corporate Services:

- Continue to review and enhance the Risk Management Framework and risk register to ensure governance and legislative requirements are met
- Continue to implement improvements to ensure the requirements of the Financial Management Compliance Framework are met
- Develop an investment policy and arrange appropriate investment of funds
- Bring the VICSES Payroll function in house by 1 July 2009
- Implement Phase 2 of the asset management system through SAP
- Develop and implement a business framework for Units' financial management procedures including the reporting of Unit cash balances
- Continue the project building works with both the development of new and refurbishment of existing VICSES Local Headquarters and training facilities
- Establish a video conferencing facility
- Roll out the Operational Information Management System (OIMS)



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 7 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 interests and duty owed to VICSES.

Board Committees

The Board has incorporated into its management structure a Governance, Finance and Audit Committee, and a People 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. The People Committee is chartered to provide the Board more detailed consideration to specific human resource/occupational health and safety related strategic and/or policy matters.

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 2007–2008. 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 2007–2008 year.

National Competition Policy

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

Victorian Industry Participation Policy (VIPP)

In accordance with 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. This regionally based contract totalled \$1.09M in 2007–2008.

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.

FUNDING & 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	\$490,000	Equipment, in kind
OESC	\$215,000	Training & recruitment
EMA	\$296,992	Operations & recruiting
OESC	\$860,000	Various
BUSHELLS	in kind support	Driver Reviver
HOLDEN	in kind support	Road Crash Rescue Training



SAP FINANCIAL MANAGEMENT SYSTEM GOES LIVE

SAP, the new corporate finance and asset management system for VICSES, was successfully implemented late in 2007–08. Implementation of SAP was achieved as a result of strong partnerships and support from the MFB and the DOJ. The SAP system was funded through the Output Price Review, and provides VICSES with a more robust financial management system that is better suited to an emergency services context, and is able to meet the complex and varied needs of a dynamic organisation like VICSES. The system has allowed VICSES to start managing its own bank account and ledger, and provides an independent financial and asset management operating system that is specifically tailored to the needs of our organisation.

COMMITTEES

& TASKFORCES

Committees

Committee	Dept
EXTERNAL COMMITTEES – State Government	
Victoria Emergency Management Council	OESC
VEMC Coordination Group (Subcommittee of VEMC)	OESC
Emergency Management Training Committee (Subcommittee of VEMC)	OESC
Municipal Emergency Management Enhancement Group (MEMEG) (Subcommittee of VEMC)	MAV
State Flood Policy Committee (Subcommittee of VEMC)	DSE
State Emergency Mitigation Committee	OESC
State Risk Assessment Subgroup (Subcommittee of State Emergency Mitigation Committee)	OESC
State Emergency Response Planning Committee	VicPol
Communications Subcommittee (Subcommittee of State Emergency Response Planning Committee)	VicPol
Emergency Relief Subcommittee (Subcommittee of State Emergency Response Planning Committee)	VICSES
Media Sub-committee (Subcommittee of State Emergency Response Planning Committee)	VicPol
Medical and Health Subcommittee (Subcommittee of State Emergency Response Planning Committee)	DHS
Registration Subcommittee (Subcommittee of State Emergency Response Planning Committee)	Aust. Red Cross Vic.
Road Rescue Committee (Subcommittee of State Emergency Response Planning Committee)	VicPol
Agriculture Subgroup (Subcommittee of State Emergency Response Planning Committee)	VicPol
State Emergency Recovery Planning Committee	DHS
VICSES MEMP Improvement Strategy Group (Subcommittee of MEMPC)	VICSES
Municipal Emergency Management Plan Audit Process Review Committee	VICSES
Statewide Emergency Telecommunications and Technology Steering Committee (SETTSC)	DOJ
ESTA Advisory Committee	ESTA
EAS Contract Management Group	ESTA
Emergency Management Manual Victoria Strategy Group	OESC
Victorian Bushfire Inquiry Coordination Group	OESC
Emergency Management Training Forum (Subcommittee of EMTC)	OESC
Road, Air, Industrial and Rail (RAIR) Rescue Arrangements Victoria – Multi-agency Working Party	OESC
Marine Search and Rescue Arrangements Victoria – Multi-agency Working Party	OESC

Committee	Dept
State Multi-agency CSESP Panel	OESC
Victorian Flood Warning Consultative Committee (VFWCC)	BOM
Metropolitan Flood Warning Arrangements Subcommittee (Subcommittee of VFWCC)	Melbourne Water
Financial Officers Group	DOJ
DOJ Multi-Year Strategy Steering Committee	DOJ
Bureau of Meteorology and VICSES Working Party	VICSES
Regional Communications Working Group	BEST
State Data Applications Working Group	BEST
ESTA Multi-agency Operations Committee	ESTA
ESTA and VICSES Operations Working Group	ESTA
EAS Contract Management Group	ESTA
EAS Operations Committee	ESTA
Victorian Emergency Services GIS User Group	ESTA
Victorian Work Cover Authority ESO Reference Group	WorkSafe
ESM Assessment Panel	OESC
CALD Emergency Services Network	OESC
Melbourne CBD Safety Plan Reference Group	

REGIONAL COMMITTEES

Southern Metropolitan Regional Management Forum	DHS
Control Room Committee – NSW & VIC	NSW Pol
Eastern Metropolitan Regional Management Forum	DTF
Northern and Western Metropolitan Regional Management Forum	DPCD
Grampians Regional Management Forum	VicPol
Gippsland Regional Management Forum	DOI
Hume Regional Management Forum	Sponsored by Sec

DPC

Regional Assets & Infrastructure Subgroup (Subcommittee of Hume RMF)	Rotational Chair
Loddon Mallee Regional Management Forum	DOJ
Municipal Emergency Management Planning Committee (MEMPC) (1 per municipality – 79)	Local Govt
Gippsland Emergency Relief Committee (GERF)	Various

Committee	Dept
AFAC/ACSES COMMITTEES	
National Emergency Communications Working Group	Qld Police
AFAC Emergency Management Operations Group	AFAC
AFAC National PPC&E Standards Committee	AFAC
AFAC Collaborative Purchasing Group	AFAC
AFAC Operational Services Rural Land Management Subgroup (Subcommittee of AFAC Operational Services Committee)	AFAC
AFAC OSSG - Urban Land Management Subgroup (Subcommittee of AFAC Operational Services Committee)	AFAC
AFAC Learning and Development Group	AFAC
AFAC Vehicle Fleet Forum	AFAC
Urban Operational Services Group	AFAC
ACSES National Equipment Committee	ACSES
ACSES Operations Subgroup (Subcommittee of AFAC Operations Work Group)	ACSES
ACSES Performance Indicators Working Group	ACSES
ACSES Media & Communications Committee	ACSES
OTHER EXTERNAL COMMITTEES	
Police and Emergency Services Games Committee	VicPol
IMFMP Steering Committee	CFA
State USAR Coordination Unit	MFB
State USAR Steering Committee	
State CBR Emergency Planning Committee	MFB
State CBR Training Working Group (Subcommittee of State CBR Emergency Planning Committee)	MFB
State Catering Subcommittee	Australian Red Cross Victoria
RMIT Program Advisory Committee	RMIT
Public Relations Institute of Australia (PRIA) Events Committee	PRIA
Joint Media Committee for Public Information	VicPol
Royal Melbourne Show Emergency Services Committee	Info. Victoria
State Collocations Steering Committee	
INDEPENDENT BODIES	
NETC National Education & Training Committee	
Emergency Services Foundation	ESF Board
Emergency Services Foundation Alumni (Subcommittee of ESF Board)	ESF Board
Australasian Road Rescue Organisation (ARRO)	
Represent Victoria on AEMC Tsunami Workgroup	



BROADBAND

INTERNET ROLLED OUT TO ALL VICSES UNITS

The VICSES broadband roll out was completed in December 2007. In an Australian first, all VICSES Units now have access to fully funded, high-speed broadband infrastructure. The VICSES network, provided by Pacific Internet, is the first time an Australian volunteer organisation has provided all Unit locations with standardised computers and high-speed connectivity. The new broadband network will ensure all Units have quick and reliable access to important operational information such as weather maps, flood and storm updates and other emergency services' websites.

Committee	Dept
INTERNAL COMMITTEES – VICSES	
Training Reference Group	Mgr State Training
State Awards Committee	PR
Driver Reviver Taskforce	PR
State OH&S Committee	Dir HR
Peer Support Group	Dir HR
CERM Review Reference Group	EMS
AllMS Operations Advisory Group	Mgr State Training
Controller Seminar Working Committee x 2	Mgr State Training

Taskforces

Taskforce	Established
Unit Structures and Management Taskforce	Sept 07
Generic Project Design Group Taskforce	Oct 07
Corporate Services Communications & Customer Focus Group Taskforce	Oct 07
Volunteer Code of Conduct Taskforce Charter	May 08
Recruitment, Retention & Recognition Taskforce	June 08

FINANCIAL

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Audit Report

Victoria State Emergency Service Authority Financial Statements

FOR THE YEAR ENDED 30 JUNE 2008

Report on Operations

The Board of the Victoria State Emergency Service Authority presents its report, financial statements, and the audit report thereon, for the year ended 30 June 2008.

Board Members

At the date of this report the following persons were Board members during the financial year:

C Higgins	L Russell
H Dyson	R Jones
B Yeoh	D Vendy
J Mason	

Principal Activities

The principal activities of the Victoria State Emergency Service Authority are to provide emergency management planning, auditing of municipal management plans, emergency response to floods, earthquakes and storms, rescue services to other emergency agencies, and to assist with rescue operations on land and water.

Operating Result

The Victoria State Emergency Service Authority is currently funded by appropriations from Government on an accruals basis. Using accrual accounting principles there was an operating surplus of \$847,000 for the period 1 July 2007 to 30 June 2008 which includes a surplus of \$547,000 from operations under the Victoria State Emergency Service Volunteer Trust Fund. The surplus from Trust Fund operations relates mainly to income received from the Community Safety and Emergency Support Fund.

Review of Operations

A review of the activities of the Victoria State Emergency Service Authority during the period 1 July 2007 to 30 June 2008 is covered in the Board's review of operations contained in this Annual Report.

State Affairs

In the opinion of the Board, there were no significant changes in the state of affairs of the Victoria State Emergency Service Authority that occurred during the period under review not disclosed in this report or the financial statements.

Events Subsequent to Balance Date

Following agreement with Department of Treasury and Finance and the Department of Justice, the Victoria State Emergency Service Authority will be recognised as a separate budget entity by the Department of Treasury and Finance effective from 1 July 2008. As a result, the Authority will have full discretion for any funding received by the Authority. This post balance date change has no impact on the reported financial result or position of the Authority for the year under report.

There has not arisen any other item, transaction or event of a material and 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.

Board Members' Benefits

During the period 1 July 2007 to 30 June 2008 no member of the Board has received or become entitled to receive any emoluments by reason of a contract made by the Authority with a Board member or with a firm of which the Board member is a member or with a company in which a Board member has a substantial interest other than in the ordinary course of business. Remuneration of responsible persons, including Board members, is disclosed in Note 14 to the financial statements.

Signed at Melbourne on 4 September 2008 in accordance with a duly recorded resolution of the Board



Claire Higgins
CHAIRPERSON

Operating Statement

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

	Notes	2008 \$'000	2007 \$'000
Income			
Grant income from government	2(a)	26,655	20,768
Resources received free of charge or for nominal consideration	2(b)	0	39
Investment Income	2(c)	185	106
Other income	2(d)	1,035	842
Total Income		27,875	21,755
Expenses			
Employee benefits	2(e)	10,429	7,646
Depreciation and amortisation	2(f)	3,256	3,678
Grants and other payments	2(g)	797	730
Supplies and services	2(h)	12,216	6,604
Finance costs	2(i)	228	228
Other expenses	2(j)	102	187
Total Expenses		27,028	19,073
Net result for the period		847	2,682

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

Balance Sheet

AS AT 30 JUNE 2008

	Notes	2008 \$'000	2007 \$'000
Current assets			
Cash and cash equivalents	18	236	198
Receivables	4	8,725	8,761
		8,961	8,959
Non-current assets classified as held for sale	5	287	17
Total current assets		9,248	8,976
Non-current assets			
Property, plant and equipment	6	23,462	20,006
Total non-current assets		23,462	20,006
Total assets		32,710	28,982
Current liabilities			
Payables	7	2,791	3,234
Interest bearing liabilities	8	2,383	1,731
Provisions	9	1,726	1,920
Total current liabilities		6,900	6,885
Non-current liabilities			
Interest bearing liabilities	8	1,181	1,856
Provisions	9	165	167
Total non-current liabilities		1,346	2,023
Total liabilities		8,246	8,908
Net assets		24,464	20,074
Equity			
Contributed capital	10(a)	22,342	18,799
Accumulated surplus/(loss)	10(b)	2,122	1,275
Total equity		24,464	20,074
Commitments for expenditure	11		
Contingent liabilities and contingent assets	12		

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 2008

	Notes	2008 \$'000	2007 \$'000
Total equity at the beginning of the financial year		20,074	19,016
Adjustment on change in accounting policy:			
Accumulated surplus		0	(2,396)
Net income recognised directly in equity		20,074	16,620
Net result for the period	10(b)	847	2,682
Total recognised income and expense for the period		847	2,682
Transactions with the State in its capacity as owner	10(a)	3,543	772
Total equity at the end of the financial year		24,464	20,074

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

Cash Flow Statement

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

	Notes	2008 \$'000	2007 \$'000
Cash flows from operating activities			
Receipts from Government		26,818	17,869
Receipts from other entities		908	842
Payments to suppliers and employees		(23,385)	(12,998)
Payments of grants		(797)	(730)
Interest received		185	106
Interest and other costs of finance paid		(228)	(228)
Net cash provided by / (used in) operating activities	18(b)	3,501	4,861
Cash flows from investing activities			
Payments for property, plant and equipment		(6,124)	(5,285)
Net cash provided by / (used in) investing activities		(6,124)	(5,285)
Cash flows from financing activities			
Proceeds from capital contributed by owners		3,543	721
Repayment of finance leases		(882)	(291)
Net cash provided by / (used in) financing activities		2,661	430
Net increase / (decrease) in cash held		39	6
Cash and cash equivalents at the beginning of the year		198	192
Cash and cash equivalents at the end of the financial year	18(a)	236	198

Cash flows are included in the cash flow statement net of GST.

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 2008

Note 1. Summary of Accounting Policies

Statement of compliance

The financial report is a general purpose financial report which has been prepared on an accrual basis in accordance with the *Financial Management Act 1994*, Australian Accounting Standards (AAS), interpretations and other mandatory professional requirements.

The financial report also complies with relevant Financial Reporting Directions (FRD's) issued by the Department of Treasury and Finance, and Standing Directions (SD) authorised by the Minister of Finance.

Basis of preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

In the application of AAS 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.

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 report for the year ended 30 June 2008 and the comparative information presented for the year ended 30 June 2007.

Accounting Policies

(a) Reporting Entity

The financial statements include all the controlled activities of the Victoria State Emergency Service Authority (the Authority).

The financial statements do not include transactions and balances of individual SES Volunteer Units.

(b) Objectives and funding

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 and sponsorship.

(c) Goods and services tax

For the purposes of Goods and Services Tax (GST), the Authority remains part of the Department of Justice. The Department of Justice submits its B.A.S. inclusive of the Authority's transactions. The financial statements of the Authority disclose the revenues, expenses and assets recognised net of GST, except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances the GST is recognised as part of the cost of acquisition of an asset or as part of an item of expense.

Receivables and payables are stated exclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the Department of Justice financial statements.

Cash flows are included in the cash flow statement on a net basis. The GST components of cash flows arising from investing and financial activities which are recoverable from, or payable to, the ATO are classified as operating cash flows in the Department of Justice financial statements.

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

(d) Interest bearing liabilities

Interest bearing liabilities are recorded initially at fair value, net of transaction costs.

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 profit and loss over the period of the interest bearing liability using the effective interest method.

(e) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank.

(f) Contributions by owners

Consistent with UIG Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* appropriations for additions to net assets have been designated as contribution by owners. Other transfers that are in the nature of contributions or distributions have also been designated as contribution by owners.

(g) Depreciation

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. 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.

Buildings and leasehold improvements	40 years
Plant and equipment	3 to 10 years

(h) Employee benefits

(i) Wages and salaries, annual leave and sick leave

Liabilities and salaries, including non-monetary benefits, annual leave and accumulating sick leave 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 current liabilities, measured at 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

Current liability - unconditional LSL is disclosed 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.

This non-current LSL liability is measured at present value.

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

Superannuation

Defined contribution plan

Contributions to defined contribution plans are expensed when incurred.

Defined benefit plans

The amount charged to the operating statement in respect of defined benefit plan superannuation represents the contributions made by the Authority to the superannuation plan in respect to the current services of current staff. Superannuation contributions are made to the plans based on the relevant rules of each plan.

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

Employee benefits on-costs

Employee benefits on-costs (payroll tax, workers compensation, superannuation, annual leave and LSL accrued while on LSL taken in service) are recognised separately from provision for employee benefits.

(i) Functional and presentation currency

The functional currency of the Authority is the Australian dollar, which has also been identified as the presentation currency of this Authority.

(j) Impairment of assets

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested annually for impairment (ie. as to whether their carrying value exceeds their recoverable amount) and whenever there is an indication that the asset may be impaired. All other assets are assessed annually for indications of impairment, except for non-current assets held for sale (refer note 1(q)).

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an assets carrying value exceeds it recoverable amount, the difference is written off by a charge to the operating statement except to the extent that the write-down can be debited to an asset revaluation reserve amount applicable to that class of asset.

The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. The recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell. 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.

(k) Intangible assets

Intangible assets represent identifiable non-monetary assets without physical substance.

Intangible assets are recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the Authority.

Intangible assets with finite useful lives are amortised on a straight-line basis over the asset's useful life.

Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each annual reporting period. In addition, an assessment is made at each reporting date to determine whether there are indicators that the intangible asset concerned is impaired. If so, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount.

(l) Supplies and services

Supplies and consumables are expensed as incurred.

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

(m) Expenses

Grants and other payments

Grants and other payments 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.

Employee benefits

Employee benefits expenses include all costs related to employment including wages and salaries, leave entitlements, redundancy payments and superannuation contributions. These are recognised when incurred, except for contributions in respect of defined benefit superannuation plans.

(n) Leased assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Authority at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease.

The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligations so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Finance lease assets are amortised on a straight-line basis over the estimated useful life of the asset.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

(o) Non-current 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.

(p) Non-current physical assets

Land and buildings are measured at fair value. Plant, equipment and vehicles are measured at cost less accumulated depreciation and impairment.

Crown land is 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 land, public announcements or commitments made in relation to the intended use of the land. Theoretical opportunities that may be available in relation to the assets are not taken into account until it is virtually certain that the restrictions will no longer apply.

Change in accounting policy

On 1 July 2007 the Authority changed its accounting policy in relation to its asset capitalisation threshold increasing it from \$1,000 to \$5,000. Implementing this policy will provide operational efficiencies and increased budget flexibility.

The change in policy has been applied retrospectively and comparative information in relation to the 2007 financial year has been restated accordingly. Due to the immaterial impact on depreciation expense, disclosed in the operating statement, no retrospective changes have been applied to the affected operating statement line item but the total balance has been adjusted to accumulated surplus. The following table shows how the change in the asset capitalisation threshold impacted comparative balances:

Balance Sheet (extract)

	30 June 2007 \$'000	Increase / (Decrease) \$'000	2007 Restated \$'000
Property, Plant & Equipment	22,402	(2,396)	20,006
Total Assets	22,402	(2,396)	20,006
Accumulated surplus/(deficit)	3,671	(2,396)	1,275
Total Equity	3,671	(2,396)	1,275

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

(q) Non-current assets held for sale

Non-current assets (and disposal group) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets and disposal groups are 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 (or disposal group) is expected to be completed within one year of classification.

(r) Payables

Payables are recognised when the Authority becomes obliged to make future payments resulting from the purchase of goods and services.

(s) Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

When some or all of the economic benefits required to settle a provision are expected to be recognised from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

(t) Resources provided and received free of charge or for nominal consideration

Contributions of resources and resources provided free of charge or for nominal consideration are recognised at their fair value. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated.

(u) Revenue recognition

Amounts disclosed as revenue are, where applicable, net of returns, allowances and duties and taxes.

Revenue is recognised for each of the Authority's major activities as follows:

Output revenue

Revenue 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.

Assets received free of charge

Assets received free of charge are recognised as income on receipt.

Interest income

Interest income is recognised as it accrues.

Other income

Other income received by the Authority, including Trust Fund income, is recognised on receipt.

(v) Revaluations of non-current assets

Non-current physical assets measured at fair value are revalued with sufficient regularity to ensure that the carrying amount of each asset does not differ materially from its value. This revaluation process normally occurs every five years.

Revaluation increments are credited directly to equity in the revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the net result, the increment is recognised as income in determining the net result.

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in the revaluation reserve in respect of the same class of assets, they are debited to the revaluation reserve.

Revaluation increments and revaluation decrements 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.

Revaluation reserves are not transferred to accumulated surplus on derecognition of the relevant asset.

(w) Rounding of amounts

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

(x) Receivables

Receivables consist predominantly of debtors in relation to goods and services.

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

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

(y) Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources and are disclosed at their nominal value.

(z) 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.

(aa) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2008 reporting period. The Department of Treasury and Finance assesses the impact of these new standards and advises departments and other entities of their applicability and early adoption where applicable.

As at 30 June 2008, the following standards and interpretations (applicable to departments and authorities) had been issued but were not mandatory for financial year ending 30 June 2008. The Authority has not, and does not intend to, adopt these standards early.

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on authority financial statements
AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 and AASB 1038].	An accompanying amending standard, also introduced consequential amendments into other Standards	Beginning 1 Jan 2009	Impact expected to be insignificant.
AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101	Editorial amendments to Australian Accounting Standards to align with IFRS terminology	Beginning 1 Jan 2009	Impact expected to be insignificant.

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

Note 2. Net result from operations

	2008 \$'000	2007 \$'000
Income		
(a) Income from Government		
Grant Income - Department of Justice		
- Provision of Outputs	25,242	17,277
- Special Appropriations	84	70
- Community Safety and Emergency Support Program	471	1,589
- Valuing Volunteer Emergency Services Workers	215	346
- Other	165	1,146
Grant income - Other State Govt Departments		
- Marine Safety Victoria	149	85
Grant Income - Commonwealth Govt		
- National Emergency Service Volunteer Fund	154	235
- Emergency Management Australia	175	20
	26,655	20,768
(b) Resources received free of charge or for nominal consideration		
Assets received free of charge or for nominal consideration	0	39
(c) Investment Income		
Interest	185	106
(d) Other Income		
Sponsorship	369	607
Donations	75	44
Gain/(loss) on disposal of property, plant and equipment	16	1
Contributions by Units to CSESP	555	188
Other	20	2
	1,035	842
Expenses		
(e) Employee benefit expense		
Salary and wages	6,996	5,465
Superannuation	681	545
Annual leave and long services leave	561	558
Other on-costs (fringe benefits tax, payroll tax and Workcover levy)	630	488
Staff Training	1,453	590
Other	108	0
	10,429	7,646
(f) Depreciation and amortisation expense		
Buildings depreciation	140	135
Plant and equipment depreciation	2,125	2,721
Leasehold improvements amortisation	126	98
Leased plant and equipment amortisation	865	724
	3,256	3,678
(g) Grants and other payments		
Grants to local government	797	719
Grants to Victoria Emergency Service Association	0	10
Grants to private organisation	0	1
	797	730

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

	2008 \$'000	2007 \$'000
(h) Supplies and Services		
Contractors and professional services	1,538	413
Accommodation and property services	2,146	2,005
Travel and personal expenses	604	347
Printing, stationery and other office expenses	856	353
Postage and communication expenses	781	435
Vehicle expenses	1,033	779
Technology services costs	2,148	433
Protective clothing	884	965
Emergency rescue equipment	1,871	757
Other	355	117
	12,216	6,604
(i) Finance Costs		
Interest on obligations under finance lease	225	227
Other finance costs	3	1
	228	228
(j) Other expenses		
Operating lease rental expenses	102	187

Note 3. Remuneration of auditors Victorian Auditor-General's Office

	2008 \$'000	2007 \$'000
Audit of the financial report	27	25

Note 4. Receivables

	2008 \$'000	2007 \$'000
Current		
Amounts owing from Victorian Government	8,131	8,588
Other receivables	594	173
	8,725	8,761

Note 5. Non-current assets held for sale

	2008 \$'000	2007 \$'000
Plant and equipment held for sale	287	17
	287	17

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

Note 6. Property, plant and equipment

(a) Property, plant and equipment

	2008 \$'000	2007 \$'000
Land		
Crown land		
At independent valuation 2005	2,454	2,454
	2,454	2,454
Buildings		
At cost	305	102
At independent valuation 2005	4,741	4,741
Less: Accumulated depreciation	(364)	(224)
	4,682	4,619
Capital works in progress	305	183
Leasehold improvements		
At cost	1,166	943
Less: Accumulated amortisation	(245)	(119)
	921	824
Total land, buildings, works in progress and leasehold improvements	8,362	8,080
Plant and equipment		
At cost	13,311	11,631
Less: Accumulated depreciation	(5,362)	(3,238)
	7,949	8,393
Plant and equipment construction in progress	3,894	0
Plant and equipment under finance lease - at cost	4,818	4,604
Less: Accumulated amortisation	(1,561)	(1,071)
	3,257	3,533
Total plant and equipment	15,100	11,926
Total property, plant and equipment	23,462	20,006

An independent valuation of the Authority's land and buildings was performed by the Valuer-General to determine the fair value of the land and buildings. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The valuation was based on independent assessments. The effective date of the valuation is 30 June 2005.

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

(b) Property, plant and equipment

	Land		Buildings		Leasehold Improvements	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Opening Balance	2,454	2,454	4,619	4,722	823	745
Additions	0	0	203	0	248	210
Capitalisation of completed assets	0	0	0	17	0	0
Disposals	0	0	0	0	(25)	0
Change in Accounting Policy (Net Book Value)	0	0	0	0	0	(7)
Net transfers free of charge	0	0	0	0	0	0
Net transfers contributed capital	0	0	0	0	0	0
Transfers between classes	0	0	0	15	0	(26)
Classified as held for sale	0	0	0	0	0	0
Depreciation/amortisation expense	0	0	(140)	(135)	(126)	(98)
Closing Balance	2,454	2,454	4,682	4,619	921	823

	Plant & Equipment		Leased Plant & Equipment		Capital Works in Progress	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Opening Balance	8,393	8,935	3,533	2,837	183	17
Additions	1,689	4,476	1,102	1,697	4,016	183
Capitalisation of completed assets	0	0	0	0	0	(17)
Disposals	(8)	(9)	(226)	(260)	0	0
Change in Accounting Policy (Net Book Value)	0	(2,389)	0	0	0	0
Net transfers free of charge	0	39	0	0	0	0
Net transfers contributed capital	0	51	0	0	0	0
Transfers between classes	0	11	0	0	0	0
Classified as held for sale	0	0	(287)	(17)	0	0
Depreciation/amortisation expense	(2,125)	(2,721)	(865)	(724)	0	0
Closing Balance	7,949	8,393	3,257	3,533	4,199	183

	Total	
	2008 \$'000	2007 \$'000
Opening Balance	20,006	19,710
Additions	7,258	6,566
Capitalisation of completed assets	0	0
Disposals	(259)	(269)
Change in Accounting Policy (Net Book Value)	0	(2,396)
Net transfers free of charge	0	39
Net transfers contributed capital	0	51
Transfers between classes	0	0
Classified as held for sale	(287)	(17)
Depreciation/amortisation expense	(3,256)	(3,678)
Closing Balance	23,463	20,006

Aggregate depreciation/amortisation allocated during the year is recognised as an expense and disclosed in note 2(f) to the financial statements.

Classification by 'Public Safety and Environment' Purpose Group.

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

Note 7. Payables

	2008 \$'000	2007 \$'000
Current		
Trade creditors	2,456	2,966
Fringe benefits tax	6	13
Salaries and wages	329	255
	2,791	3,234
(a) Maturity analysis of payables Please refer to note 19 for ageing analysis of payables		
(b) Nature and extent of risk arising from payables Please refer to note 19 for the nature and extent of risk arising from payables		

Note 8. Interest bearing liabilities

	Notes	2008 \$'000	2007 \$'000
Current			
Secured			
At amortised cost:			
Finance lease liabilities (i)	13	2,383	1,731
		2,383	1,731
Non Current			
Secured			
At amortised cost:			
Finance lease liabilities (i)	13	1,181	1,856
		1,181	1,856
(i) Secured by assets leased.			
(a) Maturity analysis of interest bearing liabilities Please refer to note 19 for ageing analysis of interest bearing liabilities			
(b) Nature and extent of risk arising from interest bearing liabilities Please refer to note 19 for the nature and extent of risk arising from interest bearing liabilities			

Note 9. Provisions

	Notes	2008 \$'000	2007 \$'000
Current			
Employee benefits (a)	9(a)		
Unconditional and expected to be settled within 12 months (b)		1,328	1,451
Unconditional and expected to be settled after 12 months (c)		116	162
		1,443	1,613
Provisions related to employee benefit on-costs			
Unconditional and expected to be settled within 12 months (b)		190	200
Unconditional and expected to be settled after 12 months (c)		93	108
		283	307
Total Current Provisions		1,726	1,920
Non-Current			
Employee benefits (a)	9(a)	144	144
Provisions related to employee benefit on-costs		21	23
		165	167

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

	2008 \$'000	2007 \$'000
(a) Employee Benefits (a) and related on-costs		
Current employee benefits		
Annual leave entitlements	513	504
Unconditional long service leave entitlements	930	1,109
	1,443	1,613
Non-current employee benefits		
Conditional long service leave entitlements	144	144
Total employee benefits	1,587	1,757
Current on-costs	283	307
Non-current on-costs	21	23
Total on-costs	304	330
Total employee benefits and related on-costs	1,891	2,087

(a) Provision for employee benefits consist of amounts for annual leave and long service leave accrued by employees, not including on-costs

(b) The amounts disclosed are nominal amounts

(c) The amounts disclosed are discounted to present values

(b) Movement in provisions	2008 \$'000	2007 \$'000
Opening balance	330	
Additional provisions recognised	121	
Reductions arising from payments/other sacrifices of future economic benefits	(147)	
Closing balance	304	
Current	283	
Non-current	21	

Note 10. Interest bearing liabilities

	Notes	2008 \$'000	2007 \$'000
(a) Contributions by owners			
Balance at beginning of the period		18,799	18,027
Capital contribution by Victorian State Government - Additions to net asset base		3,543	721
		22,342	18,748
Equity transfers within Government		0	51
Balance at end of financial year		22,342	18,799
(b) Accumulated surplus		2008 \$'000	2007 \$'000
Balance at beginning of the period		1,275	989
Adjustment on change in accounting policy	1(o)	0	(2,396)
Net result		847	2,682
Balance at end of financial year		2,122	1,275

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

Note 11. Commitments for expenditure

	Notes	2008 \$'000	2007 \$'000
(a) Capital expenditure commitments			
Not longer than 1 year		471	496
Longer than 1 year and not longer than 5 years		105	0
Longer than 5 years		0	0
Total capital expenditure commitments		576	496
(b) Outsourcing commitments			
Not longer than 1 year		436	0
Longer than 1 year and not longer than 5 years		104	0
Longer than 5 years		0	0
Total outsourcing commitments		540	0
(c) Lease commitments			
Finance lease	13	3,564	3,587
Non-cancellable operating lease	13	634	1,538
Total lease commitments		4,198	5,125
Total commitments for expenditure		5,314	5,621

All amounts shown in the commitments note are nominal value inclusive of GST.

Note 12. Contingent liabilities and contingent assets

Contingent liabilities

There were no contingent liabilities at balance date (2008 Nil, 2007 Nil)

Contingent assets

There were no contingent assets at balance date (2008 Nil, 2007 Nil)

Note 13. Leases

Leasing arrangements

Finance leases relate to equipment with lease terms of 3 years. The Authority has options to purchase the equipment for a nominal amount at the conclusion of the lease agreements.

Finance lease liabilities

	Minimum future lease payments		Present value of minimum future lease payments	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Not longer than 1 year	2,508	1,923	2,383	1,731
Longer than 1 year and not longer than 5 years	1,234	1,930	1,181	1,856
Minimum lease payments*	3,742	3,853	3,564	3,587
Less future finance charges	(172)	(266)	0	0
Present value of minimum lease payments	3,570	3,587	3,564	3,587

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

		Present value of minimum future lease payments	
	Notes	2008 \$'000	2007 \$'000
Included in the financial statements as:			
Current interest bearing liabilities	8	2,383	1,731
Non-current interest bearing liabilities	8	1,181	1,856
		3,564	3,587

*Minimum future lease payments includes the aggregate of all lease payments and any guaranteed residual

Non-cancellable operating leases		2008 \$'000	2007 \$'000
Not longer than 1 year		126	308
Longer than 1 year and not longer than 5 years		270	779
Longer than 5 years		238	451
		634	1,538

Note 14. Responsible Persons

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

The Hon. Bob Cameron, MP

Board Members

C Higgins	Chairperson	Appointed November 1, 2007
R Jones	Acting Chairperson	September 1 to October 31, 2007
L Russell		
B Yeoh		
H Dyson		
D Vendy		Appointed July 17, 2007
J Mason	Chairperson	Resigned August 31, 2007

Accountable Officer of the Victoria State Emergency Service Authority

Mary Barry - Chief Executive Officer

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

Remuneration

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

	2008 No.	2007 No.
Remuneration band		
\$1 - \$9,999	3	4
\$10,000 - \$19,999	3	3
\$20,000 - \$29,999	1	0
\$180,000 - \$189,999	0	1
\$210,000 - \$219,999	1	0
	8	8

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

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.

Note 15. 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 column in the table below in their relevant income bands. The total remuneration of executive officers includes base remuneration, which is shown in the second column, plus bonus payments, long-service leave payments, redundancy payments and retirement benefits.

	Total remuneration		Base remuneration	
	2008 No.	2007 No.	2008 No.	2007 No.
Income band				
Less than \$100,000	0	1	0	1
\$120,000 - \$129,999	0	0	1	0
\$130,000 - \$139,999	2	0	1	0
\$140,000 - \$149,999	0	1	1	1
\$150,000 - \$159,999	0	1	0	1
\$210,000 - \$219,999	1	0	0	0
Total numbers	3	3	3	3
Total amount	480,169	337,256	404,208	337,256

Note 16. Ex-gratia payments

The Authority did not make any ex-gratia payments for the period ending 30 June 2008. [2007: Nil]

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

Note 17. Subsequent Events

Following agreement with Department of Treasury and Finance and the Department of Justice, the Victoria State Emergency Service Authority will be recognised as a separate budget entity by the Department of Treasury and Finance effective from 1 July 2008. As a result, the Authority will have full discretion for any funding received by the Authority. This post balance date change has no impact on the reported financial result or position of the Authority for the year under report.

There has not arisen any other item, transaction or event of a material and 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 18. Notes to cash flow statement

(a) Reconciliation of cash

For the purposes of the cash flow statement, cash includes cash on hand and cash at bank. Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

	2008 \$'000	2007 \$'000
Cash (i)	236	198
(i) Includes Victoria State Emergency Service Authority Public Fund Account and petty cash on hand		

Cash received from the generation of revenue is generally paid into the State Government's bank account, known as the Public Account. Similarly, any expenditure, including those in the form of cheques drawn for the payment of goods and services to its suppliers and creditors are made via the Public Account. The process is such that, the Public Account would remit the cash required for the amount drawn on the cheques. This remittance by the Public Account occurs upon the presentation of the cheques by the suppliers or creditors.

The Public Account balances and transaction are managed on behalf of the Authority by the Department of Justice. The Public Account balances are not reported in the Authority's accounts.

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

	2008 \$'000	2007 \$'000
Net result for the period	847	2,682
Resources received free of charge or for nominal consideration	0	(39)
Depreciation and amortisation of non-current assets	3,256	3,678
Change in operating assets and liabilities:		
(Increase) decrease in receivables	35	(2,899)
Increase (decrease) in creditors and accruals	(442)	1,696
Increase (decrease) in provisions	(195)	(257)
Net cash from operating activities	3,501	4,861

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

Note 19. Financial Instruments

(a) Significant accounting policies

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.

(b) Table 19.1 Categorisation of financial instruments

			Carrying amount	
	Notes	Category	2008 \$'000	2007 \$'000
Financial assets				
Cash and cash equivalents	-	N/A	236	198
Receivables	4	Loans and receivables at amortised cost	8,725	8,761
Financial liabilities				
Payables (a)	7	Financial liabilities measured at amortised cost	2,785	3,222
Interest bearing liabilities	8	Financial liabilities measured at amortised cost	3,564	3,587

(a) The amount of payables disclosed here excludes statutory payable (ie. Fringe benefits tax)

(c) Credit Risk

Credit risk arises from the financial assets of the Authority, which comprise cash and cash equivalents and receivables. The Authority's exposure to credit risk arises from the potential default of 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 because the main debtor is the Victorian Government. For debtors other than government, it is the Authority's policy to only deal with entities with high credit ratings.

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 amount as indicated. The following table discloses the ageing only of financial assets that are past due but not impaired.

Table 19.2 Interest rate exposure and ageing analysis of financial assets

		Interest rate exposure				
	Weighted average effective interest rate	Carrying amount \$'000's	Fixed Interest Rate \$'000's	Variable Interest Rate \$'000's	Non-interest bearing \$'000's	Not past due and not impaired \$'000's
2008						
Receivables	6.90%	8,725	0	2,826	5,899	8,725
2007						
Receivables	6.08%	8,761	0	3,048	5,713	8,761

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

(d) Liquidity risk

Liquidity risk arises when the Authority is unable to meet its financial obligations as 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, make payments within 30 days from the date of resolution.

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

Maximum exposure to liquidity risk is the carrying amounts of financial liabilities.

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

Table 19.3 Interest rate exposure and ageing analysis of financial liabilities

		Interest rate exposure			
	Weighted average effective interest rate	Carrying amount \$'000's	Fixed Interest Rate \$'000's	Variable Interest Rate \$'000's	Non-interest bearing \$'000's
2008					
Payables	-	2,785	0	0	2,785
Interest bearing liabilities	6.75%	3,564	3,564	0	0
2007					
Payables	-	3,222	0	0	3,222
Interest bearing liabilities	6.53%	3,587	3,587	0	0

		Maturity dates (a)			
		Less than 1 month \$'000's	1 to 3 months \$'000's	3 months to 1 year \$'000's	1 to 5 years \$'000's
2008					
Payables		2,785	0	0	0
Interest bearing liabilities		1,273	349	886	1,234
2007					
Payables		3,222	0	0	0
Interest bearing liabilities		189	198	1,859	1,607

(a) The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities

(e) Market risk

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

(f) 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.

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

Note 20. Trust fund balances

The following is a list of cash and investments held and controlled by the Victoria State Emergency Service Authority as at 30 June:

	2008 \$'000	2007 \$'000
Controlled trusts		
Victoria State Emergency Service Authority Volunteer Trust Fund	3,472	3,142
	3,472	3,142

The Victoria State Emergency Service Authority Volunteer Trust Fund includes government grants and private donations to support SES Volunteer Units' capital and operational requirements.

No trust accounts have been opened or closed by the Authority during the period 1 July 2007 to 30 June 2008.

Note 21. Related parties

CL Higgins who is the Authority's chairperson is also a board member of Country Fire Authority.

During the financial year, the Authority and 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 of Finance have been considered and there are no matters to report.

Note 22. 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 benefits plan(s) provides benefits based on years of service and final average salary.

The Authority does not recognise any defined benefit liability in respect of the plan(s) 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 liabilities in its financial report.

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

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

Fund	Contribution paid for the year		Outstanding contribution at year end	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Defined benefits plans				
State Superannuation Fund - revised and new	157	181	0	0
Other	0	0	0	0
Defined contribution plans				
VicSuper	408	321	0	0
Other	116	44	0	0
Total	681	546	0	0

Statement of Board Members

In the opinion of the Members of the Board of the Victoria State Emergency Service Authority:

- (a) the accompanying financial statements comprising Operating Statement, Balance Sheet, Statement of changes in equity, Cash Flow Statement and Notes to and forming part of the financial statements are in accordance with the *Financial Management Act 1994*, including:
 - (i) complying with Australian Accounting Standards and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Authority's financial position as at 30 June 2008 and of the Authority's performance, as represented by the results of the operations and cash flows for the financial year ended on that date: and
- (b) there are reasonable grounds to believe that the Authority will be able to pay its debts as and when they become due and payable.

At the date of this Statement we are not aware of any circumstances that would render any particular included in the financial statements to be misleading or inaccurate.

Signed at Melbourne this 4th day of September 2008.



Claire Higgins
CHAIRPERSON

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

We certify that the attached financial report for the Victoria State Emergency Service Authority has been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian accounting standards and other mandatory professional reporting requirements.

We further state, that in our opinion, the information set out in the Operating Statement, Balance Sheet, Statement of Changes in equity, Cash Flow Statement and Notes to and forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2008 and financial position of the Authority at 30 June 2008.

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 report for issue on September 4, 2008.



Jeannene Stewart
DIRECTOR OF CORPORATE SERVICES

Victoria State Emergency Service Authority
Melbourne
4th September 2008



Mary Barry
CHIEF EXECUTIVE OFFICER

Victoria State Emergency Service Authority
Melbourne
4th September 2008

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 2008 of the Victoria State Emergency Service Authority which comprises the 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 finance and accounting 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 the 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 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 obtained is sufficient and appropriate to provide a basis for my audit opinion.

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 2008. 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 2008 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
11 September 2008


D D R Pearson
Auditor-General

Disclosure Index

The Annual Report of the Victoria State Emergency Service Authority is prepared in accordance with all 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

Charter & 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 & structure

FRD 22B	Organisational structure
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Financial and other information

FRD 10	Disclosure index
FRD 8A	Budget Portfolio Outcomes
FRD 12A	Disclosure of major contracts
FRD 15B	Executive officer disclosures
FRD 22B	Summary of the financial results for the year
FRD 22B	Significant changes in financial position during the year
FRD 22B	Operational and budgetary objectives and performance against objectives
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 22B	Occupational Health & Safety
FRD 22B	Employment and conduct principles
FRD 24B	Reporting of office-based environmental impacts
FRD 25	Victorian Industry Participation Policy Disclosures
FRD 29	Workforce Data Disclosure

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(c)	Compliance with AASs and other authoritative pronouncements
SD 4.2(c)	Compliance with Ministerial Directions
SD 4.2(c)	Accountable officer's declaration
SD 4.2(d)	Rounding of amounts
SD 4.2(f)	Compliance with Model Financial Report

Other disclosures in notes to the financial statements

FRD 9A	Departmental disclosure of administered assets and liabilities
FRD 11	Disclosure of ex-gratia payments
FRD 13	Disclosure of parliamentary appropriations
FRD 21A	Responsible person and executive officer disclosures

Legislation

Freedom of Information Act 1982

Building Act 1983

Financial Management Act 1994

Whistleblowers Protection Act 2001

Victorian Industry Participation Policy Act 2003

ABBREVIATIONS

& ACRONYMS

ACSES	Australian Council of State Emergency Services
AFAC	Australasian Fire Authorities Council
AIIMS	Australasian Inter-Service Incident Management System
AusSAR	Australian Search and Rescue
CAD	Computer Aided Dispatch
CBR	Chemical Biological Radiological
CFA	Country Fire Authority (Victoria)
CFS	Country Fire Service (South Australia)
CISM	Critical Incident Stress Management
CPSU	Community and Public Sector Union
CSESP	Community Safety Emergency Support Program
DHS	Department of Human Services
DSE	Department of Sustainability and Environment
EAS	Emergency Alerting System
EBA	Enterprise Bargaining Agreement
EMforVM	Emergency Management for Victorian Municipalities
ESTA	Emergency Services Telecommunications Authority
GIS	Geographic Information System
IMFMP	Integrated Municipal Fire Management Planning
MECC	Municipal Emergency Coordination Centre
MEMPs	Municipal Emergency Management Plans
MFESB	Metropolitan Fire and Emergency Services Board
MOU	Memorandum of Understanding
MSCEST	Ministerial Steering Committee for Emergency Services Telecommunications
NETC	National Education Training Committee
OH&S	Occupational Health and Safety
RAV	Rural Ambulance Victoria
RTO	Registered Training Organisation
SIPSaCS	Statewide Integrated Public Safety Communications Strategy
USAR	Urban Search and Rescue
VBI	Victorian Bushfire Inquiry
VESA	Victoria Emergency Service Association
VICPOL	Victoria Police
VICSES	Victoria State Emergency Service
VIPP	Victorian Industry Participation Policy
VVESW	Valuing Volunteer Emergency Service Workers

| 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
| 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 | WONTHAGGI | WOODEND |
| WOOMELANG | WYCHEPROOF | YACKANDANDAH | YARRAM |
| YARRAWONGA



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