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To the Presiding Officer South Australian Fire and Emergency Services Commission Board

Opinion

I have audited the financial report of the South Australian Fire and Emergency Services Commission and the consolidated entity comprising the South Australian Fire and Emergency Services Commission and its controlled entities 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 Fire and Emergency Services Commission and its controlled entities as at 30 June 2022, their financial performance and their 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 consolidated 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 Statement of Administered Comprehensive Income for the year ended 30 June 2022
- a Statement of Administered Financial Position as at 30 June 2022
- a Statement of Administered Cash Flows for the year ended 30 June 2022
- notes, comprising significant accounting policies and other explanatory information for administered items
- a Certificate from the Presiding Officer of the South Australian Fire and Emergency Services Commission Board, the Chief Executive and the Manager Financial Services.

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 Fire and Emergency Services Commission and its

controlled entities. 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 Executive and the Board for the financial report

The Chief Executive 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 Executive is responsible for assessing the South Australian Fire and Emergency Services Commission's and consolidated entity'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 Executive 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.

The South Australian Fire and Emergency Services Commission Board is responsible for overseeing the entity's financial reporting process.

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 21(2) of the *Fire and Emergency Services Act 2005*, I have audited the financial report of the South Australian Fire and Emergency Services Commission 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 Fire and Emergency Services Commission's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- conclude on the appropriateness of the Chief Executive'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 Executive and Board 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.



Andrew Richardson
Auditor-General

19 September 2022

**South Australian Fire and Emergency Services
Commission
(SAFECOM)**

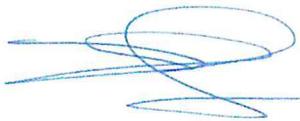
Financial Statements

For the year ended 30 June 2022

South Australian Fire and Emergency Services Commission
Certification of Financial Statements
for the year ended 30 June 2022

We certify that the:

- financial statements of the South Australian Fire and Emergency Services Commission:
 - are in accordance with the accounts and records of the South Australian Fire and Emergency Services Commission;
 - 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 Fire and Emergency Services Commission at the end of the financial year and the result of its operations and cash flows for the financial year.
- internal controls employed by the South Australian Fire and Emergency Services Commission for the financial year over its financial reporting and its preparation of financial statements have been effective.



Julia Waddington-Powell
Chief Executive
South Australian Fire and Emergency Services
Commission
16 September 2022



Julie Best
Manager Financial Services
16 September 2022



Peter De Cure
Presiding Officer
South Australian Fire and Emergency Services
Commission Board
16 September 2022

South Australian Fire and Emergency Services Commission
Statement of Comprehensive Income
for the year ended 30 June 2022

	Note	Consolidated		SAFECOM Entity	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Income					
Contributions from the Community Emergency Services Fund	2.1	298 615	293 123	19 593	17 823
Fees and charges	2.2	6 881	5 551	-	-
Grants and contributions	2.3	10 048	5 429	3 180	1 670
SA Government grants, subsidies and transfers	2.4	55 818	19 869	13 051	8 841
Interest revenues	2.5	6	20	-	1
Other income	2.6	3 378	2 787	1 188	953
Total income		374 746	326 779	37 012	29 288
Expenses					
Employee benefits expenses	3.3	194 270	184 561	8 835	8 965
Supplies and services	4.1	115 304	103 579	19 395	13 217
Depreciation and amortisation	5.1, 5.4	28 124	26 967	1 353	817
Grants and subsidies		2 391	2 590	1 666	1 803
Borrowing costs		194	197	-	-
Net loss from disposal of non-current assets	4.2	247	885	20	-
Other expenses	4.3	39	776	-	-
Total expenses		340 569	319 555	31 269	24 802
Net result		34 177	7 224	5 743	4 486
Other comprehensive income					
<i>Items that will not be reclassified to net result</i>					
Gain on revaluation of land and buildings		177	-	-	-
Gains or losses recognised directly in equity		(8)	15	-	-
Total other comprehensive income		169	15	-	-
Total comprehensive result		34 346	7 239	5 743	4 486

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

South Australian Fire and Emergency Services Commission
Statement of Financial Position
as at 30 June 2022

	Note	Consolidated		SAFECOM Entity	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Current assets					
Cash and cash equivalents	6.1	35 548	40 264	9 525	10 744
Receivables	6.2	14 517	8 468	8 258	806
Other financial assets	6.3	2 045	2 008	-	-
Non-current assets classified as held for sale	6.4	509	500	-	-
Total current assets		52 619	51 240	17 783	11 550
Non-current assets					
Property, plant and equipment	5.1	429 463	422 522	13 288	506
Intangible assets	5.4	1 925	2 676	1 727	2 386
Capital works in progress	5.5	62 884	42 746	395	461
Total non-current assets		494 272	467 944	15 410	3 353
Total assets		546 891	519 184	33 193	14 903
Current liabilities					
Payables	7.1	17 606	23 691	3 153	2 380
Employee liabilities	3.4	22 503	27 608	1 056	1 372
Financial liabilities	7.2	1 681	2 063	11	11
Provisions	7.3	7 852	7 509	57	59
Other liabilities	7.4	885	-	885	-
Total current liabilities		50 527	60 871	5 162	3 822
Non-current liabilities					
Payables	7.1	4 241	5 303	148	202
Employee liabilities	3.4	26 936	33 571	1 538	2 146
Financial liabilities	7.2	9 386	11 352	10	8
Provisions	7.3	58 944	57 458	318	333
Other liabilities	7.4	11 882	-	11 882	-
Total non-current liabilities		111 389	107 684	13 896	2 689
Total liabilities		161 916	168 555	19 058	6 511
Net assets		384 975	350 629	14 135	8 392
Equity					
Retained earnings		249 634	214 860	14 000	8 231
Asset revaluation surplus		135 342	135 762	135	161
Investment market value reserve		(1)	7	-	-
Total equity		384 975	350 629	14 135	8 392

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

South Australian Fire and Emergency Services Commission
Statement of Changes in Equity
for the year ended 30 June 2022

	Note	Consolidated			Total equity \$'000
		Investments market value reserve \$'000	Asset Revaluation surplus \$'000	Retained earnings \$'000	
Balance at 1 July 2020		(8)	136 330	207 068	343 390
Net result for 2020-21		-	-	7 224	7 224
Gains or losses recognised directly in equity		15	-	-	15
Total comprehensive result for 2020-21		15	-	7 224	7 239
Transfer between equity components		-	(568)	568	-
Balance at 30 June 2021		7	135 762	214 860	350 629
Net result for 2021-22		-	-	34 177	34 177
Gain on revaluation of land and buildings during 2021-22	8.1	-	177	-	177
Gains or losses recognised directly in equity	8.1	(8)	-	-	(8)
Total comprehensive result for 2021-2022		(8)	177	34 177	34 346
Transfer between equity components		-	(597)	597	-
Balance at 30 June 2022		(1)	135 342	249 634	384 975

	Note	SAFECOM Entity			Total equity \$'000
		Investments market value reserve \$'000	Asset Revaluation surplus \$'000	Retained earnings \$'000	
Balance at 1 July 2020		-	161	3 745	3 906
Net result for 2020-21		-	-	4 486	4 486
Total comprehensive result for 2020-21		-	-	4 486	4 486
Balance at 30 June 2021		-	161	8 231	8 392
Net result for 2021-22		-	-	5 743	5 743
Total comprehensive result for 2021-2022		-	-	5 743	5 743
Transfer between equity components		-	(26)	26	-
Balance at 30 June 2022		-	135	14 000	14 135

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

South Australian Fire and Emergency Services Commission
Statement of Cash Flows
for the year ended 30 June 2022

	Note	Consolidated		SAFECOM Entity	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Cash flows from operating activities					
Cash inflows					
Contributions from CESF		298 615	293 123	19 593	17 823
SA Government grants, subsidies and transfers		51 273	26 943	5 797	11 107
Receipts from fees and charges		6 881	5 551	-	-
Receipts from grants and contributions		10 048	5 429	3 180	1 670
Interest received		6	20	-	1
GST recovered from the ATO		17 299	14 622	3 968	3 541
Receipts for paid parental leave scheme		74	93	2	30
Other receipts		3 664	3 862	1 179	972
Cash generated from operations		387 860	349 643	33 719	35 144
Cash outflows					
Employee benefit payments		(206 768)	(190 305)	(9 878)	(8 796)
Payments for supplies and services		(136 187)	(120 968)	(23 253)	(16 492)
Payments of grants and subsidies		(2 391)	(2 590)	(1 666)	(1 803)
Payments for paid parental leave scheme		(84)	(84)	(5)	(30)
Interest paid		(194)	(197)	-	-
Cash used in operations		(345 624)	(314 144)	(34 802)	(27 121)
Net cash provided by / (used in) operating activities	8.2	42 236	35 499	(1 083)	8 023
Cash flows from investing activities					
Cash inflows					
Proceeds from the sale of property, plant and equipment	4.2	1 601	810	-	-
Proceeds from sale of investments		-	253	45	-
Cash generated from investing activities		1 601	1 063	45	-
Cash outflows					
Purchase of property, plant and equipment		(46 559)	(31 568)	(124)	(332)
Purchase of investments		(45)	-	(45)	-
Payments for the disposal of property		(34)	(52)	-	-
Cash used in investing activities		(46 638)	(31 620)	(169)	(332)
Net cash used in investing activities		(45 037)	(30 557)	(124)	(332)
Cash flows from financing activities					
Cash outflows					
Repayment of principal portion of leases		(1 915)	(1 863)	(12)	(21)
Cash used by financing activities		(1 915)	(1 863)	(12)	(21)
Net cash used in financing activities		(1 915)	(1 863)	(12)	(21)
Net (decrease) / increase in cash and cash equivalents		(4 716)	3 079	(1 219)	7 670
Cash and cash equivalents at the beginning of the reporting period		40 264	37 185	10 744	3 074
Cash and cash equivalents at the end of the reporting period	6.1	35 548	40 264	9 525	10 744

The accompanying notes form part of the financial statements.

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2022

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South Australian Fire and Emergency Services Commission

Notes to and forming part of the financial statements

for the year ended 30 June 2022

1. About the Emergency Services Sector

The Consolidated Entity – Emergency Services Sector

The not for profit Consolidated Entity known as the Emergency Services Sector (ESS), consists of the following controlled entities:

- South Australian Fire and Emergency Services Commission (Parent)
- South Australian State Emergency Service (SASES)
- South Australian Country Fire Service (SACFS)
- South Australian Metropolitan Fire Service (SAMFS)

with transactions occurring between these entities.

The ESS operates within the *Fire and Emergency Services Act 2005 (the Act)*.

Section 21 of the Act requires the Commission to have consolidated statements of account for the ESS to be prepared in respect of each financial year.

The consolidated financial statements have been prepared in accordance with AASB 10 *Consolidated Financial Statements* and incorporate the assets and liabilities of all entities comprising the ESS as at 30 June 2022 and the results of these entities for the year then ended. The effects of all transactions between entities in the consolidated entity are eliminated in full. The ESS does not control any other entity and has no interest in unconsolidated structured entities.

South Australian Fire and Emergency Services Commission (SAFECOM) - Parent Entity

The South Australian Fire and Emergency Services Commission (SAFECOM) is established under the *Fire and Emergency Services Act 2005 (the Act)*. SAFECOM is a not-for-profit body corporate and agency of the Crown, established under the Act.

Administered items

SAFECOM has administered activities and resources. As administered, the activities of the Community Emergency Services Fund (the fund) items are significant in relation to SAFECOM's overall financial performance and position and therefore are disclosed in the administered financial statements (schedule of administered items) at the back of the controlled general purpose financial statements. Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as for SAFECOM and the ESS.

1.1. Objectives and Activities

Objectives

SAFECOM has the following objectives:

- to develop and maintain a strategic and policy framework as well as sound corporate governance across the ESS
- to provide adequate support services to the emergency services organisations and to ensure the effective allocation of resources within the ESS
- to ensure relevant statutory compliance by the emergency services organisations
- to build a safer community through integrated emergency service delivery
- to undertake a leadership role in the emergency management
- to report regularly to the Minister about relevant issues.

South Australian Fire and Emergency Services Commission

Notes to and forming part of the financial statements

for the year ended 30 June 2022

1.1. Objectives and Activities (continued)

Activities of SAFECOM

In achieving its objectives, SAFECOM provides strategic and corporate support services to the SACFS, SAMFS, SASES and emergency management initiatives across the state, administering a range of joint state and Commonwealth Government grant funded initiatives. These services are classified under one activity titled "Fire and Emergency Services Strategic Services and Business Support".

Objectives and activities of the Consolidated Entity

The ESS has the objectives of ensuring safer communities and protecting life, property, the environment and economy from fire and other emergencies whilst safeguarding the health and wellbeing of the sector's workforce. In achieving its objectives, the ESS provides support to the community through a workforce consisting of dedicated volunteers and paid staff to deliver professional fire and rescue services to metropolitan, outer metropolitan, regional and rural South Australia and responding to extreme weather and flooding events, road crash, marine, swift water, vertical and confined space rescues.

1.2. 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 (PFAA)*
- Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards.

The financial statements have been prepared based on a 12-month 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 on a different basis.

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.

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

Significant accounting policies are set out throughout the notes.

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 (ATO), in which case 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.

GST receivables/payables associated with administered items transactions are included in SAFECOM statements.

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2022

1.3. New and amended standards adopted

The ESS 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 ESS's financial statements.

1.4. Impact of COVID-19 pandemic on the ESS

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

- Additional expenditure to keep personnel safe while maintaining service delivery to the community (SAFECOM: \$0.009 million, ESS: \$4.583 million)
- Additional expenditure to support the South Australian response to the COVID-19 pandemic. (SAFECOM: \$10.305 million, ESS: \$14.524 million)

The ESS 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 Fire and Emergency Services Commission
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 SAFECOM'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.

Statement of Comprehensive Income	Note	Original	SAFECOM	Variance
		budget	Actual	
		2022	2022	2022
		\$'000	\$'000	\$'000
Income				
Contribution from the Community Emergency Services Fund		20 416	19 593	(823)
Fees and charges	a	700	-	(700)
Grants and contributions	b	1 670	3 180	1 510
Interest		-	-	-
Donated assets		-	-	-
SA Government grants, subsidies and transfers	c	162	13 051	12 889
Other	a	159	1 188	1 029
Total income		23 107	37 012	13 905
Expenses				
Employee benefits		9 382	8 835	(547)
Supplies and services	d	10 053	19 395	9 342
Depreciation and amortisation		1 604	1 353	(251)
Grants and subsidies		2 797	1 666	(1 131)
Borrowing costs		1	-	(1)
Net loss from disposal of non-current assets		-	20	20
Cash alignment transfers to Consolidated Account		-	-	-
Other		125	-	(125)
Total expenses		23 962	31 269	7 307
Net result		(855)	5 743	6 598
Total comprehensive result		(855)	5 743	6 598

The following are brief explanations of variances between original budget and actual amounts. 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) Actual income has been reclassified from fees and charges revenue to other income.
- (b) Actual Income is higher due to Commonwealth grant funding provided for the National Flood Mitigation Infrastructure Program.
- (c) Actual income is higher mainly from: recovery of funds from SA Health for the Logistic Support for the Rapid Antigen Test Sites (RATS) and State Emergency Information Call Centre Capability COVID support; and funding provided for the sector's ICT Tenancy Migration.
- (d) Supplies and Services is higher than budgeted primarily from expenditure for Logistic Support for the RATS for which income is being recovered from SA Health.

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2022

1.5. Budget performance (continued)

		Original budget 2022 \$'000	SAFECOM Actual 2022 \$'000	Variance 2022 \$'000
	Note	\$'000	\$'000	\$'000
Investing expenditure summary				
Total existing projects	e	15 229	13 416	1 813
Total leases		37	14	23
Total investing expenditure		15 266	13 430	1 836

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.

- (e) Capital expenditure for Automatic Vehicle Location system is expected to occur in 2022-23 with underspend in 2021-22 anticipated to be carried over to 2022-23.

1.6. Significant transactions with government entities

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

The following transactions were significant for the ESS:

- Contributions from the Community Emergency Services Fund (refer note 2.1).
- Payments of \$19.349 million to the Attorney-General's Department for the Government Radio Network (refer note 4.1).
- Payments from SA Health of \$9.591 million for costs of assistance in COVID-19 operations (refer note 2.4).

The following transactions were significant for SAFECOM:

- Contributions from the Community Emergency Services Fund (refer note 2.1).
- Payments of \$9.350 million from SA Health to provide support during the COVID-19 pandemic (refer note 2.4).

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2022

2. Income

2.1. Contributions from the Community Emergency Services Fund

Contributions from the fund are recognised as revenue when the ESS obtains control over the funding. Control over contributions is normally obtained upon receipt. Total contributions for the year were ESS \$298.615 million (2021: \$293.123 million) and SAFECOM \$19.593 million (2021: \$17.823 million).

2.2. Fees and charges

	Consolidated		SAFECOM Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Fire alarm attendance fees	2 858	1 754	-	-
Fire alarm monitoring fees	2 913	2 804	-	-
Incident cost recoveries	384	340	-	-
Facilities hire fees	112	113	-	-
Fire safety fees	614	540	-	-
Total fees and charges	6 881	5 551	-	-

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 ESS satisfies performance obligations by transferring the promised goods or services to its customers.

The ESS recognises revenue (contracts with customers) from the following major sources:

Fire alarm attendance and fire safety fees

The ESS provides 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*. Revenue for these services is recognised in arrears once the relevant deliverables have been provided to the customer in line with the ESS legislated responsibilities and internal policies.

The ESS 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 ESS from the Attorney-General's Department (AGD) or direct from the customer. The ESS 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.

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
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2.2 Revenues from fees and charges (continued)

Fire alarm monitoring fees

The ESS undertakes 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. Revenue is recognised for monitoring services over the time services are provided, with all services delivered by 30 June at the end of the financial year.

Incident cost recoveries

The ESS provides support to other jurisdictions that request it when an emergency incident occurs. The terms of deployment are managed under 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 (AFAC).

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.

2.3. Grants and contributions

	Consolidated		SAFECOM Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Commonwealth Government	6 456	2 917	3 180	1 670
Private industry and local government	3 592	2 512	-	-
Total grants and contributions	10 048	5 429	3 180	1 670

Commonwealth Government grants and funding are recognised as income on receipt.

Commonwealth grants and funding are usually subject to terms and conditions set out in the contract correspondence or legislation however there were no sufficiently specific performance obligations.

Commonwealth Government grant funding for SAFECOM relates to the National Partnership Agreement on Disaster Risk Reduction in 2020-21 and grant funding for the National Flood Mitigation Infrastructure Program in 2021-22. Commonwealth Government grant funding for the ESS relates to the National Flood Mitigation Infrastructure Program and contributions towards the provision of fire and emergency services to Commonwealth properties under the Memorandum of Understanding for the Provision of Fire Services.

Private industry and local government funding for the ESS mainly relates to contributions towards aerial firefighting costs which are recognised as income on receipt.

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2022

2.4. SA Government grants, subsidies and transfers

	Consolidated		SAFECOM Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Intra-government transfers	39 855	6 268	2 318	4 758
NDRP - State Contribution	1 383	1 349	1 383	1 349
COVID 19 Support - SA Health	9 591	2 837	9 350	2 734
COVID 19 Support - SAPOL	3 903	3 100	-	-
Capital Program	303	6 230	-	-
Embedded BOM Meteorologist	86	85	-	-
Energy Fund	697	-	-	-
Total SA Government grants subsidies and transfers	55 818	19 869	13 051	8 841

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

Capital Program funding is from DTF for accelerated station and unit upgrades, appliances and vehicle replacements and purchase of land for the Strathalbyn Unit.

2.5. Interest

	Consolidated		SAFECOM Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Dividend Income	6	7	-	-
Interest on deposit accounts	-	13	-	1
Total interest revenues	6	20	-	1

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
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2.6. Other income

	Consolidated		SAFECOM Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Sundry revenues	787	674	101	45
Salary recoveries	992	741	754	683
Rental income	687	365	-	-
Insurance recoveries	219	159	-	-
Donations	23	17	-	-
Groups/Brigades/Units fundraising	39	412	-	-
Recoveries from legal cases	329	225	329	225
Donated Asset	4	-	-	-
Other	298	194	4	-
Total other income	3 378	2 787	1 188	953

Other income is generally recorded as income on receipt, except for rental income. Sundry revenue is mainly comprised of reimbursements which are recognised on receipt.

SACFS received an appliance that was donated and is fully operational within Region 1.

Contribution of services are recognised only when fair value can be determined reliably and the services would be purchased if they had not been donated. Although not recognised, SASES and SACFS volunteer members contribute a significant number of hours providing front line emergency response services to the community and in other support roles.

Rental income

Rental income consists of operating lease income as lessor. The ESS receives revenue from long term lease agreements with tenants for land controlled by the Minister for Police, Emergency Services and Correctional Services (the Minister). Payment is made by the tenant on a monthly basis in advance and revenue is recognised on a time proportionate basis over the lease period.

South Australian Fire and Emergency Services Commission
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

The ESS key management personnel includes the Minister, the Chief Executive of SAFECOM, the members of the SAFECOM Board, the Chief Officers of SAMFS, SACFS and SASES, and four members of the Executive Teams, who have responsibility for the strategic direction and management of the ESS.

Key management personnel of SAFECOM include the Minister, the members of the SAFECOM Board and the Chief Executive, who have responsibility for the strategic direction and management of the ESS.

The compensation detailed below for the ESS includes salaries and other benefits for all key management personnel paid by SAFECOM, SAMFS, SACFS and SASES. The compensation detailed below for SAFECOM includes salaries and other benefits for the Chief Executive of SAFECOM and non-government Board members paid by SAFECOM.

The compensation disclosed in this note excludes salaries and other benefits the Minister receives. 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 the DTF) under section 6 of the *Parliamentary Remuneration Act 1990*.

	Consolidated		SAFECOM Entity	
	2022	2021	2022	2021
Compensation	\$'000	\$'000	\$'000	\$'000
Salaries and other short-term employee benefits	3 027	2 382	1 248	1 241
Post-employment benefits	385	252	147	137
Termination benefits	-	222	-	27
Total compensation	3 412	2 856	1 395	1 405

Transactions with key management personnel and other related parties

The ESS and SAFECOM 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.

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2022

3.2. Board and committee members

Members of boards and committees during 2021-22 were:

South Australian Fire and Emergency Services Commission Board

M Adlam	C S Thomas*
C J Beattie*	A Tsentidis* (appointed 31 October 2021)
S J Caracoussis	
P J de Cure	
M S Jones*	
M J Morgan*	
S St Alban	
J S Tucker	
J M Waddington-Powell	
M A Healy* (term expired 30 July 2021)	
D F Barry* (term expired 23 July 2021)	
E L Connell* (appointed 31 October 2021)	
G C Cornish*	
P M Fletcher*	
W A Hicks	
J D Lindner	

**South Australian Fire and Emergency Services
Commission Risk and Performance Committee**

A Chia
J Tucker
P J de Cure

**South Australian Metropolitan Fire Service
Disciplinary Committee**

L D P Holland (term appointed 18 August 2021)
R Thompson* (term appointed 20 August 2021)
S J Smithson* (term appointed 20 August 2021)
A J Caire (term appointed 18 August 2021)

State Bushfire Coordination Committee

A Allen* (term expired 10 December 2021)
N G Bamford*
J S Crocker
F J Gill*
W R McIntosh
M S Jones* (ex officio)
P R White
A Walsh
B Loughlin*
G V Brown*
J Moyle
M Ashley
M J Blason
P Button*
R A Cadd
K M Egan
J B Drew*
M J Garrod* (appointed 26 August 2021)
S Reachill* (appointed 26 August 2021)
T A Fountain* (appointed 23 December 2021)

D S Gilbertson
H L Greaves
D Leblond* (term expired 18 October 2021)
J D Lindner
M R Sutton*
E G Petrenas*
B A Swaffer
D Ezis*
D Kowalski*
G Venditto* (term expired 24 May 2022)
M Anolak*
M S Martin* (appointed 26 August 2021)
P Merry
T Moffat*
F Crisci* (term expired 4 February 2022)
G P Benham*
T N B Roberts (appointed 26 August 2021)
J L Clark* (appointed 26 August 2021)
R K Hardy* (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 Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2022

3.2. Board and committee members (continued)

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

	Consolidated		SAFECOM Entity	
	2022	2021	2022	2021
The number of members whose remuneration received/receivable falls within the following bands:	Number of members	Number of members	Number of members	Number of members
\$0 - \$19 999	58	67	13	13
\$20 000 - \$39 999	4	6	4	5
\$40 000 - \$59 999	1	-	1	-
Total number of members	63	73	18	18

The total remuneration received or receivable by members was ESS \$168 000 (2021: \$159 000) and SAFECOM \$160 000 (2021: \$150 000). 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

	Consolidated		SAFECOM Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
3.3: Employee benefits expenses				
Salaries and wages	139 939	134 850	7 126	6 669
Workers compensation	7 926	(1 248)	75	174
Employment on-costs - superannuation	18 548	19 200	781	762
Additional compensation	2 869	2 664	(22)	7
Annual leave	15 004	16 005	571	619
Payroll tax	8 545	8 593	382	386
Long service leave	(1 984)	2 772	(411)	148
Skills and experience retention leave	1 192	1 200	29	54
Board fees	152	145	145	137
Targeted voluntary separation payments	1 485	-	150	-
Other employment related expenses	594	380	9	9
Total employee benefits	194 270	184 561	8 835	8 965

Employment on costs - superannuation

The superannuation employment on-cost charge represents the ESS's contributions to superannuation plans in respect of current services of current employees. There are no liabilities for payments to beneficiaries recognised by the ESS as DTF centrally recognises the superannuation liability in the whole-of-government financial statements.

South Australian Fire and Emergency Services Commission
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:

	Consolidated		SAFECOM Entity	
	2022	2021	2022	2021
	Number	Number	Number	Number
\$154 001 - \$157 000*	N/A	28	N/A	1
\$157 001 - \$177 000	126	130	1	1
\$177 001 - \$197 000	61	39	-	-
\$197 001 - \$217 000	18	14	-	-
\$217 001 - \$237 000	14	6	-	-
\$237 001 - \$257 000	2	5	-	-
\$257 001 - \$277 000	-	3	-	-
\$277 001 - \$297 000	3	3	1	-
\$297 001 - \$317 000	1	1	-	-
\$317 001 - \$337 000	1	-	-	-
\$337 001 - \$357 000	1	-	-	-
\$357 001 - \$377 000	-	1	-	1
Total	227	230	2	3

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

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. The total remuneration received by these employees for the year was ESS \$41.291 million (2021: \$40.645 million) and SAFECOM \$0.453 million (2021: \$0.692 million).

Targeted voluntary separation packages (TVSP)

	Consolidated		SAFECOM Entity	
	2022	2021	2022	2021
	Number of employees	Number of employees	Number of employees	Number of employees
The number of employees who received/owed a TVSP during the reporting period was:	34	-	3	-
	Consolidated	SAFECOM Entity	2022	2021
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Amounts paid or payable to employees:				
Public Sector Workforce Rejuvenation Scheme payments	1 485	-	150	-
Leave paid to those employees	901	-	62	-
Net cost of TVSP's	2 386	-	212	-

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

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2022

3.4. Employee benefits liability

	Consolidated		SAFECOM Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Current				
Accrued salaries and wages	-	4 966	-	214
Annual leave	16 590	17 077	814	874
Skills and experience retention leave	2 191	2 218	69	96
Long service leave	3 722	3 347	173	188
Total current employee benefits	22 503	27 608	1 056	1 372
Non-current				
Long service leave	26 936	33 571	1 538	2 146
Total non-current employee benefits	26 936	33 571	1 538	2 146
Total employee benefits - liability	49 439	61 179	2 594	3 518

Employee benefits accrue 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 and sick leave

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

The annual leave liability and the skills and experience retention leave liability 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 of 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 project unit credit method.

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

The actuarial assessment performed by the 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 the ESS.

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 (1.5%) to 3.75% in 2022.

This increase in the bond yield, which is used as the rate to discount future long service leave cash flows, results in an overall 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 the long service leave liability and employee benefits expense of \$5.809m (SAFECOM \$0.283m). The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions - a key assumption is 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.

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2022

3.4. Employee benefits liability (continued)

Long service leave

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 Fire and Emergency Services Commission
Notes to and forming part of the financial statements
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4. Expenses

4.1. Supplies and services

	Consolidated		SAFECOM Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Government radio network	19 349	18 963	-	-
Aerial support costs	14 558	11 992	-	-
Vehicles	13 710	12 145	72	20
Operational costs	8 335	8 818	376	8
Consultancy, contractor and legal fees	16 596	9 435	10 311	2 956
Property Costs	8 355	7 513	379	169
Travel and training	3 936	3 434	82	42
Computing costs	6 960	5 883	2 463	1 434
Communications	6 504	8 458	2 647	4 974
Uniforms and protective clothing	3 372	4 193	2	1
Accommodation	3 493	3 798	349	1 135
Shared Services SA fees	2 160	1 991	2 062	1 969
Insurance premiums	1 009	784	11	10
Short term leases	589	517	63	-
Low-value leases	311	227	47	41
Other expenses	6 067	5 428	531	458
Total supplies and services	115 304	103 579	19 395	13 217

Accommodation

A part of the ESS's accommodation is provided by DIT under MoAA issued in accordance with Government wide accommodation policies. These arrangements do not meet the definition of a lease and are accordingly expensed (disclosed within in 'Accommodation").

The ESS 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.

Other

Includes audit fees paid/payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* of the ESS \$274 000 (2021: \$218 000) and SAFECOM \$179 000 (2021: \$126 000). No other services were provided by the Auditor-General's Department.

Consultants

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

	Consolidated				SAFECOM Entity			
	2022	2022	2021	2021	2022	2022	2021	2021
	No.	\$'000	No.	\$'000	No.	\$'000	No.	\$'000
Below \$10 000	7	30	9	44	-	-	3	24
\$10 000 or above	13	994	11	909	1	10	3	99
Total paid / payable to the consultants engaged	20	1 024	20	953	1	10	6	123

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
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4.2. Net gain / (loss) from disposal of non-current assets

	Consolidated		SAFECOM Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Assets held for sale				
Proceeds from disposal	500	-	-	-
Costs of disposal	(14)	-	-	-
Less net book value of assets disposed	(500)	-	-	-
Net gain / (loss) from disposal of assets held for sale	(14)	-	-	-
Land and buildings				
Costs of disposal	(20)	(4)	-	-
Less net book value of assets disposed	(23)	-	(7)	-
Net gain / (loss) from disposal of land and buildings	(43)	(4)	(7)	-
Vehicles				
Proceeds from disposal	1 101	809	-	-
Less net book value of assets disposed	(1 270)	(1 595)	-	-
Net gain / (loss) from disposal of vehicles	(169)	(786)	-	-
Plant and equipment				
Proceeds from disposal	-	1	-	-
Costs of disposal	-	(48)	-	-
Less net book value of assets disposed	(20)	(6)	(13)	-
Net gain / (loss) from disposal of plant and equipment	(20)	(53)	(13)	-
Intangibles				
Less net book value of assets disposed	-	(46)	-	-
Net gain / (loss) from disposal of intangibles	-	(46)	-	-
Total assets				
Proceeds from disposal	1 601	810	-	-
Costs of disposal	(34)	(52)	-	-
Less net book value of assets disposed	(1 814)	(1 647)	(20)	-
Net gain / (loss) on disposal of owned assets	(247)	(889)	(20)	-
Gain / (loss) on modification of right-of-use assets	-	4	-	-
Net gain / (loss) from disposal of non-current assets	(247)	(885)	(20)	-

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.

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
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4.3. Other expenses

	Consolidated		SAFECOM Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Impairment loss	-	242	-	-
CWIP partial write off	-	534	-	-
Donated assets	27	-	-	-
Unit fundraising	12	-	-	-
Total other expenses	39	776	-	-

South Australian Fire and Emergency Services Commission
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

Consolidated - ESS	Land	Buildings	Surplus land and building	Vehicles	Plant & equipment	ESS HQ Fitout	Right of use land	Right of use buildings	Right of use vehicles	Right of use plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount 1 July 2021	82 704	134 160	-	168 832	23 523	-	65	3 199	1 189	8 850	422 522
Acquisitions	-	-	-	-	-	-	-	-	649	-	649
Incentive received	-	-	-	-	-	13 284	-	-	-	-	13 284
Disposals	-	(23)	-	(1 270)	(21)	-	-	-	(6)	-	(1 320)
Transfers from capital WIP ⁽¹⁾	724	6 596	-	12 365	3 314	-	-	-	-	-	22 999
Revaluation increment	-	-	177	-	-	-	-	-	-	-	177
Transfers between classes	(150)	(182)	332	-	-	-	-	-	-	-	-
Transfer out to held for sale	-	-	(509)	-	-	-	-	-	-	-	(509)
Donated assets	-	-	-	(27)	-	-	-	-	-	-	(27)
Remeasurement	-	-	-	-	-	-	-	132	-	(1 208)	(1 076)
Subtotal:	83 278	140 551	-	179 900	26 816	13 284	65	3 331	1 832	7 642	456 699
Gains/(losses) for the period recognised in net result:											
Depreciation	-	(6 993)	-	(13 697)	(3 990)	(517)	(1)	(671)	(810)	(557)	(27 236)
Subtotal:	-	(6 993)	-	(13 697)	(3 990)	(517)	(1)	(671)	(810)	(557)	(27 236)
Carrying amount at the end of the period	83 278	133 558	-	166 203	22 826	12 767	64	2 660	1 022	7 085	429 463
Gross carrying amount											
Gross carrying amount	83 278	151 805	-	201 365	33 268	13 284	67	4 626	2 819	8 112	498 624
Accumulated depreciation	-	(18 247)	-	(35 162)	(10 442)	(517)	(3)	(1 966)	(1 797)	(1 027)	(69 161)
Carrying amount at the end of the period	83 278	133 558	-	166 203	22 826	12 767	64	2 660	1 022	7 085	429 463

*All property, plant and equipment are classified in the level 3 fair value hierarchy except for land valued at \$1.202 million (classified as level 2). Refer to note 7.2 for details about the lease liability for right-of-use assets.

⁽¹⁾ Refer to note 5.5.

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
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5.1. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment during 2020-21

Consolidated - ESS	Land	Buildings	Vehicles	Plant & equipment	Right of use land	Right of use buildings	Right of use vehicles	Right of use plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount 1 July 2020	82 059	131 146	159 694	25 596	66	4 231	1 380	-	404 172
Acquisitions	-	-	-	40	-	-	679	9 320	10 039
Disposals	-	-	(1 595)	(6)	-	(268)	(12)	-	(1 881)
Transfers from capital WIP ⁽¹⁾	645	9 898	24 001	1 860	-	-	-	-	36 404
Other	-	-	-	-	-	-	(1)	-	(1)
Remeasurement	-	-	-	-	-	(87)	-	-	(87)
Subtotal:	82 704	141 044	182 100	27 490	66	3 876	2 046	9 320	448 646
Gains/(losses) for the period recognised in net result:									
Depreciation	-	(6 884)	(13 268)	(3 967)	(1)	(677)	(857)	(470)	(26 124)
Subtotal:	-	(6 884)	(13 268)	(3 967)	(1)	(677)	(857)	(470)	(26 124)
Carrying amount at the end of the period	82 704	134 160	168 832	23 523	65	3 199	1 189	8 850	422 522
Gross carrying amount									
Gross carrying amount	82 704	145 438	190 565	30 023	67	4 493	2 574	9 320	465 184
Accumulated depreciation	-	(11 278)	(21 733)	(6 500)	(2)	(1 294)	(1 385)	(470)	(42 662)
Carrying amount at the end of the period	82 704	134 160	168 832	23 523	65	3 199	1 189	8 850	422 522

*All property, plant and equipment are classified in the level 3 fair value hierarchy except for land valued at \$1.202 million (classified as level 2). Refer to note 7.2 for details about the lease liability for right-of-use assets.

⁽¹⁾ Refer to note 5.5.

South Australian Fire and Emergency Services Commission
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5.1. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment during 2021-22

Parent - SAFECOM	Buildings	Plant & equipment	ESS HQ Fitout	Right of use vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount 1 July 2021	8	479	-	19	506
Acquisitions	-	-	-	14	14
Incentive received	-	-	13 284	-	13 284
Disposals	(7)	(13)	-	-	(20)
Transfers from capital WIP ⁽¹⁾	-	139	-	-	139
Subtotal:	1	605	13 284	33	13 923
Gains/(losses) for the period recognised in net result:					
Depreciation	(1)	(105)	(517)	(12)	(635)
Subtotal:	(1)	(105)	(517)	(12)	(635)
Carrying amount at the end of the period	-	500	12 767	21	13 288
Gross carrying amount					
Gross carrying amount	-	731	13 284	42	14 057
Accumulated depreciation	-	(231)	(517)	(21)	(769)
Carrying amount at the end of the period	-	500	12 767	21	13 288

*All property, plant and equipment are classified in the level 3 fair value hierarchy except for capital works in progress (not classified). Refer to note 7.2 for details about the lease liability for right-of-use assets.

⁽¹⁾ Refer to note 5.5.

South Australian Fire and Emergency Services Commission
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5.1. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment during 2020-21

Parent - SAFECOM	Buildings	Plant & equipment	Right of use vehicles	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount 1 July 2020	12	583	26	621
Acquisitions	-	-	14	14
Subtotal:	12	583	40	635
Gains/(losses) for the period recognised in net result:				
Depreciation	(4)	(104)	(21)	(129)
Subtotal:	(4)	(104)	(21)	(129)
Carrying amount at the end of the period	8	479	19	506
Gross carrying amount				
Gross carrying amount	14	646	52	712
Accumulated depreciation	(6)	(167)	(33)	(206)
Carrying amount at the end of the period	8	479	19	506

*All property, plant and equipment are classified in the level 3 fair value hierarchy except for capital works in progress (not classified). Refer to note 7.2 for details about the lease liability for right-of-use assets.

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5.1 Property, plant and equipment (continued)

Depreciation expense

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:

Class of asset	Consolidated Useful life (years)	SAFECOM Entity Useful life (years)
Buildings	1-60	N/A
Vehicles	1-30	N/A
Plant and equipment	1-20	1-9
ESS HQ Fitout	15	15
ROU Land	77	N/A
ROU Buildings	3-77	N/A
ROU Vehicles	3-5	3-5
ROU Plant and equipment	16	N/A

Review of accounting estimates

Assets' residual values and useful lives are reviewed and adjusted if appropriate, on an annual basis. Changes in the expected useful 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, which is a change in accounting estimate.

SAFECOM revalued its vehicles and buildings as at 1 November 2019.

5.2. Property, plant and equipment owned by the ESS

Property, plant and equipment with a value equal to or in excess of \$10 000 is capitalised. However, the ESS 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, ESS groups these asset types for the purpose of capitalisation in the financial statements. In 2021-22 the MFS capitalised \$2.027 million in portable radios.

Property, plant and equipment is recorded at fair value. Detail about the ESS's approach to fair value is set out in note 10.1.

Impairment

Property, plant and equipment owned by the ESS has 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.

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.

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5.3. Property, plant and equipment leased by the ESS

Right-of-use property, plant and equipment assets leased by the ESS as lessee are recorded at cost and there was no indication 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 ESS has a limited number of leases:

- 164 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). No contingent rental provisions exist within the lease agreements and no options exist to renew the leases at the end of their term.
- 9 Commercial leases for land and buildings used for the purpose of operational and administrative activities.
- The SACFS holds a commercial lease over plant used for PFAS remediation purposes.

There were no new lease(s) entered into in 2021-22 for plant and equipment.

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

South Australian Fire and Emergency Services Commission
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5.4. Intangible assets

Reconciliation

Computer software	Consolidated		SAFECOM Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Carrying amount 1 July 2021	2 676	3 371	2 386	2 880
Write off	-	(46)	-	-
Transfers from capital WIP ⁽¹⁾	137	194	59	194
Subtotal:	2 813	3 519	2 445	3 074
Gains/(losses) for the period recognised in net result:				
Amortisation	(888)	(843)	(718)	(688)
Subtotal:	(888)	(843)	(718)	(688)
Carrying amount at the end of the period	1 925	2 676	1 727	2 386
Gross carrying amount				
Gross carrying amount	6 504	6 436	5 674	5 616
Accumulated amortisation	(4 579)	(3 760)	(3 947)	(3 230)
Carrying amount at the end of the period	1 925	2 676	1 727	2 386

⁽¹⁾ Refer to note 5.5.

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 computer software is calculated on a straight-line basis over the estimated useful life of 5 years for both the ESS and SAFECOM.

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 Fire and Emergency Services Commission
Notes to and forming part of the financial statements
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5.5. Capital works in progress

	Consolidated		SAFECOM Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Carrying amount 1 July 2021	42 746	40 858	461	319
Acquisitions	43 317	39 020	132	336
Transfers to property, plant and equipment	(22 999)	(36 404)	(139)	-
Transfers to intangible assets	(137)	(194)	(59)	(194)
CWIP write off	(43)	(534)	-	-
Carrying amount at the end of the period	62 884	42 746	395	461

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.

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
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6. Financial assets

6.1. Cash and cash equivalents

	Consolidated		SAFECOM Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Operating account with the Treasurer	27 697	32 398	9 525	10 744
Cash on hand	10	10	-	-
Cash at bank	8	8	-	-
Cash at bank - Groups/Brigades/Units	6 173	6 226	-	-
Short-term deposits - Groups/Brigades/Units	1 552	1 516	-	-
Short-term deposits	108	106	-	-
Total cash and cash equivalents	35 548	40 264	9 525	10 744

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.

The ESS has one operating account held with the Treasurer. This account 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/Units

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

Short term deposits

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 Fire and Emergency Services Commission
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6.2. Receivables

	Consolidated		SAFECOM Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
6.2: Receivables				
Current				
Receivables	9 472	4 154	7 439	82
Less impairment loss on receivables	(16)	(7)	(3)	-
Total fees, charges and other receivables	9 456	4 147	7 436	82
Prepayments	2 156	1 136	156	147
Accrued revenues	131	122	1	55
GST input tax recoverable	2 774	3 063	665	522
Total current receivables	14 517	8 468	8 258	806
Total receivables	14 517	8 468	8 258	806

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 on receivables, 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.

Refer to note 10.2 for further information on risk management.

The ESS 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.

Movement in allowance for impairment loss on receivables

	Consolidated		SAFECOM Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	7	3	-	-
Amounts written off	(14)	(45)	(9)	(20)
Increase in the allowance recognised in profit or loss	23	49	12	20
Carrying amount at the end of the period	16	7	3	-

Impairment losses relate to receivables arising from contracts with customers that are external to the SA Government.

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

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
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6.3. Other financial assets

	Consolidated		SAFECOM Entity	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Current				
Medium Term Deposits - Groups/Brigades/Units	1 947	1 902	-	-
<i>Investments</i>				
Listed equity instruments	98	106	-	-
Total current financial assets	2 045	2 008	-	-
Total other financial assets	2 045	2 008	-	-

Medium-term deposits are made for varying periods of between three and twelve months. The deposits are lodged with various financial institutions at their respective medium-term deposit rates.

The equity instruments are carried at fair value.

During the current year, the investments were designated at fair value through other comprehensive income with all changes in fair value being taken to the investment reserve. These investments are not subject to impairment testing.

On disposal of these equity investments, any related balance within the investment reserve will be reclassified to retained earnings. Dividends arising from these investments will be recognised in the statement of comprehensive income.

For further information on risk management refer to note 10.2.

South Australian Fire and Emergency Services Commission
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6.4. Non-current assets classified as held for sale

	Consolidated		SAFECOM Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Land	221	500	-	-
Building	288	-	-	-
Total non-current assets classified as held for sale	509	500	-	-

Reconciliation of non-current assets held for sale

	Consolidated		SAFECOM Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Land				
Carrying amount at the beginning of the period	500	742	-	-
Revaluation increment / (decrement)	-	(242)	-	-
Asset disposals	(500)	-	-	-
Assets reclassified to/(from) assets held for sale	509	-	-	-
Carrying amount at the end of the period	509	500	-	-
Total non-current assets classified as held for sale	509	500	-	-

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

SASES land and building at Edinburgh were classified as assets held for sale during 2021-22 financial year.

Non-current assets (or disposal groups) 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.

The ESS has measured the land and buildings held for sale at fair value less costs to sell because the assets' fair value less costs to sell is lower than its carrying amount.

An independent site valuation was provided by a Certified Practising Valuer for the property upon its classification as held for sale. The valuation was based on recent market transactions for similar unrestricted land and buildings in the area and includes adjustment for factors specific to the land and building such as size and location. This valuation was in accordance with the valuation principles and technique outlined in note 10.1 (i.e. there was no change to valuation technique).

South Australian Fire and Emergency Services Commission
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7. Liabilities

7.1. Payables

	Consolidated		SAFECOM Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Current				
Creditors	514	531	180	140
Accrued expenses	11 891	17 466	2 765	2 005
Paid parental leave scheme payable	9	19	-	3
Employment on-costs	5 192	5 675	208	232
Total current payables	17 606	23 691	3 153	2 380
Non-current				
Creditors	2	9	-	-
Employment on-costs	4 239	5 294	148	202
Total non-current payables	4 241	5 303	148	202
Total payables	21 847	28 994	3 301	2 582

Payables are measured at nominal amounts. Payables and accruals are raised for all amounts owing but unpaid. Creditors 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 and superannuation contributions and are settled when the respective employee benefits that they relate to are discharged.

The ESS 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 scheme. The only liability outstanding at reporting date relates to any contributions due but not yet paid to State Government and externally managed superannuation schemes.

As a result of the actuarial assessment performed by the DTF, the portion of long service leave taken as leave has remained at 42% and the average factor for the calculation of employer superannuation on-costs has changed to 10.6% (2020-2021 rate of 10.1%), except for SAMFS. SAMFS employer superannuation on cost rate has changed to 14.6% (2020-2021 rate of 13.5%). 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 Fire and Emergency Services Commission
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7.2. Financial liabilities

The ESS measures lease liabilities at discounted future lease payments using either the interest rate implicit in the lease or the DTF's incremental borrowing rate, the ESS \$11.067 million (2021: \$13.415 million) and SAFECOM \$21 000 (2021: \$19 000). There were no defaults or breaches throughout the year.

Interest expense paid on lease liabilities during 2021-22 was \$194 000 (2020-21: \$197 000). The ESS does not capitalise borrowing costs.

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

	Consolidated	
	2022	2021
	\$'000	\$'000
within 1 year	1 882	2 055
1 to 5 years	4 311	4 766
More than 5 years	6 133	8 195
Total lease liabilities (undiscounted)	12 326	15 016

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7.3. Provisions

	Consolidated		SAFECOM Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Current				
Provision for workers compensation	6 171	6 299	53	56
Additional compensation	1 681	1 210	4	3
Total current provisions	7 852	7 509	57	59
Non-current				
Provision for workers compensation	37 018	37 902	102	94
Additional compensation	21 926	19 556	216	239
Total non-current provisions	58 944	57 458	318	333
Total provisions	66 796	64 967	375	392

Movement in workers compensation provisions

	Consolidated		SAFECOM Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Workers compensation				
Carrying amount at the beginning of the period	44 201	54 794	150	125
Changes from remeasurement	7 926	(1 248)	74	175
Reductions arising from payments	(8 938)	(9 345)	(69)	(150)
Carrying amount at the end of the period	43 189	44 201	155	150

Additional compensation

	Consolidated		SAFECOM Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period				
Carrying amount at the beginning of the period	20 766	18 105	242	236
Changes from remeasurement	4 742	4 446	(22)	6
Reductions arising from payments	(1 901)	(1 785)	-	-
Carrying amount at the end of the period	23 607	20 766	220	242

Workers Compensation provision (statutory and additional compensation schemes)

The ESS is an exempt employer under the *Return to Work Act 2014*. Under a scheme arrangement, the ESS 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 of Public Sector Employment.

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7.3. Provisions (continued)

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.

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.

7.4. Other liabilities

	Consolidated		SAFECOM Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Current				
Accommodation incentive	885	-	885	-
Total current other liabilities	885	-	885	-
Non-current				
Accommodation incentive	11 882	-	11 882	-
Total non-current other liabilities	11 882	-	11 882	-
Total other liabilities	12 767	-	12 767	-

The MoAA between DIT and SAFECOM for the ESS HQ includes an incentive of \$13.284 million under the lease terms and conditions. SAFECOM has recognized a fitout asset of \$13.284 million (refer note 5.1) and an accommodation incentive liability of the same amount. The accommodation incentive liability is being amortised over the term of the MoAA (15 years) and the asset depreciated over the same period. The incentive liability is amortised against the accommodation expense being paid to DIT (refer note 4.1).

8. Other disclosures

8.1. Equity

Asset revaluation surplus

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.

Investment reserve

The reserve is used to record all changes in fair value of investments classified as fair value through other comprehensive income.

South Australian Fire and Emergency Services Commission
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8.2. Cash flow reconciliation

	Consolidated		SAFECOM Entity	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Reconciliation of cash and cash equivalents at the end of the reporting period				
Cash and cash equivalents disclosed in the Statement of Financial Position	35 548	40 264	9 525	10 744
Balance as per the Statement of Cash Flows	35 548	40 264	9 525	10 744
Reconciliation of net cash provided by operating activities to net cost of providing services				
Net cash provided by / (used in) operating activities	42 236	35 499	(1 083)	8 023
Add / (less) non-cash items				
Depreciation and amortisation	(28 124)	(26 967)	(1 353)	(817)
Donated assets	(27)	-	-	-
Impairment Loss	-	(242)	-	-
CWIP write off	(43)	-	-	-
Net gain/(loss) from disposal of non-current assets	(247)	(885)	(20)	-
Incentive amortisation	517	-	517	-
Capital accruals	(3 242)	7 487	8	4
Movement in assets and liabilities				
Increase/(decrease) in receivables	6 049	(5 348)	7 452	(2 156)
(Increase)/decrease in payables	7 147	(8 425)	(719)	(411)
(Increase)/decrease in employee benefits	11 740	(1 827)	924	(126)
(Increase)/decrease in provisions	(1 829)	7 932	17	(31)
Net result	34 177	7 224	5 743	4 486

Total cash outflows for leases for the ESS \$3.009 million (2021: \$2.804 million) and SAFECOM was \$122 000 (2021: \$41 000).

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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:

	Consolidated		SAFECOM Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Within one year	5 023	21 766	-	-
Later than one year but not later than five years	1 806	5 062	-	-
Total capital commitments	6 829	26 828	-	-

These capital commitments are for Fraser fire and rescue build appliances, aerial appliances, property and vehicles.

Expenditure commitments

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

	Consolidated		SAFECOM Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Within one year	18 409	17 562	10 316	2 210
Later than one year but not later than five years	27 736	7 331	9 889	2 760
Later than five years	47 995	1 057	12 333	-
Total expenditure commitments	94 140	25 950	32 538	4 970

The ESS's expenditure commitments relate primarily to aerial firefighting (SACFS), Emergency Alert national emergency warning system (SAFECOM), and protective firefighting equipment (SAMFS).

SAFECOM's expenditure commitments are for agreements for:

- Memoranda of Administrative Arrangements with DIT for accommodation
- Emergency Alert Phase 4 Project
- Emerald ongoing support.

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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 ESS is not aware of any contingent assets as at reporting date.

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

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

The SACFS 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.

9.3. Impact of standards not yet implemented

The ESS 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 ESS continues to assess liabilities eg LSL and whether or not the ESS has a substantive right to defer settlement. Where applicable, these liabilities will be classified as current.

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9.4. Trust funds

The SASES administers, but does not control, certain activities on behalf of the Australian Council of State and Territory Emergency Services. It is accountable for the transactions relating to those trust activities but does not have the discretion, for example, to deploy the resources for the achievement of the SASES's own objectives.

Transactions and balances relating to the trust assets are not recognised as SASES's income, expenses, assets and liabilities, but are disclosed in the table below.

	Consolidated		SAFECOM Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Cash at bank	221	221	-	-
Receivables	21	-	-	-
Total trust funds	242	221	-	-

The trust funds represent funds held by the Australian Council of State Emergency Services. The funds will be utilised to meet expenses incurred by each of the State Emergency Services Headquarters in Australia. The SASES will administer these funds until they are fully expended. In 2021-22, total income earned by the Council was \$21 300 (2021: \$60 000) and no expenses incurred (2021: \$0).

9.5. COVID-19 pandemic outlook for the ESS

The COVID-19 pandemic will continue to impact the operations of the ESS 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 agencies in response to the COVID-19 pandemic.
- Additional expenditure to keep personnel and volunteers safe while maintaining service delivery to the community.
- Additional expenditure may be incurred 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.

9.6. Events after the reporting period

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

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2022

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.

Initial recognition

Non-current tangible assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition.

Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position.

Revaluation

Property, plant and equipment, other than right of use assets, are subsequently measured at fair value after allowing for accumulated depreciation.

The revaluation process is reviewed by the ESS 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 2019 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 Fire and Emergency Services Commission
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 ESS classifies fair 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 ESS's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

During 2022 and 2021, the ESS 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 Pacific, as at 1 November 2019. The ESS 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.

South Australian Fire and Emergency Services Commission

Notes to and forming part of the financial statements

for the year ended 30 June 2022

10.2. Financial Instruments

Financial risk management

Risk management is managed by the ESS corporate services section and 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 ESS to 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

Liquidity risk arises from the possibility that the ESS is unable to meet its financial obligations as they fall due. The ESS is funded principally from the Fund. The ESS works with the Fund to determine the cash flows associated with its government approved program of work to ensure funding meets the expected cash flows.

Refer to notes 7.1 and 7.2 for further information.

Credit risk

The ESS has minimal concentration of credit risk. The ESS 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 ESS.

Impairment of financial assets

Loss allowances for receivables are measured at an amount equal to lifetime expected credit loss (ECL) using the simplified approach in AASB 9. The ESS uses an allowance matrix to measure the expected credit loss of receivables from non-government debtors which comprise a large number of small balances.

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 ESS 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 ESS'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 ESS is exposed to credit risk.

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.

The expected credit loss for government debtors for the ESS is nil. The expected credit loss for government debtors for SAFECOM is nil. This is based on the external credit ratings and nature of the counterparties.

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 ESS'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.

The following table provides the information about the exposure to credit risk and ECL for non-government debtors for the ESS.

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2022

10.2. Financial instruments (continued)

2022	Debtor gross carrying amount \$'000	Loss %	Lifetime expected losses \$'000
Current (not past due)	302	0.66%	-
1-30 days past due	537	2.15%	2
31-60 days past due	65	4.06%	-
61-90 days past due	46	8.75%	1
More than 90 days past due	427	16.43%	13
Loss allowance	1 377		16

Cash and debt instruments

The ESS 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.

All of the ESS'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 ESS does not trade in foreign currency, nor enter into transactions for speculative purposes, nor for hedging. The ESS 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*.

The ESS has non-interest-bearing assets (cash on hand and receivables) and liabilities (payables) and interest-bearing assets (cash at bank and investments). SAFECOM's exposure to market risk and cash flow interest risk is minimal. There is minimal exposure to foreign currency or other price risks.

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 assets and liabilities

The ESS measures all financial instruments at amortised cost other than 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. Maturity analysis for financial liabilities is presented in note 7.2.

**Community Emergency Services Fund
(The Fund)**

Administered Financial Statements

For the year ended 30 June 2022

Community Emergency Services Fund
Statement of Administered Comprehensive Income
for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Administered income			
Levy sources	A2.1	356 860	339 448
Fees and charges	A2.2	513	571
Interest		-	26
Total administered income		357 373	340 045
Administered expenses			
Contributions to SA Government administrative units	A3.1	339 088	325 451
Grants and subsidies	A3.2	3 693	6 141
Other	A3.3	8 697	8 649
Total administered expenses		351 478	340 241
Net result		5 895	(196)
Total comprehensive result		5 895	(196)

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

Community Emergency Services Fund
Statement of Administered Financial Position
as at 30 June 2022

	Note	2022 \$'000	2021 \$'000
Administered current assets			
Cash and cash equivalents	A4.1	19 420	12 732
Receivables from SA Government		1 197	2 013
Total current assets		<u>20 617</u>	<u>14 745</u>
Administered current liabilities			
Payables		602	625
Total current liabilities		<u>602</u>	<u>625</u>
Net assets		<u>20 015</u>	<u>14 120</u>
Administered equity			
Retained earnings		20 015	14 120
Total equity		<u>20 015</u>	<u>14 120</u>

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

Community Emergency Services Fund
Statement of Administered Cash Flows
for the year ended 30 June 2022

		2022	2021
	Note	\$'000	\$'000
Cash flows from operating activities			
Cash inflows			
Receipts from levy sources		357 677	338 698
Fees and charges		512	571
Interest received		-	26
Cash generated from operations		358 189	339 295
Cash outflows			
Payments to SA Government administrative units		(339 088)	(325 451)
Payments of grants and subsidies		(3 688)	(6 172)
Other payments		(8 725)	(8 608)
Cash used in operations		(351 501)	(340 231)
Net cash used in operations	A5.1	6 688	(936)
Net increase/(decrease) in cash and cash equivalents		6 688	(936)
Cash and cash equivalents at the beginning of the period		12 732	13 668
Cash and cash equivalents at the end of the period	A4.1	19 420	12 732

The accompanying notes form part of these financial statements.

Community Emergency Services Fund
Notes to and forming part of the financial statements
For the year ended 30 June 2022

Notes to the financial statements

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Community Emergency Services Fund
Notes to and forming part of the financial statements
For the year ended 30 June 2022

A1. About the Community Emergency Services Fund

A1.1. Basis of preparation and accounting policies

The basis of preparation for the Community Emergency Services Fund (the Fund) is the same as outlined in SA Fire and Emergency Services Commission's (SAFECOM) financial statements. The Fund applies the same accounting policies as set out in the notes of SAFECOM's financial statements.

A1.2. Establishment, objectives and funding arrangements

Establishment

The Fund was established pursuant to the *Emergency Services Funding Act 1998* (the Act).

Objectives

The Fund is the primary source of funding for the State Government's key emergency services agencies: the SA Metropolitan Fire Service (SAMFS), SA Country Fire Service (SACFS), SA State Emergency Service (SASES) and SAFECOM. The Fund also provides funding to other State Government agencies and Non-Government Organisations for the provision of emergency services and related activities, and collection and administration costs, as allowed under section 28(4) of the Act.

Funding arrangements

Under section 28(3) of the Act, funds collected through the Emergency Services Levy (ESL) (fixed and mobile property) for both private and Government property owners, Government contributions for concessions and remissions to property owners and interest earned on cash balances are paid into the Fund. The administration, collection and policy-setting of the ESL falls within the portfolio responsibilities of the Treasurer.

Community Emergency Services Fund
Notes to and forming part of the financial statements
For the year ended 30 June 2022

A1.3. Budget performance

The budget performance table compares the Fund'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.

	Original budget 2022 \$'000	Actual 2022 \$'000	Variance \$'000
Statement of Comprehensive Income			
Income			
Levy sources	351 921	356 860	4 939
Fees and charges	446	513	67
Total administered income	352 367	357 373	5 006
Expenses			
Contributions to SA Government administrative units	338 753	339 088	335
Grants and subsidies	5 926	3 693	(2 233)
Other	8 682	8 697	15
Total administered expenses	353 361	351 478	(1 883)
Net result	(994)	5 895	6 889
Total comprehensive result	(994)	5 895	6 889

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

In 2021-22 there were no variances that exceeded the greater of 10% of the original budget amount and 5% of original budgeted total expenses.

Community Emergency Services Fund
Notes to and forming part of the financial statements
For the year ended 30 June 2022

A2. Income

A2.1. Levy sources

	2022	2021
	\$'000	\$'000
Fixed property collections	170 744	164 205
Fixed property remissions	129 145	119 233
Mobile collections	47 481	46 523
Government concessions	6 412	6 461
Mobile remissions	3 078	3 026
Total revenues from levy sources	356 860	339 448

Various SA Government entities administer revenue from levy sources on behalf of the Fund, remitting revenue to the Fund once collected. The Fund recognises revenue when it obtains the right to receive which is generally when the revenue has been collected by the administering entity.

A2.2. Fees and charges

Revenue SA administers certificate sales on behalf of the Fund, remitting revenue to the Fund once collected. The Fund recognises revenue when it obtains the right to receive which is generally when the revenue has been collected by the administering entity \$513 000 (2021: \$571 000).

Community Emergency Services Fund
Notes to and forming part of the financial statements
For the year ended 30 June 2022

A3. Expenses

A3.1. Contributions to SA Government administrative units

	2022	2021
	\$'000	\$'000
South Australian Metropolitan Fire Service	162 979	164 213
South Australian Country Fire Service	93 363	88 174
South Australian Police	23 843	23 263
South Australian State Emergency Service	22 680	22 913
South Australian Fire and Emergency Services Commission	19 593	17 823
Department for Environment and Water	13 527	6 039
South Australian Ambulance Service	1 280	1 249
South Australian Police - Government radio network	817	796
Attorney-General's Department - State Rescue Helicopter Service	759	740
South Australian Ambulance Service - Government radio network	247	241
Total contributions to SA Government administrative units	339 088	325 451

A3.2. Grants and subsidies

	2022	2021
	\$'000	\$'000
Surf Life Saving South Australia	1 944	4 414
Volunteer Marine Rescue	1 326	1 293
Shark Beach Patrol	423	434
Total grants and subsidies	3 693	6 141

A3.3. Other expenses

	2022	2021
	\$'000	\$'000
Revenue SA - collection costs	7 040	6 849
Department of Infrastructure and Transport - collection costs	957	1 117
Administration costs	700	683
Total other expenses	8 697	8 649

Community Emergency Services Fund
Notes to and forming part of the financial statements
For the year ended 30 June 2022

A4. Financial assets

A4.1. Cash and cash equivalents

The Fund consists of one operating account held with the Treasurer of \$19.420 million (2021: \$12.732 million). 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.

A5. Other disclosures

A5.1. Cash flow reconciliation

	2022	2021
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents disclosed in the Statement of Financial Position	19 420	12 732
Balance as per the Statement of Cash Flows	19 420	12 732
Reconciliation of net cash provided by / (used in) operating activities to net result		
Net cash provided by/(used in) operating activities	6 688	(936)
Movement in assets and liabilities		
Increase/(decrease) in receivables	(816)	750
(Increase)/decrease in payables	23	(10)
Net result	<u>5 895</u>	<u>(196)</u>

Community Emergency Services Fund
Notes to and forming part of the financial statements
For the year ended 30 June 2022

A6. Measurement and risk

A6.1. Financial instruments

Financial risk management

Risk management is managed by SAFECOM corporate services section and the Fund 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 Fund to 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 Fund is funded principally from ESL contributions, government concessions and remissions, and interest. The payments from the Fund are referred by the Economic and Finance Committee, pursuant to the Act, and approved by the Minister for Emergency Services. The Fund is an Administered item and cash flows associated with its approved payments and budgeted receipts are managed to ensure funding is available to meet the expected cash flows.

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.

Credit risk

The Fund has minimal concentration of credit risk. The Fund is dependent on funds collected through the ESL (fixed and mobile property). The Fund does not engage in high risk hedging for its financial assets. No collateral is held as security and no credit enhancements relate to financial assets held by the Fund.

Impairment of financial assets

The expected credit loss of government debtors is considered to be nil based on the external credit ratings and nature of the counterparties. All of the Fund's debtors at balance date were government debtors. The expected credit loss is nil.

Market risk

The Fund has non-interest-bearing assets (receivables) and liabilities (payables) and interest-bearing assets (cash at bank). The Fund's exposure to market risk and cash flow interest risk is minimal. There is minimal exposure to foreign currency or other price risks.

The Fund does not trade in foreign currency, enter into transactions for speculative purposes, nor for hedging. The Fund 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*.

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 note A1.1

The Fund financial assets and liabilities, receivables and payables are held at cost therefore their carrying is a reasonable approximation of their fair values due to the short-term nature of these.

All financial assets and liabilities are expected to be settled within 1 year.