



Level 9  
State Administration Centre  
200 Victoria Square  
Adelaide SA 5000

Tel +618 8226 9640  
Fax +618 8226 9688

ABN 53 327 061 410

audgensa@audit.sa.gov.au  
www.audit.sa.gov.au

## To the Chief Officer South Australian Country Fire Service

### Opinion

I have audited the financial report of the South Australian Country Fire Service for the financial year ended 30 June 2022.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the South Australian Country Fire Service as at 30 June 2022, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2022
- a Statement of Financial Position as at 30 June 2022
- a Statement of Changes in Equity for the year ended 30 June 2022
- a Statement of Cash Flows for the year ended 30 June 2022
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Chief Officer and the Business Manager.

### Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the South Australian Country Fire Service. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants* (including Independence Standards) have been met.

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

## **Responsibilities of the Chief Officer for the financial report**

The Chief Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Chief Officer is responsible for assessing the South Australian Country Fire Service's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Chief Officer is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

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

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 100(2) of the *Fire and Emergency Services Act 2005*, I have audited the financial report of the South Australian Country Fire Service for the financial year ended 30 June 2022.

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the South Australian Country Fire Service's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Officer

- conclude on the appropriateness of the Chief Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

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



Daniel O'Donohue  
**Assistant Auditor-General (Financial Audit)**

19 September 2022

# **South Australian Country Fire Service**

## **Financial Statements**

For the year ended 30 June 2022

## South Australian Country Fire Service Certification of the Financial Statements

---

We certify that the:

- financial statements for the South Australian Country Fire Service:
  - are in accordance with the accounts and records of the South Australian Country Fire Service;
  - comply with relevant Treasurer's Instructions;
  - comply with relevant accounting standards; and
  - present a true and fair view of the financial position of the South Australian Country Fire Service at the end of the financial year and the results of its operations and cash flows for the financial year.
- internal controls employed by the South Australian Country Fire Service for the financial year over its financial reporting and its preparation of the financial statements have been effective.



Mark Jones  
Chief Officer  
South Australian Country Fire Service  
16 September 2022



Alanda Davis  
Business Manager  
South Australian Country Fire Service  
16 September 2022

**South Australian Country Fire Service**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2022*

	<b>Note</b>	<b>2022</b> <b>\$'000</b>	<b>2021</b> <b>\$'000</b>
<b>Income</b>			
Contributions from the Community Emergency Services Fund	2.1	93 363	88 174
Grants and contributions	2.2	5 359	2 545
SA Government grants, subsidies and transfers	2.3	6 828	1 485
Fees and charges	2.4	1 173	1 038
Interest		-	9
Net gain/(loss) from disposal of property plant and equipment	4.2	573	-
Other income	2.5	330	941
<b>Total income</b>		<b>107 626</b>	<b>94 192</b>
<b>Expenses</b>			
Supplies and services	4.1	63 697	58 752
Employee benefits	3.3	21 760	18 755
Depreciation and amortisation	5.1, 5.4	14 943	14 697
Grants and subsidies		633	657
Borrowing costs		152	154
Net gain/(loss) from disposal of property plant and equipment	4.2	-	325
Other expenses	4.3	27	310
<b>Total expenses</b>		<b>101 212</b>	<b>93 650</b>
<b>Net result</b>		<b>6 414</b>	<b>542</b>
<b>Total comprehensive result</b>		<b>6 414</b>	<b>542</b>

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

**South Australian Country Fire Service**  
**Statement of Financial Position**  
*as at 30 June 2022*

	Note	2022 \$'000	2021 \$'000
<b>Current assets</b>			
Cash and cash equivalents	6.1	16 533	26 932
Receivables	6.2	2 168	4 232
Other financial assets	6.3	1 885	1 850
Non-current assets classified as held for sale	6.4	-	500
<b>Total current assets</b>		<b>20 586</b>	<b>33 514</b>
<b>Non-current assets</b>			
Property, plant and equipment	5.1	188 762	193 782
Intangible assets	5.4	-	84
Capital works in progress	5.5	40 445	28 240
<b>Total non-current assets</b>		<b>229 207</b>	<b>222 106</b>
<b>Total assets</b>		<b>249 793</b>	<b>255 620</b>
<b>Current liabilities</b>			
Payables	7.1	3 728	11 064
Financial liabilities	7.2	1 258	1 597
Employee benefits	3.4	2 944	3 257
Provisions	7.3	1 062	1 309
<b>Total current liabilities</b>		<b>8 992</b>	<b>17 227</b>
<b>Non-current liabilities</b>			
Payables	7.1	298	381
Financial liabilities	7.2	7 654	9 511
Employee benefits	3.4	3 044	3 951
Provisions	7.3	9 183	10 342
<b>Total non-current liabilities</b>		<b>20 179</b>	<b>24 185</b>
<b>Total liabilities</b>		<b>29 171</b>	<b>41 412</b>
<b>Net assets</b>		<b>220 622</b>	<b>214 208</b>
<b>Equity</b>			
Asset revaluation surplus	8.1	63 968	63 997
Retained earnings	8.1	156 654	150 211
<b>Total equity</b>		<b>220 622</b>	<b>214 208</b>

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.

**South Australian Country Fire Service**  
**Statement of Changes in Equity**  
*for the year ended 30 June 2022*

	Asset revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
<b>Balance at 1 July 2020</b>	<b>64 019</b>	<b>149 647</b>	<b>213 666</b>
Net result for 2020-21	-	542	542
<b>Total comprehensive result for 2020-21</b>	<b>-</b>	<b>542</b>	<b>542</b>
Transfer between equity components	(22)	22	-
<b>Balance at 30 June 2021</b>	<b>63 997</b>	<b>150 211</b>	<b>214 208</b>
Net result for 2021-22		6 414	6 414
<b>Total comprehensive result for 2021-22</b>	<b>-</b>	<b>6 414</b>	<b>6 414</b>
Transfer between equity components	(29)	29	-
<b>Balance at 30 June 2022</b>	<b>63 968</b>	<b>156 654</b>	<b>220 622</b>

Note

8.1

The accompanying notes form part of these financial statements. All changes in equity are attributable to the SA Government as owner.

**South Australian Country Fire Service**  
**Statement of Cash Flows**  
*for the year ended 30 June 2022*

	2022	2021
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
<b>Cash inflows</b>		
Contributions from the Community Emergency Services Fund	93 363	88 174
SA Government grants, subsidies and transfers	9 016	6 419
Fees and charges	1 138	1 038
Receipts from grants and contributions	5 359	2 545
Interest received	-	9
GST recovered from the Australian Taxation Office	8 716	6 954
Receipts for paid Parental Leave Scheme	25	11
Other receipts	404	1 474
<b>Cash generated from operations</b>	<b>118 021</b>	<b>106 624</b>
<b>Cash outflows</b>		
Employee benefits payments	(24 486)	(23 270)
Supplies and services payments	(74 434)	(66 727)
Grants and subsidies payments	(633)	(657)
Payments for paid Parental Leave Scheme	(33)	-
Interest paid	(152)	(154)
<b>Cash used in operations</b>	<b>(99 738)</b>	<b>(90 808)</b>
<b>Net cash provided by operating activities</b>	<b>18 283</b>	<b>15 816</b>
	8.2	
<b>Cash flows from investing activities</b>		
<b>Cash inflows</b>		
Proceeds from the sale of property, plant and equipment	1 482	741
Proceeds from the sale of investments	-	205
<b>Cash generated from investing activities</b>	<b>1 482</b>	<b>946</b>
<b>Cash outflows</b>		
Purchase of property, plant and equipment	(28 699)	(14 484)
Payments for disposal of property	(17)	(52)
Purchase of investments	(35)	-
<b>Cash used in investing activities</b>	<b>(28 751)</b>	<b>(14 536)</b>
<b>Net cash used in investing activities</b>	<b>(27 269)</b>	<b>(13 590)</b>
<b>Cash flows from financing activities</b>		
<b>Cash outflows</b>		
Repayment of principal portion of lease liabilities	(1 413)	(1 374)
<b>Cash used by financing activities</b>	<b>(1 413)</b>	<b>(1 374)</b>
<b>Net cash provided by financing activities</b>	<b>(1 413)</b>	<b>(1 374)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(10 399)</b>	<b>852</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>26 932</b>	<b>26 080</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>16 533</b>	<b>26 932</b>
	6.1	

The accompanying notes form part of these financial statements.

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2022*

---

**NOTES TO THE FINANCIAL STATEMENTS**

<b>1.</b>	<b>About the South Australian Country Fire Service.....</b>	<b>6</b>
1.1.	Basis of preparation.....	6
1.2.	New and amended standards adopted by the CFS .....	6
1.3.	Objectives and programs.....	7
1.4.	Impact of COVID-19 pandemic on the CFS.....	7
1.5.	Budget performance .....	8
1.6.	Significant transactions with government related entities.....	9
<b>2.</b>	<b>Income .....</b>	<b>9</b>
2.1.	Contributions from Community Emergency Services Fund .....	9
2.2.	Grants and contributions.....	9
2.3.	SA Government grants, subsidies and transfers.....	10
2.4.	Revenue from fees and charges .....	10
2.5.	Other income.....	11
<b>3.</b>	<b>Board, committees and employees .....</b>	<b>12</b>
3.1.	Key management personnel .....	12
3.2.	Remuneration of board and committee members .....	12
3.3.	Employee benefits expenses .....	13
3.4.	Employee benefits liability.....	15
<b>4.</b>	<b>Expenses .....</b>	<b>16</b>
4.1.	Supplies and services.....	16
4.2.	Net gain / (loss) from disposal of non-current assets .....	17
4.3.	Other expenses.....	17
<b>5.</b>	<b>Non-financial assets.....</b>	<b>18</b>
5.1.	Property, plant and equipment.....	18
5.2.	Property, plant and equipment owned by the CFS .....	20
5.3.	Property, plant and equipment leased by the CFS .....	21
5.4.	Intangible assets .....	21
<b>6.</b>	<b>Financial assets.....</b>	<b>22</b>
6.1.	Cash and cash equivalents.....	22
6.2.	Receivables.....	23
6.3.	Other financial assets .....	23
6.4.	Non-current assets classified as held for sale .....	24
<b>7.</b>	<b>Liabilities .....</b>	<b>25</b>
7.1.	Payables .....	25
7.2.	Financial liabilities .....	26
7.3.	Provisions .....	27
<b>8.</b>	<b>Other disclosures.....</b>	<b>28</b>
8.1.	Equity.....	28
8.2.	Cash flow reconciliation .....	29
<b>9.</b>	<b>Outlook .....</b>	<b>30</b>
9.1.	Unrecognised contractual commitments .....	30
9.2.	Contingent assets and liabilities.....	30
9.3.	Impact of standards not yet implemented.....	31
9.4.	COVID-19 pandemic outlook for the CFS.....	31
9.5.	Events after the reporting period.....	31
<b>10.</b>	<b>Measurement and risk.....</b>	<b>31</b>
10.1.	Fair value .....	31
10.2.	Financial instruments.....	32

# South Australian Country Fire Service

## Notes to and forming part of the financial statements

For the year ended 30 June 2022

---

### 1. About the South Australian Country Fire Service

Under the *Fire and Emergency Services Act 2005* (the Act), the South Australian Country Fire Service (CFS) is a not for profit body corporate, an agency of the Crown and part of the consolidated emergency services sector.

The financial statements include all the controlled activities of the CFS.

#### 1.1. Basis of preparation

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards.

The financial statements are prepared based on a 12-month reporting period and presented in Australian currency. All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000). The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Significant accounting policies are set out throughout these notes.

The CFS is liable for Payroll Tax, Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis, and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows.

#### 1.2. New and amended standards adopted by the CFS

The CFS has early adopted *AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates* which clarifies the requirements for disclosure of material accounting policy information and clarifies the distinction between accounting policies and accounting estimates. There has been no impact on the CFS's financial statements.

# South Australian Country Fire Service

## Notes to and forming part of the financial statements

### For the year ended 30 June 2022

---

#### 1.3. Objectives and programs

##### Objectives

The CFS is volunteer based and is responsible under the Act for the following functions:

- to provide frontline services with the aim of preventing the outbreak of fires, reducing the impact of fires and preparing communities through comprehensive community engagement programs
- to provide efficient and responsive frontline services for the purpose of fighting fires, dealing with other emergencies or undertaking any rescue
- to protect life, property and environmental assets from fire and other emergencies
- to develop and maintain plans to cope with the effects of fires and other emergencies
- to provide services or support to assist with recovery in the event of a fire or other emergency.

Funding of the CFS is primarily derived from the Community Emergency Services Fund (the Fund), in accordance with the *Emergency Services Funding Act 1998*.

Funds generated by Groups and Brigades through fundraising activities are held by the respective Group/Brigade for expenditure on the CFS's activities in the local community. These funds are recognised in the CFS's financial statements.

##### Programs

In achieving its objectives, the CFS provides services within two areas of activity: frontline service delivery and frontline service delivery support. These services are classified under one program titled 'Country Fire Service'. These services are predominantly delivered by volunteers.

#### 1.4. Impact of COVID-19 pandemic on the CFS

The COVID-19 pandemic has impacted the operations of the CFS and the impacts are included under the relevant disclosure notes. The key impacts in 2021-22 were:

- Additional expenditure of \$256 000 to keep the CFS personnel and volunteers safe while maintaining service delivery to the community.
- Reduced capital expenditure and delays in the delivery of capital and ICT programs due to supplier business restrictions and demand.

The Emergency Services Sector has considered the possible impact of the COVID-19 pandemic on property, plant and equipment valuations and has concluded that there is no observable evidence of what that impact would be at this stage.

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

**1.5. Budget performance**

The budget performance table compares the CFS's outcomes against budget information presented to Parliament (2021-22 Budget Paper 4). The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

	Note	Original budget 2022 \$'000	Actual 2022 \$'000	Variance \$'000
<b>Statement of Comprehensive Income</b>				
<b>Income</b>				
Contribution from the Community Emergency Services Fund		92 722	93 363	641
Fees and charges		1 705	1 173	(532)
Grants and contributions		2 024	5 359	3 335
Net gain from the disposal of non-current and other assets		-	573	573
SA Government grants, subsidies and transfers	a	-	6 828	6 828
Other income		903	330	(573)
<b>Total Income</b>		<b>97 354</b>	<b>107 626</b>	<b>10 272</b>
<b>Expenses</b>				
Supplies and services	b	53 838	63 697	9 859
Employee benefits		20 515	21 760	1 245
Depreciation and amortisation		14 523	14 943	420
Grants and subsidies		450	633	183
Borrowing costs		187	152	(35)
Net loss from the disposal of non-current and other assets		19	-	(19)
Other expenses		611	27	(584)
<b>Total Expenses</b>		<b>90 143</b>	<b>101 212</b>	<b>11 069</b>
<b>Net result</b>		<b>7 211</b>	<b>6 414</b>	<b>(797)</b>
<b>Total comprehensive result</b>		<b>7 211</b>	<b>6 414</b>	<b>(797)</b>

Explanations are provided for variances where the variance exceeds the greater of 10% of the original budgeted amount and 5% of original budgeted total expenses.

- a Funding from the South Australian Government in 2021-22 includes \$6.0 million transfer from Department of Treasury and Finance (DTF) for out of scale incidents that occurred in 2021-22, and \$0.7 million from the Government Building Energy Fund for the Sonnen Battery Project.
- b Actual supplies and services were higher than the original budget predominantly due to extraordinary bushfire costs and the extension of aviation contracts to provide suitable coverage over the 2021-22 bushfire season.

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

---

**1.5. Budget performance (continued)**

	Note	Original budget 2022 \$'000	Actual 2022 \$'000	Variance \$'000
<b>Investing expenditure summary</b>				
Total new projects	c	-	13 513	(13 513)
Total Annual Programs	d	28 501	9 725	18 776
Total Leases		682	414	268
<b>Total investing expenditure</b>		<b>29 183</b>	<b>23 652</b>	<b>5 531</b>

Explanations are provided for variances where the variance exceeds the greater of 10% of the original budgeted amount and 5% of original budgeted total expenses.

- c New projects include the movement of the vehicle acquisitions program from annual programs to a discrete capital project (\$12.9 million), as well as the Edinburgh Large Air Tanker project (\$0.6 million).
- d Original budget is higher than total expenditure due to delays in supplier delivery timeframes.

**1.6. Significant transactions with government related entities**

Significant transactions with the SA Government are identifiable throughout this financial report. In addition:

- Payment to the Attorney-General's Department for the government radio network of \$13.6 million (refer note 4.1);
- Contributions from the Fund (refer note 2.1);
- Transfer of \$6.0 million from the Department of Treasury and Finance to fund extraordinary bushfire costs incurred in 2021-22 (refer note 2.3).

**2. Income**

**2.1. Contributions from Community Emergency Services Fund**

Contributions from the Fund amount to \$93.363 million (2021: \$88.174 million) and are recognised as revenues when the CFS obtains control over the funding. Control over contributions is normally obtained upon receipt.

**2.2. Grants and contributions**

Grants and Contributions of \$5.4 million (2021: \$2.5 million) are recognised as an asset and income when the CFS obtains control of the contributions or obtains the right to receive the contributions and the income recognition criteria are met, this is generally on receipt.

Private industry funding includes contributions received from the National Aerial Firefighting Centre Ltd. These funds can only be applied to aircraft leasing and positioning costs and must be matched by State Government funding on at least a dollar for dollar basis.

Commonwealth Government revenue includes once-off project grants which are subject to specific funding agreements.

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

**2.3. SA Government grants, subsidies and transfers**

	2022	2021
	\$'000	\$'000
Intra government transfers	6 046	1 400
Embed BOM Meteorologist	86	85
Government Building Energy Fund	696	-
<b>Total SA Government grants, subsidies and transfers</b>	<b>6 828</b>	<b>1 485</b>

SA Government grants, subsidies and transfers are recognised as income on receipt.

**2.4. Fees and charges**

	2022	2021
	\$'000	\$'000
Fire alarm attendance fees	388	383
Fire alarm monitoring fees	289	275
Fire safety fees	332	267
Facilities hire fees	147	113
Incident cost recoveries	17	-
Other recoveries	-	-
<b>Total fees and charges</b>	<b>1 173</b>	<b>1 038</b>

All revenue from fees and charges is revenue recognised from contracts with customers.

Fees and charges revenue is recognised at a point in time when the CFS satisfies performance obligations by transferring the promised goods or services to its customers.

The CFS recognises revenue from contracts with customers from the following major sources:

**Fire alarm attendance and fire safety fees**

The CFS provide a range of fire alarm attendance and fire safety services to customers and charge prescribed fees for these services as regulated under the *Fire and Emergency Services Act 2005*. The CFS recognises revenue for these services in arrears once the relevant deliverables have been provided to the customer in line with the CFS's legislated responsibilities and internal policies.

The CFS is a referral agency under the *Planning, Development and Infrastructure Regulations 2017* and receive revenue from customers for undertaking development assessments in designated bushfire prone areas under the Planning and Design Code.

Payments for development assessments are received in advance upon referral of the development application to the CFS from the Attorney-General's Department or direct from the customer. The CFS is required to undertake an assessment of the development and provide statutory advice to the relevant parties. Revenue is recognised in arrears once statutory advice has been provided.

**Fire alarm monitoring fees**

The CFS undertake fire alarm monitoring services for customers and charge prescribed fees for these services as regulated under the *Fire and Emergency Services Act 2005*. Customers are charged an annual fee for this service and generally pay upfront in the first quarter of the financial year. The CFS recognises revenue for monitoring services over the time services are provided, with all services delivered by 30 June at the end of the financial year.

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

---

**2.4. Revenue from fees and charges (continued)**

**Facilities hire fees**

The CFS receives revenue from the short term hire of the State Training Centre facilities at Brukunga from government and non-government customers. The terms of hire are outlined in a hire agreement that stipulate obligations regarding facilities, accommodation and catering to be provided. Customers are invoiced and payment is received in arrears once all performance obligations have been met.

**Incident cost recoveries**

The CFS provides support to other jurisdictions that request it when an emergency incident occurs. The terms of deployment are managed in accordance with the Arrangement for Interstate Assistance Framework by the National Resource Sharing Centre under the Australian and New Zealand National Council for Fire and Emergency Services.

The inputs of the request are outlined in an operating plan and may include personnel, firefighting equipment and supplies, and consumables. Payment is made by the jurisdiction who received the assistance in arrears once performance obligations have been met and total costs of assistance have been assessed. Revenue is recognised in arrears once the emergency event has concluded and all assistance outlined in the operating plan has been ceased.

**2.5. Other income**

	2022	2021
	\$'000	\$'000
Group/Brigade Fundraising	39	406
Sundry revenues	85	149
Donations	17	10
Insurance recoveries	92	118
Salary recoveries	11	4
Other recoveries	22	103
Donated asset	4	-
Other	60	151
<b>Total other income</b>	<b>330</b>	<b>941</b>

Recoveries include employee benefits recoveries (i.e. where employees are seconded to other agencies or Commonwealth programs and the CFS continues to provide the ongoing salary for the employees) and goods and services (that is, where the CFS incurs expenditure on goods and services and later recovers the expenditure).

Although not recognised in the CFS's financial statements, the CFS receives volunteer services from numerous volunteers who provide frontline emergency response services to the community and in other support roles.

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

**3. Board, committees and employees**

**3.1. Key management personnel**

Key management personnel of the CFS include the Minister, the Chief Officer, the Deputy Chief Officer and Executive Directors of the CFS, who have responsibility for the strategic direction and management of the CFS.

The compensation detailed below excludes salaries and other benefits received by the Minister. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via DTF) under section 6 of the *Parliamentary Remuneration Act 1990*.

	2022	2021
	\$'000	\$'000
<b>Compensation</b>		
Salaries and other short term employee benefits	731	647
Post-employment benefits	103	61
<b>Total compensation</b>	<b>834</b>	<b>708</b>

**Transactions with key management personnel and other related parties**

The CFS did not enter into any transactions with key management personnel or their close family during the reporting period that were not consistent with normal procurement arrangements.

**3.2. Remuneration of board and committee members**

Members of boards and committees during 2022 were:

**State Bushfire Coordination Committee**

A Allen* (term expired 10 December 2021)	D S Gilbertson
N G Bamford*	H L Greaves
J S Crocker	D Leblond* (term expired 18 October 2021)
F J Gill*	J D Lindner
W R McIntosh	M R Sutton*
M S Jones* (ex officio)	E G Petrenas*
P R White	B A Swaffer
A Walsh	D Ezis*
B Loughlin*	D Kowalski*
G V Brown*	G Venditto* (term expired 24 May 2022)
J Moyle	M Anolak*
M Ashley	M S Martin* (appointed 26 August 2021)
M J Blason	P Merry
P Button*	T Moffat*
R A Cadd	F Crisci* (term expired 4 February 2022)
K M Egan	G P Benham*
J B Drew*	T N B Roberts (appointed 26 August 2021)
M J Garrod* (appointed 26 August 2021)	J L Clark* (appointed 26 August 2021)
S Reachill* (appointed 26 August 2021)	R K Hardy* (appointed 23 December 2021)
T A Fountain* (appointed 23 December 2021)	L M Brooks (appointed 10 February 2022)

\* In accordance with the Premier and Cabinet's Circular Number 016, government employees did not receive any remuneration for board/committee duties during the financial year.

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

---

**Board and committee remuneration**

The number of members whose remuneration received/receivable falls within the following bands:

The number of members whose remuneration received or receivable falls within the following bands:	2022	2021
\$0 - \$19 999	40	54
<b>Total number of members</b>	<b>40</b>	<b>54</b>

The total remuneration received or receivable by members was \$2 000 (2021: \$3 000). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any related fringe benefits tax paid.

**3.3. Employee benefits expenses**

	2022	2021
	\$'000	\$'000
Salaries and wages	17 285	16 480
Workers compensation	(437)	(1 988)
Employment on-costs - superannuation	1 780	1 652
Annual leave	1 570	1 407
Long service leave	(130)	439
Payroll tax	1 032	991
Skills and experience retention leave	92	94
Other employment related expenses	42	67
Board fees	2	3
Targeted voluntary separation payments	408	-
Additional compensation	116	(390)
<b>Total employee benefits expenses</b>	<b>21 760</b>	<b>18 755</b>

**Employment on-costs – superannuation**

The superannuation employment on-cost charge represents the CFS's contributions to superannuation plans in respect of current services of current employees. There are no liabilities for payments to beneficiaries recognised by the CFS as they have been assumed by the respective superannuation schemes.

**Workers compensation and Additional Compensation**

The movement in the workers compensation and additional compensation liabilities is lesser in 2021-22 compared to 2020-21, resulting in a reduction in the workers compensation expense recorded.

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

---

**3.3. Employee benefits expenses (continued)**

**Employee remuneration**

The number of employees whose remuneration received or receivable falls within the following bands:

	Employees	
	2022	2021
	Number	Number
\$154 001 - \$157 000*	N/A	1
\$157 001 - \$177 000	4	2
\$177 001 - \$197 000	3	-
\$217 001 - \$237 000	1	-
\$257 001 - \$277 000	-	1
\$277 001 - \$297 000	-	2
\$337 001 - \$357 000	1	-
<b>Total</b>	<b>9</b>	<b>6</b>

\*This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration for 2020-21.

The total remuneration received by these employees for the year was \$1.78 million (2021: \$1.32 million).

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and any related fringe benefits tax paid.

**Targeted voluntary separation packages (TVSP)**

The number of employees who received a TVSP during the reporting period was 10 (2021: nil).

	2022	2021
	\$'000	\$'000
Amount paid to separated employees:		
Public Sector Workforce Rejuvenation Scheme payments	408	-
Leave paid to those employees	269	-
<b>Net cost of TVSPs</b>	<b>677</b>	<b>-</b>

TVSPs include payments made under the Public Sector Workforce Rejuvenation Scheme.

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

**3.4. Employee benefits liability**

	2022	2021
	\$'000	\$'000
<b>Current</b>		
Annual leave	2 371	2 224
Accrued salaries and wages	-	582
Skills and experience retention leave	125	131
Long service leave	448	320
<b>Total current employee benefits</b>	<b>2 944</b>	<b>3 257</b>
<b>Non-current</b>		
Long service leave	3 044	3 951
<b>Total non-current employee benefits</b>	<b>3 044</b>	<b>3 951</b>
<b>Total employee benefits</b>	<b>5 988</b>	<b>7 208</b>

Employee benefits accrue for employees as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

**Salaries and wages, annual leave, skills and experience retention leave (SERL) and sick leave**

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at the reporting date.

The annual leave liability and the SERL liability in full is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement for sick leave.

**Long service leave**

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

AASB 119 *Employee Benefits* contains the calculation methodology for long service leave liability.

The actuarial assessment performed by DTF has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over the police and emergency services sector.

AASB 119 requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has increased from 2021 (1.50%) to 3.75% in 2022. This change in the bond yield, which is used as the rate to discount future long service leave cash flows, results in a decrease in the reported long service leave liability.

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in both the long service leave liability and employee benefits expense of \$745 000. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions - including the long-term discount rate.

The actuarial assessment performed by DTF left the salary inflation rate at 2.50% for long service leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

Current long service leave reflects the portion of leave expected to be settled within the next 12 months, based on the average proportion of long service leave taken or paid over the last 3 years.

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

---

**4. Expenses**

**4.1. Supplies and services**

	2022	2021
	\$'000	\$'000
Aerial firefighting	14 552	11 992
Government radio network	13 619	13 287
Vehicles	9 311	8 710
Operational costs	4 950	4 320
Property costs	4 094	3 353
Travel and training	2 475	2 306
Consultancy, contractor and legal fees	2 518	3 124
Uniforms and protective clothing	2 101	2 377
Communications	2 584	2 579
Computing costs	1 823	1 990
Accommodation	1 500	891
Insurance premiums	433	350
Short term leases	346	392
Other expenses	3 391	3 081
<b>Total supplies and services</b>	<b>63 697</b>	<b>58 752</b>

**Accommodation**

A part of the CFS's accommodation is provided by the Department of Infrastructure and Transport (DIT) under Memoranda of Administrative Arrangements (MoAA) issued in accordance with Government wide accommodation policies. These arrangements do not meet the definition of a lease and accordingly are expensed (disclosed within 'Accommodation' above).

**Other**

Includes audit fees paid/payable to the Auditor-General's Department relating to work performed under the Public Finance and Audit Act were \$33 000 (2021: \$32 000). No other services were provided by the Auditor-General's Department.

**Leases**

The CFS recognises lease payments associated with short-term leases (12 months or less) and low value leases (less than \$10 000) as an expense on a straight-line basis over the lease term. Lease commitments for short term leases is similar to short term lease expenses disclosed.

**Consultants**

The number of consultancies and the dollar amount paid/payable (included in supplies and services expense) to consultants fell within the following bands:

	2022	2022	2021	2021
	No.	\$'000	No.	\$'000
Below \$10 000	1	4	-	-
\$10 000 or above	7	747	6	615
<b>Total paid / payable to the consultants</b>	<b>8</b>	<b>751</b>	<b>6</b>	<b>615</b>

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

**4.2. Net gain / (loss) from disposal of non-current assets**

	2022	2021
	\$'000	\$'000
<b>Assets held for sale</b>		
Proceeds from disposal	500	-
Costs of disposal	(14)	-
Less net book value of assets disposed	(500)	-
<b>Net gain / (loss) from disposal of assets held for sale</b>	<b>(14)</b>	<b>-</b>
<b>Land and buildings</b>		
Costs of disposal	(3)	(4)
Less net book value of assets disposed	(3)	-
<b>Net gain / (loss) from disposal of land and buildings</b>	<b>(6)</b>	<b>(4)</b>
<b>Vehicles</b>		
Proceeds from disposal	982	741
Less net book value of assets disposed	(388)	(1 017)
<b>Net gain / (loss) from disposal of vehicles</b>	<b>594</b>	<b>(276)</b>
<b>Plant and equipment</b>		
Costs of disposal	-	(48)
Less net book value of assets disposed	(1)	-
<b>Net gain / (loss) from disposal of plant and equipment</b>	<b>(1)</b>	<b>(48)</b>
<b>Total assets:</b>		
Proceeds from disposal of non-current assets	1 482	741
Costs of disposal	(17)	(52)
Net book value of assets disposed	(892)	(1 017)
<b>Net gain/(loss) on disposal of owned assets</b>	<b>573</b>	<b>(328)</b>
<b>Gain/ (loss) on modification of right-of-use assets</b>	<b>-</b>	<b>3</b>
<b>Net gain / (loss) from disposal of non-current assets</b>	<b>573</b>	<b>(325)</b>

Gains/losses on disposal are recognised at the date at which control of the asset is passed to the buyer and are determined after deducting the cost of the asset from the proceeds at that time. When revalued assets are sold, the revaluation surplus is transferred to retained earnings.

Gains/losses on modification of right-of-use (ROU) assets include the derecognition of the ROU assets (note 5.1) and associated lease liabilities (note 7.2) where the lease terms and conditions were modified during the current year.

**4.3. Other expenses**

	2022	2021
	\$'000	\$'000
CWIP write off	-	68
Impairment loss	-	242
Donated assets	27	-
<b>Total other expenses</b>	<b>27</b>	<b>310</b>

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

**5. Non-financial assets**

**5.1. Property, plant and equipment**

Property, plant and equipment comprises owned and right-of-use (leased) tangible assets that do not meet the definition of investment property.

**Reconciliation of property, plant and equipment during 2021-22**

	Land \$'000	Buildings \$'000	Vehicles \$'000	Plant & equipment \$'000	ROU Land \$'000	ROU Buildings \$'000	ROU Vehicles \$'000	ROU equipment \$'000	Plant and equipment \$'000	Total \$'000
<b>Carrying amount at the beginning of the period</b>	<b>15 640</b>	<b>42 868</b>	<b>111 441</b>	<b>12 805</b>	<b>65</b>	<b>1 338</b>	<b>775</b>	<b>8 850</b>		<b>193 782</b>
Acquisitions	-	-	-	-	-	-	414	-	-	414
Transfers from capital WIP <sup>(1)</sup>	-	4 163	6 322	556	-	-	-	-	-	11 041
Disposals	-	(3)	(388)	(1)	-	-	(6)	-	-	(398)
Donated assets	-	-	(27)	-	-	-	-	-	-	(27)
Remeasurement	-	-	-	-	-	17	-	(1 208)	-	(1 191)
<b>Subtotal:</b>	<b>15 640</b>	<b>47 028</b>	<b>117 348</b>	<b>13 360</b>	<b>65</b>	<b>1 355</b>	<b>1 183</b>	<b>7 642</b>		<b>203 621</b>
<b>Gains/(losses) for the period recognised in net result:</b>										
Depreciation	-	(2 712)	(8 514)	(2 106)	(1)	(409)	(560)	(557)	-	(14 859)
<b>Subtotal:</b>	<b>-</b>	<b>(2 712)</b>	<b>(8 514)</b>	<b>(2 106)</b>	<b>(1)</b>	<b>(409)</b>	<b>(560)</b>	<b>(557)</b>		<b>(14 859)</b>
<b>Carrying amount at the end of the period</b>	<b>15 640</b>	<b>44 316</b>	<b>108 834</b>	<b>11 254</b>	<b>64</b>	<b>946</b>	<b>623</b>	<b>7 085</b>		<b>188 762</b>
<b>Gross carrying amount</b>										
Gross carrying amount	15 640	51 426	130 677	17 064	67	2 170	2 025	8 112		227 181
Accumulated depreciation	-	(7 110)	(21 843)	(5 810)	(3)	(1 224)	(1 402)	(1 027)		(38 419)
<b>Carrying amount at the end of the period</b>	<b>15 640</b>	<b>44 316</b>	<b>108 834</b>	<b>11 254</b>	<b>64</b>	<b>946</b>	<b>623</b>	<b>7 085</b>		<b>188 762</b>

\*All property, plant and equipment are classified in the level 3 fair value hierarchy except for land valued at \$882 000. Refer to note 7.2 for details about the lease liability for right-of-use assets.

<sup>(1)</sup> Refer to note 5.5.

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

**5.1 Property, plant and equipment (continued)**

**Reconciliation of property, plant and equipment during 2020-21**

	Land \$'000	Buildings \$'000	Vehicles \$'000	Plant & equipment \$'000	ROU Land \$'000	ROU Buildings \$'000	ROU Vehicles \$'000	ROU Plant and equipment \$'000	Total \$'000
<b>Carrying amount at the beginning of the period</b>	<b>15 640</b>	<b>43 818</b>	<b>102 527</b>	<b>13 852</b>	<b>66</b>	<b>2 147</b>	<b>1 054</b>	<b>-</b>	<b>179 104</b>
Acquisitions	-	-	-	41	-	-	323	9 320	9 684
Transfers from capital WIP <sup>(1)</sup>	-	1 732	18 144	1 124	-	-	-	-	21 000
Disposals	-	-	(1 017)	-	-	(261)	(6)	-	(1 284)
Remeasurement	-	-	-	-	-	(110)	-	-	(110)
<b>Subtotal:</b>	<b>15 640</b>	<b>45 550</b>	<b>119 654</b>	<b>15 017</b>	<b>66</b>	<b>1 776</b>	<b>1 371</b>	<b>9 320</b>	<b>208 394</b>
<b>Gains/(losses) for the period recognised in net result:</b>									
Depreciation	-	(2 682)	(8 213)	(2 212)	(1)	(438)	(596)	(470)	(14 612)
<b>Subtotal:</b>	<b>-</b>	<b>(2 682)</b>	<b>(8 213)</b>	<b>(2 212)</b>	<b>(1)</b>	<b>(438)</b>	<b>(596)</b>	<b>(470)</b>	<b>(14 612)</b>
<b>Carrying amount at the end of the period</b>	<b>15 640</b>	<b>42 868</b>	<b>111 441</b>	<b>12 805</b>	<b>65</b>	<b>1 338</b>	<b>775</b>	<b>8 850</b>	<b>193 782</b>
<b>Gross carrying amount</b>									
Gross carrying amount	15 640	47 267	124 804	16 510	67	2 152	1 870	9 320	217 630
Accumulated depreciation	-	(4 399)	(13 363)	(3 705)	(2)	(814)	(1 095)	(470)	(23 848)
<b>Carrying amount at the end of the period</b>	<b>15 640</b>	<b>42 868</b>	<b>111 441</b>	<b>12 805</b>	<b>65</b>	<b>1 338</b>	<b>775</b>	<b>8 850</b>	<b>193 782</b>

\* All property, plant and equipment are classified in the level 3 fair value hierarchy except for land valued at \$882 000 and land held for sale at \$500 000. Refer to note 7.2 for details about the lease liability for right-of-use assets.

<sup>(1)</sup> Refer to note 5.5.

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

---

**5.1 Property, plant and equipment (continued)**

**Depreciation**

All non-current assets, having a limited useful life, are systematically depreciated over their useful lives in a manner that reflects the consumption of their service potential.

**Useful life**

Depreciation is calculated on a straight-line basis. Property, plant and equipment depreciation is calculated over the estimated useful life as follows:

<b>Class of asset</b>	<b>Useful life (years)</b>
Buildings	1-40
Vehicles	1-30
Plant and equipment	1-20
ROU Land	77
ROU Buildings	4-77
ROU Vehicles	3-5
ROU Plant and equipment	16

**Review of accounting estimates**

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted, if appropriate, on an annual basis. Changes in the expected life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate.

**5.2. Property, plant and equipment owned by the CFS**

Property, plant and equipment owned by the CFS with a value equal to or in excess of \$10 000 is capitalised. However, the CFS can control large quantities of similar assets that individually fall under the capitalisation threshold but, when grouped together, comprise a large proportion of a particular asset class. In these circumstances, CFS groups these asset types for the purpose of capitalisation in the financial statements.

Property, plant and equipment owned by CFS is recorded at fair value. Detail about the agencies approach to fair value is set out in note 10.1.

**Impairment**

Property, plant and equipment have not been assessed for impairment as they are non-cash generating assets, that are specialised in nature and held for continual use of their service capacity and are subject to regular revaluation.

Revaluation of property, plant and equipment is undertaken on a regular cycle as detailed in Note 10.1. If at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

**5.3. Property, plant and equipment leased by the CFS**

Right-of-use property, plant and equipment leased by the CFS is measured at cost and there were no indications of impairment of right-of-use assets.

Short-term leases of 12 months or less and low value leases where the underlying asset value is less than \$10,000 are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and are disclosed in note 4.1.

The CFS has a limited number of leases:

- 115 motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Motor vehicle lease terms can range from 3 years (60,000km) up to 5 years (100,000km).
- the CFS has 6 commercial leases for land and buildings used for the purpose of CFS brigade and group operational and administrative activities.
- The CFS holds a commercial lease over plant used for PFAS remediation purposes.

The lease liabilities and interest expense related to the ROU assets are disclosed in note 7.2. The CFS's maturity analysis of lease liabilities is disclosed in note 7.2. Cash outflows related to ROU assets are disclosed in note 8.2. The CFS has not committed to any lease arrangements that have not commenced from 1 July.

**5.4. Intangible assets**

<i>Computer software</i>	2022	2021
	\$'000	\$'000
Carrying amount at the beginning of the period	84	169
<b>Subtotal:</b>	<b>84</b>	<b>169</b>
<b>Gains/(losses) for the period recognised in net result:</b>		
Amortisation	(84)	(85)
<b>Subtotal:</b>	<b>(84)</b>	<b>(85)</b>
<b>Carrying amount at the end of the period</b>	<b>-</b>	<b>84</b>
<b>Gross carrying amount</b>		
Gross carrying amount	277	277
Accumulated amortisation	(277)	(193)
<b>Carrying amount at the end of the period</b>	<b>-</b>	<b>84</b>

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting period. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation of the CFS's computer software is calculated on a straight line basis over the estimated useful of five years.

The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$10 000.

All research and development costs that do not meet the capitalisation criteria outlined in AASB 138 *Intangible Assets* are expensed.

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

---

**5.5. Capital works in progress**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at the beginning of the period	28 240	28 782
Acquisitions	23 238	20 526
Transfers to property, plant and equipment	(11 041)	(21 000)
CWIP write off	8	(68)
<b>Carrying amount at the end of the period</b>	<b>40 445</b>	<b>28 240</b>

Capital works in progress are recognised as the cumulative costs of capital projects to balance date. Projects completed during the year have been recognised as property, plant and equipment (refer note 5.1) or intangible assets (refer note 5.4) and are valued at cost.

**6. Financial assets**

**6.1. Cash and cash equivalents**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Deposits with the Treasurer	9 917	20 320
Cash at bank - Groups/Brigades	5 316	5 377
Short-term deposits - Groups/Brigades	1 288	1 223
Cash at bank	8	8
Cash on hand	4	4
<b>Total cash and cash equivalents</b>	<b>16 533</b>	<b>26 932</b>

Cash is measured at nominal amounts.

**Deposits with the Treasurer**

Special deposit accounts are established under section 8 of the *Public Finance and Audit Act 1987*. Special deposit accounts must be used in accordance with their approved purpose. One operating account held with the Treasurer is interest bearing. In November 2020, Treasury advised public authorities that, given interest rates were approximately 0%, no interest would be paid on any interest bearing accounts held with the Treasurer. Therefore, no interest was earned during 2022. This position may change in the future.

**Cash at bank – Groups/Brigades**

Accounts held at Brigade and Group level comprising of proceeds from fundraising, donations and other local activities.

**Short term deposits – Groups/Brigades**

Short-term deposits are made for varying periods of between one day and three months. The deposits are lodged with various financial institutions at their respective short-term deposit rates.

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

**6.2. Receivables**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Receivables	732	2 452
Less impairment loss on receivables	(4)	(4)
GST input tax recoverable	1 001	1 469
Accrued Revenue	26	12
Prepayments	413	303
<b>Total current receivables</b>	<b>2 168</b>	<b>4 232</b>
<b>Total receivables</b>	<b>2 168</b>	<b>4 232</b>

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement. Receivables, prepayments and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

Other than as recognised in the allowance for impairment loss, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

The net amount of GST recoverable from the ATO is included as part of receivables.

Refer to note 10.2 for further information on risk management.

**6.2. Receivables (continued)**

**Allowance for impairment loss on receivables**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount at the beginning of the period</b>	<b>4</b>	<b>1</b>
Amounts written off	(3)	(17)
Increase/(decrease) in the allowance	3	20
<b>Carrying amount at the end of the period</b>	<b>4</b>	<b>4</b>

All of the above impairment losses are from receivables arising from contracts with customers.

Refer to note 10.2 for details regarding credit risk and the methodology for determining impairment.

**6.3. Other financial assets**

Medium-term deposits of \$1.885 million (\$1.850 million) are held by the CFS for varying periods of between three months and twelve months. The deposits are lodged with various financial institutions at their respective medium-term deposit rates. Other financial assets are measured at fair value.

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

---

**6.4. Non-current assets classified as held for sale**

Land at Port Lincoln (2021: \$500 000) was sold on 11 February 2022.

Non-current assets are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, and the asset's sale is expected to be completed one year from the date of classification.

Detail about the CFS's approach to fair value is set out in note 10.1.

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

---

**7. Liabilities**

**7.1. Payables**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Creditors	235	74
Accrued expenses	2 928	10 414
Paid Parental Leave Scheme payable	3	11
Employment on-costs	562	565
<b>Total current financial liabilities</b>	<b>3 728</b>	<b>11 064</b>
<b>Non-current</b>		
Creditors	2	6
Employment on-costs	296	375
<b>Total non-current financial liabilities</b>	<b>298</b>	<b>381</b>
<b>Total payables</b>	<b>4 026</b>	<b>11 445</b>

Payables are measured at nominal amounts. Payables and accruals are raised for all amounts owing but unpaid. Sundry payables are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

**Employment on-costs**

Employment on-costs include payroll tax, ReturnToWorkSA levies and superannuation contributions and are settled when the respective employee benefits that they relate to is discharged.

The CFS contributes to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board.

As a result of an actuarial assessment performed by DTF, the proportion of long service leave taken has remained at 42%. The average factor for the calculation of employer superannuation on-costs has changed to 10.6% from the 2021 rate (10.1%). These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is not material. The estimated impact on future periods is not expected to be materially different to the effect on the current period as shown above.

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

---

**7.2. Financial liabilities**

The CFS measures lease liabilities \$8.912 million (2021: \$11.108 million) at discounted future lease payments using either the interest rate implicit in the lease or DTFs incremental borrowing rate. There were no defaults or breaches throughout the year.

Interest expense paid on lease liabilities during 2021-22 was \$152 000 (2020-21 \$154 000). The CFS does not capitalise borrowing costs.

A maturity analysis of lease liabilities based on undiscounted gross cash flows is reported in the table below:

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Lease liabilities</b>		
within 1 year	1 416	1 575
1 to 5 years	3 197	3 674
More than 5 years	5 407	7 291
<b>Total lease liabilities (undiscounted)</b>	<b>10 020</b>	<b>12 540</b>

All material cash outflows are reflected in the lease liabilities disclosed above.

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

**7.3. Provisions**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Provision for workers compensation	1 011	1 272
Additional compensation	51	37
<b>Total current provisions</b>	<b>1 062</b>	<b>1 309</b>
<b>Non-current</b>		
Provision for workers compensation	6 567	7 799
Additional compensation	2 616	2 543
<b>Total non-current provisions</b>	<b>9 183</b>	<b>10 342</b>
<b>Total provisions</b>	<b>10 245</b>	<b>11 651</b>
<b>Movement in provisions</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Workers compensation:</b>		
<b>Carrying amount at the beginning of the period</b>	<b>9 071</b>	<b>12 418</b>
Reduction arising from payments	(1 056)	(1 359)
Changes from remeasurement	(437)	(1 988)
<b>Carrying amount at the end of the period</b>	<b>7 578</b>	<b>9 071</b>
<b>Additional compensation:</b>		
<b>Carrying amount at the beginning of the period</b>	<b>2 580</b>	<b>2 973</b>
Changes from remeasurement	117	(382)
Reduction resulting from payments	(30)	(11)
<b>Carrying amount at the end of the period</b>	<b>2 667</b>	<b>2 580</b>

**Workers Compensation**

The CFS is an exempt employer under the *Return to Work Act 2014*. Under a scheme arrangement, the CFS is responsible for the management of workers rehabilitation and compensation and is directly responsible for meeting the cost of workers' compensation claims and the implementation and funding of preventive programs.

Accordingly, a liability has been reported to reflect unsettled workers compensation claims (statutory and additional compensation schemes).

The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2022 provided by a consulting actuary engaged through the Office of the Commissioner for the Public Sector. The CFS is responsible for the payment of workers compensation claims.

Presumptive workers compensation coverage for firefighters for a range of cancers came into effect in 2013. The workers compensation provision includes an actuarial assessment of firefighter cancer claims. However, the actuarial assessment is sensitive to changes in assumptions and there is a significant degree of uncertainty associated with estimating future claim and expense payments.

The provision has decreased in 2022 based on observed reduction in the number of known and incurred but not reported cancer claims and a reduction in the average claim size for non-seriously injured workers cancer claims.

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

---

**7.3. Provisions (continued)**

**Additional Compensation for Certain Work-Related Injuries or Illnesses (Additional Compensation provision)**

The additional compensation scheme provides continuing benefits to workers who have suffered eligible work-related injuries and whose entitlements have ceased under the statutory workers compensation scheme. Eligible injuries are non-serious injuries sustained in circumstances which involved, or appeared to involve, the commission of a criminal offence, or which arose from a dangerous situation.

The additional compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2022 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment. The provision is for the estimated cost of ongoing payments to workers as required under current arrangements. The CFS is responsible for the payment of additional compensation claims.

There is a significant degree of uncertainty associated with estimating future claim and expense payments and also around the timing of future payments due to the variety of factors involved. The liability is impacted by agency claim experience relative to other agencies, average claim sizes and other economic and actuarial assumptions.

In addition to these uncertainties, the additional compensation scheme is impacted by the limited claims history and the evolving nature of the interpretation of, and evidence required to meeting, eligibility criteria. Given these uncertainties, the actual cost of additional compensation claims may differ materially from the estimate.

**8. Other disclosures**

**8.1. Equity**

The asset revaluation surplus is used to record increments and decrements in the fair value of property and plant and equipment to the extent that they offset one another. Relevant amounts are transferred to retained earnings when an asset is derecognised.

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

---

**8.2. Cash flow reconciliation**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Reconciliation of cash and cash equivalents at the end of the reporting period</b>		
Cash and cash equivalents disclosed in the Statement of Financial Position	16 533	26 932
Balance as per the Statement of Cash Flows	16 533	26 932
<b>Reconciliation of net cash provided by operating activities to net cost of providing services</b>		
Net cash (used in) / provided by operating activities	18 283	15 816
<b>Add / (less) non-cash items</b>		
Depreciation and amortisation	(14 943)	(14 697)
Donated assets	(27)	-
Impairment loss	-	(242)
Net gain/(loss) from disposal of non-current assets	573	(325)
CWIP write off	8	-
Capital accruals	(5 461)	6 083
<b>Movement in assets and liabilities</b>		
Increase/(decrease) in receivables	(2 064)	(3 905)
(Increase)/decrease in payables	7 419	(5 637)
(Increase)/decrease in employee benefits	1 220	(291)
(Increase)/decrease in provisions	1 406	3 740
<b>Net result</b>	<b>6 414</b>	<b>542</b>

Total cash outflows for leases for the CFS was \$1.91 million (2020-21: \$1.92 million)

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

---

**9. Outlook**

**9.1. Unrecognised contractual commitments**

Commitments include operating, capital and outsourcing arrangements arising from contractual or statutory sources and are disclosed at their nominal value.

**Capital commitments**

Capital expenditure contracted for at the reporting date but not recognised as liabilities in the financial report, are payable as follows:

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Within one year	3 007	8 521
Later than one year but not later than five years	1 665	3 507
<b>Total capital commitments</b>	<b>4 672</b>	<b>12 028</b>

These capital commitments are the provision of new vehicles, as well as building and equipment projects.

**Expenditure commitments**

Expenditure contracted for at the reporting date but not recognised as liabilities in the financial report, are payable as follows:

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
No later than one year	4 575	8 121
Later than one year but not later than five years	10 584	1 857
Later than five years	20 010	1 057
<b>Total expenditure commitments</b>	<b>35 169</b>	<b>11 035</b>

Contractual commitments are for accommodation, maintenance contracts, personal protective clothing and information technology.

**9.2. Contingent assets and liabilities**

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

The CFS is not aware of any contingent assets at the reporting date.

At 30 June 2022, the CFS identified a contingent liability relating to the historical use of per-and polyfluoralkyl substances (PFAS) firefighting foams across sites in South Australia.

PFAS contamination has been identified at Brukunga, Naracoote and Cherry Gardens CFS sites, which are now subject to s83a Notices of Site Continuation under the *Environment Protection Act 1993*. It is expected that future sites may be identified as PFAS contaminated in the future.

The CFS is continuing to work through the cost implications of PFAS contamination which is expected to include costs to remediate contaminated land and dispose of contaminated materials.

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

---

**9.3. Impact of standards not yet implemented**

The CFS continues to assess the impact of the new and amended Australian Accounting Standards and Interpretations not yet implemented and changes to the Accounting Policy Statements issued by the Treasurer.

Amending Standard AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current* will apply from 1 July 2023. The CFS continues to assess liabilities eg LSL and whether or not the CFS has a substantive right to defer settlement. Where applicable, these liabilities will be classified as current.

**9.4. COVID-19 pandemic outlook for the CFS**

The COVID-19 pandemic will continue to impact the operations of the CFS in 2022-23. The key expected impacts are:

- Further significant outbreaks of the COVID-19 pandemic in South Australia would see greater response measures with associated additional expenses
- Additional assistance to SA Health and other SA Government departments in response to the COVID-19 pandemic
- Additional expenditure to keep the CFS personnel and volunteers safe while maintaining service delivery to the community
- Additional expenditure may be incurred in response to the COVID-19 pandemic due to supplier business restrictions
- Delays in the delivery of capital and ICT programs and increased capital expenditure due to supplier business restrictions and demand.

**9.5. Events after the reporting period**

There were no events after the reporting period affecting the financial statements.

**10. Measurement and risk**

**10.1. Fair value**

AASB 13 *Fair Value Measurement* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

The revaluation process is reviewed by the CFS each year.

Non-current tangible assets are valued at fair value and revaluation of non-current assets or a group of assets is only performed when the fair value at the time of acquisition is greater than \$1.0 million and estimated useful life is greater than three years.

Revaluation is undertaken on a regular cycle as detailed below. If at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset.

The valuation highlighted a possibility of the COVID-19 pandemic impacting the determined fair values. However there is no observable evidence that can reliably quantify the impact at the reporting date.

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

---

### **10.1. Fair value (continued)**

#### **Fair value hierarchy**

The CFS classifies the value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation:

Level 1: traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.

Level 2: not traded in active market and are derived from inputs (inputs other than quoted prices included within level 1) that are observable for the asset, either directly or indirectly.

Level 3: not traded in active market and are derived from unobservable inputs.

The CFS's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

During 2021 and 2022, the CFS had no valuations categorised into level 1; there were no transfers of assets between level 1 and 2 fair value hierarchy levels and there were no changes in valuation technique.

#### **Land and buildings**

An independent valuation of land and buildings was performed by a Certified Practising Valuer from Liquid Pty Ltd as at 1 November 2019. The CFS did not revalue land and buildings related to peppercorn leased sites. These have been recognised at their carrying amounts from 30 June 2019. The land and buildings values at revaluation were considered relevant for 30 June 2022.

Fair value of land has been determined using the market approach. The valuation was based on recent market transactions for similar land in the area and includes adjustment for factors specific to the land such as size and location. For land classified as restricted in use, fair value was determined by applying an adjustment to reflect the restriction.

The fair value of buildings was determined using current replacement cost, due to there not being an active market. The current replacement cost considered the need for ongoing provision of government services, specialised nature and restricted use of the assets, their size, condition and location.

#### **Plant and equipment**

All items of plant and equipment that had a fair value at the time of acquisition less than \$1.0 million and had an estimated useful life that less than three years have not been revalued. The carrying value of these items is deemed to approximate fair value.

### **10.2. Financial instruments**

#### **Financial risk management**

Risk management is managed by the CFS corporate services section. Risk management policies are in accordance with the *SA Government Risk Management Guide* and the principles established in the *Australian Standard Risk Management Principles and Guidelines*.

The exposure of the agencies financial risk (liquidity risk, credit risk and market risk) is low due to the nature of the financial instruments held. There have been no changes in risk exposure since the last reporting period.

#### **Liquidity risk**

The CFS is funded principally from the Fund. The CFS works with the Fund to determine the cash flows associated with its Government approved program of work and to ensure funding meets the expected cash flows.

Refer to notes 1.3 and 2.1 for further information.

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

---

**10.2. Financial instruments (continued)**

**Credit risk**

The CFS has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history.

No collateral is held as security and no credit enhancements relate to financial assets held by the CFS.

**Cash**

The CFS considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties and therefore the expected credit loss is nil.

**Impairment of financial assets**

The CFS has adopted the simplified impairment approach under AASB 9 and measured lifetime expected credit losses on all trade receivables using an allowance matrix as a practical expedient to measure the impairment allowance.

To measure the expected credit losses, receivables are grouped based on shared risks characteristics and the days past due. When estimating expected credit loss, the CFS considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the CFS's historical experience and informed credit assessment, including forward-looking information.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the CFS is exposed to credit risk.

The expected credit loss of government debtors is considered to be nil based on the external credit ratings and nature of the counterparties.

Loss rates are calculated based on the probability of a receivable progressing through stages to write off based on the common risk characteristics of the transaction and debtor.

	<b>Debtor gross carrying amount</b>		<b>Lifetime expected losses</b>
	<b>\$'000</b>	<b>Loss %</b>	<b>\$'000</b>
<b>2022</b>			
Current (not past due)	87	0.20%	-
1 - 30 days past due	440	0.27%	1
31 - 60 days past due	14	0.52%	-
61 - 90 days past due	5	2.14%	-
More than 90 days past due	83	2.80%	3
<b>Loss allowance</b>	<b>629</b>		<b>4</b>

Impairment losses relate to receivables arising from contracts with customers that are external to SA Government. Refer to note 10.2 for details regarding credit risk and the methodology for determining impairment.

Loss rates are based on actual history of credit loss, these rates have been adjusted to reflect differences between previous economic conditions, current conditions and the CFS's view of the forecast economic conditions over the expected life of the receivables.

Impairment losses are presented as net impairment losses within net result, subsequent recoveries of amounts previously written off are credited against the same line item.

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

---

Receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the failure of a debtor to enter into a payment plan with the CFS and a failure to make contractual payments for a period of greater than 180 days past due.

**10.2. Financial instruments (continued)**

**Impairment of financial assets (continued)**

Receivables with a contractual amount of \$3 000 written off during the year are still subject to enforcement activity.

The allowance was recognised when there was objective evidence that a receivable was impaired. The allowance for impairment was recognised in other expenses for specific debtors and debtors assessed on a collective basis for which such evidence existed.

Impairment losses on the CFS's receivables were \$4 000 (2020-21: \$4 000). No impairment losses were recognised in relation to contract assets and accrued revenue during the year.

**Cash and debt instruments**

The CFS's debt investments at amortised cost are considered to have low credit risk and the consideration of expected credit loss was limited to 12 months expected losses. The expected credit loss is nil.

**Market risk**

The CFS does not trade in foreign currency, nor enter into transactions for speculative purposes, nor for hedging. The CFS does not undertake any hedging in relation to interest or foreign currency risk and manages its risk as per the government's risk management strategy articulated in *TI 23 Management of Foreign Currency Exposures*.

Exposure to interest rate risk may arise through its interest-bearing liabilities, including borrowings. The CFS's interest bearing liabilities are managed through SAFA and any movement in interest rates are monitored on a daily basis. There is no exposure to foreign currency or other price risks.

There have been no changes in risk exposure since the last reporting period.

**Categorisation of financial instruments**

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 the respective financial asset/financial liability note.

**Classification of financial instruments**

The CFS measures all financial instruments at amortised cost excluding lease liabilities which are measured at the present value of expected future cash payments.. All financial assets and liabilities carrying amount equals their fair value as at 30 June 2022 and are expected to be settled within one year excluding financial liabilities. Refer to the Lease Liabilities Maturity analysis in note 7.2 for more information.