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## To the Chief Officer South Australian Metropolitan Fire Service

### Qualified Opinion

I have audited the financial report of the South Australian Metropolitan Fire Service for the financial year ended 30 June 2025.

In my opinion, except for the possible effects of the matter described in the 'Basis for qualified opinion' section of my report, the accompanying financial report gives a true and fair view of the financial position of the South Australian Metropolitan Fire Service as at 30 June 2025, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2025
- a Statement of Financial Position as at 30 June 2025
- a Statement of Changes in Equity for the year ended 30 June 2025
- a Statement of Cash Flows for the year ended 30 June 2025
- notes, comprising material accounting policies and other explanatory information
- a Certificate from the Chief Officer and the Business Manager.

### Basis for qualified opinion

#### *Procurement reporting disclosure*

The South Australian Metropolitan Fire Service was required by the Treasurer's Instructions (Accounting Policy Statements) to include a disclosure reporting the level of procurement with South Australian businesses and non-South Australian businesses for 2024-25.

This requirement uses a framework established by the Treasurer's Instructions (Accounting Policy Statements) and definitions with Treasurer's Instruction 18 - *Procurement*.

The South Australian Metropolitan Fire Service included that disclosure in note 4.2 to the financial report.

My review of the processes used by the South Australian Metropolitan Fire Service identified that it did not have an effective process to meet the requirements of the framework which has been established for procurement reporting under the Treasurer's Instructions.

As such, I am not able to obtain sufficient appropriate audit evidence for the amounts disclosed in note 4.2.

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 Metropolitan Fire Service. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

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

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

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

In preparing the financial report, the Chief Officer is responsible for assessing the 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 Officer is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

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

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 52(2) of the *Fire and Emergency Services Act 2005*, I have audited the financial report of the South Australian Metropolitan Fire Service for the financial year ended 30 June 2025.

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

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

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



Daniel O'Donohue  
**Deputy Auditor-General**

17 September 2025

OFFICIAL

# **South Australian Metropolitan Fire Service**

## **Financial Statements**

For the year ended 30 June 2025

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**South Australian Metropolitan Fire Service**  
**Certification of the Financial Statements**  
*For the year ended 30 June 2025*

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We certify that the:

- financial statements of the South Australian Metropolitan Fire Service:
  - are prepared in compliance with the accounts and records of the South Australian Metropolitan Fire Service;
  - comply with relevant Treasurer's Instructions;
  - comply with relevant accounting standards; and
  - present a true and fair view of the financial position of the South Australian Metropolitan Fire Service 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 Metropolitan Fire Service for the financial year over its financial reporting and its preparation of financial statements have been effective.



Jeff Swann  
Chief Officer  
South Australian Metropolitan Fire Service  
15<sup>th</sup> September 2025



Jarrad Cibich  
Business Manager  
South Australian Metropolitan Fire Service  
15<sup>th</sup> September 2025

**South Australian Metropolitan Fire Service**  
**Statement of Comprehensive Income**  
*For the year ended 30 June 2025*

		<b>2025</b>	<b>2024</b>
	<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Income</b>			
Contributions from the Community Emergency Services Fund	3.1	189 790	178 312
Appropriation	3.2	18 525	24 513
Fees and charges	3.3	6 937	6 512
Grants and subsidies	3.4	1 612	1 526
Intra-government transfers	3.5	159	176
Interest revenues		211	134
Net gain from disposal of non-current assets	3.6	-	15
Other income	3.7	1 360	1 150
<b>Total income</b>		<b>218 594</b>	<b>212 338</b>
<b>Expenses</b>			
Employee related expenses	4.1	181 138	187 122
Supplies and services	4.2	24 614	25 650
Depreciation and amortisation	5.4, 5.7	8 324	8 161
Grants and subsidies		74	97
Borrowing costs		33	40
Net loss from disposal of non-current assets	3.6	992	-
Other expenses	4.3	258	1 341
<b>Total expenses</b>		<b>215 433</b>	<b>222 411</b>
<b>Net result</b>		<b>3 161</b>	<b>(10 073)</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to net result</i>			
Changes to asset revaluation surplus		121 843	32 588
<b>Total other comprehensive income</b>		<b>121 843</b>	<b>32 588</b>
<b>Total comprehensive result</b>		<b>125 004</b>	<b>22 515</b>

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

**South Australian Metropolitan Fire Service**  
**Statement of Financial Position**  
*As at 30 June 2025*

		2025	2024
	Note	\$'000	\$'000
<b>Current assets</b>			
Cash and cash equivalents	5.2	4 416	2 430
Receivables	5.3	2 444	2 059
<b>Total current assets</b>		<b>6 860</b>	<b>4 489</b>
<b>Non-current assets</b>			
Property, plant and equipment	5.4	335 432	216 332
Capital works in progress	5.8	29 218	17 567
Intangible assets	5.7	44	81
<b>Total non-current assets</b>		<b>364 694</b>	<b>233 980</b>
<b>Total assets</b>		<b>371 554</b>	<b>238 469</b>
<b>Current liabilities</b>			
Payables	6.2	5 443	3 755
Employee related liabilities	6.4	26 524	25 228
Provisions	6.5	12 595	13 527
Other financial liabilities	6.3	-	384
<b>Total current liabilities</b>		<b>44 562</b>	<b>42 894</b>
<b>Non-current liabilities</b>			
Employee related liabilities	6.4	25 327	25 574
Provisions	6.5	65 209	58 314
Other financial liabilities	6.3	807	1 042
<b>Total non-current liabilities</b>		<b>91 343</b>	<b>84 930</b>
<b>Total liabilities</b>		<b>135 905</b>	<b>127 824</b>
<b>Net assets</b>		<b>235 649</b>	<b>110 645</b>
<b>Equity</b>			
Asset revaluation surplus	7.1	299 180	177 337
Retained earnings	7.1	(63 531)	(66 692)
<b>Total equity</b>		<b>235 649</b>	<b>110 645</b>

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



**South Australian Metropolitan Fire Service**  
**Statement of Changes in Equity**  
*For the year ended 30 June 2025*

	Note	Asset revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
<b>Balance at 1 July 2023</b>		<b>146 072</b>	<b>(57 942)</b>	<b>88 130</b>
Net result for 2023-24		-	(10 073)	(10 073)
Gain on revaluation of land during 2023-24	5.4	32 588	-	32 588
<b>Total comprehensive result for 2023-24</b>		<b>32 588</b>	<b>(10 073)</b>	<b>22 515</b>
Transfer between equity components		(1 323)	1 323	-
<b>Balance at 30 June 2024</b>		<b>177 337</b>	<b>(66 692)</b>	<b>110 645</b>
<b>Net result for 2024-25</b>		-	3 161	3 161
Gain on revaluation of land and building during 2024-25	5.4	123 174	-	123 174
Loss on revaluation of vehicles during 2024-25	5.4	(2 330)	-	(2 330)
Gain on revaluation of plant and equipment during 2024-25	5.4	999	-	999
<b>Total comprehensive result for 2024-25</b>		<b>121 843</b>	<b>3 161</b>	<b>125 004</b>
<b>Balance at 30 June 2025</b>	7.1	<b>299 180</b>	<b>(63 531)</b>	<b>235 649</b>

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

**South Australian Metropolitan Fire Service**  
**Statement of Cash Flows**  
*For the year ended 30 June 2025*

		2025 (Outflows) Inflows \$'000	2024 (Outflows) Inflows \$'000
<b>Cash flows from operating activities</b>	<b>Note</b>		
<b>Cash inflows</b>			
Contributions from the Community Emergency Services Fund		189 790	178 312
Appropriation		18 525	24 513
Intra-government transfers		212	70
Fees and charges		7 248	7 428
Grants and funding		1 671	1 634
Investment and interest received		211	134
GST recovered		2 236	2 271
Other receipts		1 299	901
<b>Cash generated from operations</b>		<b>221 192</b>	<b>215 263</b>
<b>Cash outflows</b>			
Employee related payments		(175 126)	(172 734)
Payments for supplies and services		(26 404)	(28 652)
Interest paid		(33)	(40)
Payments of grants and subsidies		(74)	(97)
<b>Cash generated from operations</b>	<b>7.2</b>	<b>(201 637)</b>	<b>(201 523)</b>
<b>Net cash provided by operating activities</b>		<b>19 555</b>	<b>13 740</b>
<b>Cash flows from investing activities</b>			
<b>Cash inflows</b>			
Proceeds from the sale of property, plant and equipment		48	118
<b>Cash generated from investing activities</b>		<b>48</b>	<b>118</b>
<b>Cash outflows</b>			
Purchase of property, plant and equipment		(17 262)	(14 115)
Payments for disposal of property		-	-
<b>Cash used in investing activities</b>		<b>(17 262)</b>	<b>(14 115)</b>
<b>Net cash from used in investing activities</b>		<b>(17 214)</b>	<b>(13 997)</b>
<b>Cash flows from financing activities</b>			
<b>Cash outflows</b>			
Repayment of principal portion of lease liabilities		(355)	(382)
<b>Net cash used in financing activities</b>		<b>(355)</b>	<b>(382)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>1 986</b>	<b>(639)</b>
Cash and cash equivalents at the beginning of the reporting period		2 430	3 069
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>5.2</b>	<b>4 416</b>	<b>2 430</b>

The accompanying notes form part of these financial statements.

**South Australian Metropolitan Fire Service**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2025*

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**1. About the South Australian Metropolitan Fire Service**

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

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

**1.1 Basis of preparation**

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

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

The financial statements 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.

Material accounting policy information is set out in the notes of the financial statements.

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

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

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

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

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

**South Australian Metropolitan Fire Service**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2025*

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**1.2 Objectives and programs**

**Objectives**

The MFS is established under the *Fire and Emergency Services Act 2005* (the Act) and is responsible under the Act for the following functions:

- to provide services with a view to preventing the outbreak of fires, or reducing the impact of fires, in any fire district
- to provide efficient and responsive services in any fire district for the purpose of fighting fires, dealing with other emergencies or undertaking any rescue
- to protect life, property and environmental assets from fires and other emergencies occurring in any fire district
- to develop and maintain plans to cope with the effects of fires or emergencies in any fire district
- to provide services or support to assist with recovery in the event of a fire or other emergency in a fire district
- to perform any other function assigned to the MFS by or under this or any other Act.

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

**Programs**

In achieving its objectives, the MFS provides services within three general areas: frontline services, frontline services support and governance and public value. These services are classified under one program titled 'South Australian Metropolitan Fire Service'.

**South Australian Metropolitan Fire Service**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2025*

### 1.3 Budget performance

The budget performance table compares the MFS outcomes against budget information presented to Parliament (2024-25 Budget Paper 4). The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

	Note	Original budget 2025 \$'000	Actual 2025 \$'000	Variance \$'000
<b>Statement of Comprehensive Income</b>				
<b>Income</b>				
Contributions from the Community Emergency Services Fund		188 455	189 790	1 335
Appropriation	(a)	3 525	18 525	15 000
Fees and charges		5 542	6 937	1 395
Grants and funding		1 603	1 612	9
Intra-government transfers		-	159	159
Interest revenue		61	211	150
Other income		200	1 360	1 160
<b>Total Income</b>		<b>199 386</b>	<b>218 594</b>	<b>19 208</b>
<b>Expenses</b>				
Employee related expenses	(b)	155 194	181 138	25 944
Supplies and services		16 521	24 614	8 093
Intra-government transfers		309	-	(309)
Grants and subsidies		-	74	74
Borrowing costs		24	33	9
Depreciation and amortisation		8 785	8 324	(461)
Net loss from disposal of non-current assets		-	992	992
Other expenses	(c)	10 375	258	(10 117)
<b>Total expenses</b>		<b>191 208</b>	<b>215 433</b>	<b>24 225</b>
<b>Net result</b>		<b>8 178</b>	<b>3 161</b>	<b>(5 017)</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified to net result</i>				
Changes to asset revaluation surplus	5.5	-	121 843	121 843
<b>Total other comprehensive income</b>		<b>-</b>	<b>121 843</b>	<b>121 843</b>
<b>Total comprehensive result</b>		<b>8 178</b>	<b>125 004</b>	<b>116 826</b>

In 2024-25 the ESS undertook a formal revaluation of its property, plant and equipment. An estimate for the revaluation was not included in the State Budget.

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) Variance mainly attributable to Governor's Appropriation Funding received from the Department of Treasury and Finance (DTF) to address 2024-25 funding shortfalls.
- b) Primarily due to additional overtime to cover leave and other backfill requirements and cost of recruit squad.
- c) Actual expenditure for Workers Compensation has been reclassified to Employee related expenses

**South Australian Metropolitan Fire Service**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2025*

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**1.3. Budget performance (continued)**

	Note	Original budget 2025 \$'000	Actual 2025 \$'000	Variance \$'000
<b>Investing expenditure summary</b>				
Total existing projects	(d)	6 312	11 387	5 075
Total Annual Programs	(e)	8 862	7 330	(1 532)
Total Leases		177	192	15
<b>Total investing expenditure</b>		<b>15 351</b>	<b>18 909</b>	<b>3 558</b>

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

- d) Due to reallocation from Annual Program and timing of appliance builds.
- e) Due to reallocation to existing projects.

**1.4 Significant transactions with government entities**

**Significant transactions with government related entities**

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

- Contributions received from the Fund of \$189.790 million (refer note 3.1).
- Payment to the Attorney-General's Department for the government radio network of \$2.990 million (refer note 4.2).

**South Australian Metropolitan Fire Service**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2025*

**2. Board, committees and employees**

**2.1 Key management personnel**

Key management personnel of the MFS include the Minister, the Chief Officer and the Deputy Chief Officer of the MFS who have responsibility for the strategic direction and management of the agency.

The compensation detailed below excludes the salary and other benefits of 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 DTF) under section 6 the *Parliamentary Remuneration Act 1990*.

	2025	2024
	\$'000	\$'000
Compensation		
Salaries and other short term employee benefits	552	576
Post-employment benefits	66	72
Other long-term employment benefits	-	285
<b>Total compensation</b>	<b>618</b>	<b>933</b>

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

The MFS 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.

**2.2 Remuneration of board and committee members**

Members of boards and committees during 2025 were:

**South Australian Metropolitan Fire Service Disciplinary Committee**

L D P Holland  
S J Smithson\*  
G S Uren\*  
A J Caire\*  
J Abbott\*  
C Attick\*

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

**Board and committee remuneration**

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

	2025	2024
	No.	No.
\$0	5	3
\$1 - \$19 999	1	1
<b>Total number of members</b>	<b>6</b>	<b>4</b>

The total remuneration received or receivable by members was \$5 600 (2024: \$8 000). 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.

**South Australian Metropolitan Fire Service**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2025*

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### 3. Income

#### 3.1 Contributions from the Community Emergency Service Fund

Contributions from the Fund are recognised as revenues when the MFS obtains control over the funding. Control over contributions is normally obtained upon receipt. Total contributions for the year were \$189.790 million (2024: \$178.312 million).

#### 3.2 Appropriation

	2025	2024
	\$'000	\$'000
Appropriation from Consolidated Account pursuant to the <i>Appropriation Act</i>	3 525	3 513
Appropriation from Governor's Appropriation Fund	15 000	21 000
<b>Total appropriation</b>	<b>18 525</b>	<b>24 513</b>

Appropriation is recognised on receipt. Appropriation consists of \$15.5 million (2024: \$21.5 million) for operational funding and \$3.0 million (2024: \$3.0 million) for capital projects.

#### 3.3 Fees and charges

	2025	2024
	\$'000	\$'000
Fire alarm attendance fees	3 276	3 188
Fire alarm monitoring fees	3 089	2 914
Fire safety fees	572	410
<b>Total fees and charges</b>	<b>6 937</b>	<b>6 512</b>

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

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

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

##### Fire alarm attendance and fire safety fees

The MFS 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*. The MFS recognises revenue for these services in arrears once the relevant deliverables have been provided to the customer in line with the MFS' legislated responsibilities and internal policies.

The MFS is a referral agency under the *Planning, Development and Infrastructure Regulations 2017* and receives revenue from customers for undertaking development assessments under the Planning and Design Code.

Payments for development assessments are received in advance upon referral of the development application to the MFS from the Attorney-General's Department or direct from the customer. The MFS 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.



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### 3.3 Fees and charges (continued)

#### Fire alarm monitoring fees

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

#### Incident recoveries

The MFS provides support to interstate 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.

### 3.4 Grants and subsidies

Commonwealth sourced grants \$1.612 million (2024: \$1.526 million) are recognised as an asset and income when the MFS obtains control of the contributions or obtains the right to receive the contributions and the income recognition criteria are met, this is generally on receipt.

Commonwealth grant funding for the MFS relates to the cost of providing fire and emergency services to Commonwealth properties under the Memorandum of Understanding for the Provision of Fire Services. All grants received from the Commonwealth are grants with unconditional stipulations.

	2025	2024
	\$'000	\$'000
Commonwealth Government	1 603	1 526
Private industry and local government	9	-
<b>Total Grants and subsidies</b>	<b>1 612</b>	<b>1 526</b>

### 3.5 Intra-government transfers

Intra-government transfers are recognised as income on receipt. Cash injections from DTF address MFS cost pressures and cash shortfalls.

	2025	2024
	\$'000	\$'000
Contingency funding provided by the Department of Treasury and Finance	9	9
Intra government transfer	150	167
<b>Total intra-government transfers</b>	<b>159</b>	<b>176</b>

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

	2025 \$'000	2024 \$'000
<b>Land and buildings</b>		
Proceeds from disposal	-	110
Less net book value of assets disposed	-	(103)
<b>Net gain / (loss) from disposal of land and buildings</b>	<b>-</b>	<b>7</b>
<b>Vehicles</b>		
Net proceeds from disposal	48	-
Less net book value of assets disposed	(1 051)	-
Costs of disposal	-	-
<b>Net gain / (loss) from disposal of vehicles</b>	<b>(1 003)</b>	<b>-</b>
<b>Plant and equipment</b>		
Net proceeds from disposal	-	8
<b>Net gain / (loss) from disposal of plant and equipment</b>	<b>-</b>	<b>8</b>
<b>Total assets:</b>		
Net proceeds from disposal	48	118
Less net book value of assets disposed	(1 051)	(103)
<b>Net gain / (loss) from disposal of owned assets</b>	<b>(1 003)</b>	<b>15</b>
<b>Gain/(loss) on modification of right-of-use assets</b>	<b>11</b>	<b>-</b>
<b>Total net gain / (loss) from disposal of non-current assets</b>	<b>(992)</b>	<b>15</b>

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

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**3.7 Other income**

Other income is recognised upon receipt, except for Rent of premises.

The MFS 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. The MFS recognise this revenue on a time proportionate basis over the lease period.

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Property income	716	647
Salary recoveries	454	448
Insurance recoveries	93	-
Donations	64	3
Sundry revenues	27	32
Recoveries from legal cases	2	5
Other	4	15
<b>Total other income</b>	<b>1 360</b>	<b>1 150</b>

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**4. Expenses**

**4.1 Employee related expenses**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages	119 326	121 838
Superannuation	19 495	18 344
Workers compensation	15 568	8 413
Annual leave	14 374	14 275
Other employee related expenses	418	790
Long service leave	3 598	6 041
Payroll tax	7 730	7 971
Skills and experience retention leave	1 299	1 223
Targeted voluntary separation payments	169	-
Additional compensation	(844)	8 220
Board and committee fees	5	7
<b>Total employee related expenses</b>	<b>181 138</b>	<b>187 122</b>

The MFS's staff are employed under Part 3 of the *South Australian Fire and Emergency Services Act 2005*.

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

**Employee Remuneration**

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

	<b>Employees</b>	
	<b>2025</b>	<b>2024</b>
	<b>No.</b>	<b>No.</b>
\$166 001 to \$171 000 *	n/a	31
\$171 001 to \$191 000	104	102
\$191 001 to \$211 000	81	70
\$211 001 to \$231 000	50	49
\$231 001 to \$251 000	13	16
\$251 001 to \$271 000	1	3
\$271 001 to \$291 000	-	1
\$351 001 to \$371 000	1	1
\$451,001 to \$471,000	1	1
<b>Total</b>	<b>251</b>	<b>274</b>

\*This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration for 2023-24.

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 \$50.35 million (2024: \$54.152 million).

The number of employees included in the banding for 2025 has decreased from 2024 predominantly due to backpay received in 2024 from the introduction of the new enterprise bargaining agreement. The number of employees included in the banding above is predominantly due to the payment of overtime penalties.

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**4.1 Employee related expenses (continued)**

**Targeted voluntary separation packages (TVSP's)**

The number of employees who received a TVSP during the reporting period was 1 (2024: Nil).

	2025	2024
	\$'000	\$'000
Amount paid to separated employees:		
Targeted voluntary separation packages	141	-
Leave paid to separated employees	28	-
<b>Net cost to the agency</b>	<b>169</b>	<b>-</b>

**4.2 Supplies and services**

	2025	2024
	\$'000	\$'000
Property costs	4 138	3 399
Government radio network	2 990	2 639
Vehicles	2 902	3 522
Uniforms and protective clothing	2 674	3 072
Contractors	2 239	2 745
Computing costs	1 727	1 777
Operational costs	1 597	1 971
Consultancy	1 373	1 623
Communications	788	872
Travel and training	717	971
Insurance premiums	651	446
Legal fees	428	146
Accommodation	291	279
Low-value leases	63	257
Postage and freight	43	34
Shared Services SA fees	61	57
Other expenses	1 932	1 840
<b>Total supplies and services</b>	<b>24 614</b>	<b>25 650</b>

**Accommodation**

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

**Other**

Includes audit fees paid/payable to the Audit Office of South Australia relating to work performed under the *Public Finance and Audit Act 1987* of \$59 000 (2024: \$61 400). No other services were provided by the Audit Office of South Australia.

**Leases**

The MFS recognises lease payments associated with low value leases (less than \$15 000) 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.

**South Australian Metropolitan Fire Service**  
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**4.2 Supplies and services (continued)**

**Expenditure – SA business and Non-SA business**

The following table includes all expenditure in relation to contracts above \$55 000 (GST inclusive) resulting from a procurement as defined in Treasurer's Instructions 18 – Procurement. Arrangements between public authorities and arrangements with other governments are not included.

Expenditure is inclusive of non-recoverable GST.

	<b>2025</b>	<b>Proportion of SA and non-SA businesses</b>
	<b>\$'000</b>	<b>%</b>
Total expenditure with South Australian businesses	23 176	67.16%
Total expenditure with non-South Australian businesses	11 332	32.84%
	<b>34 508</b>	<b>100%</b>

Classification as SA business or non-SA business is generally based on circumstances as at the time of entering into a contract. For contracts entered into before 20 February 2023, where sufficient evidence of an assessment made under previous procurement requirements is known to MFS, this was used to determine classification. For contracts where such evidence of prior assessment is not available and for all other contracts, classification is based on the definition of an SA business provided in TI 18.

TI 18 defines a business as being South Australian where it operates in South Australia and more than 50% of the workforce delivering the contract resulting from the procurement on behalf of the business are South Australian residents.

The disclosure for expenditure with SA businesses reflects the total spent on contracts within the TI 18 definition and in some instances includes the cost of goods sourced from outside South Australia.

In many cases, the determination has been made on the basis of representations made by suppliers at a point in time which has not been subject to independent verification.

**4.3 Other Expenses**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Donated assets	120	-
Other	94	-
Derecognition of assets	44	1 341
<b>Total other expenses</b>	<b>258</b>	<b>1 341</b>

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**5. Assets**

**5.1 Financial assets**

	2025	2024
	\$'000	\$'000
<b>Financial assets measured at amortised cost</b>		
Cash and cash equivalents	4 416	2 430
Receivables	1 094	1 205
<b>Total financial assets</b>	<b>5 510</b>	<b>3 635</b>

All financial assets are measured at amortised cost.

**5.2 Cash and cash equivalents**

	2025	2024
	\$'000	\$'000
Deposits with the Treasurer	4 410	2 424
Cash on hand	6	6
<b>Total cash and cash equivalents in the Statement of Financial Position</b>	<b>4 416</b>	<b>2 430</b>
<b>Total cash and cash equivalents in the Statement of Cash Flows</b>	<b>4 416</b>	<b>2 430</b>

Cash is measured at nominal amounts.

**Deposits with the Treasurer**

Special deposit accounts are established under section 8 of the *Public Finance and Audit Act 1987*. Special deposit accounts must be used in compliance with their approved purpose. One operating account is held with the Treasurer. This account is interest bearing.

**5.3 Receivables**

	2025	2024
<b>Current</b>	<b>\$'000</b>	<b>\$'000</b>
Receivables	1 100	1 210
Less impairment loss on receivables	(6)	(5)
Prepayments	189	289
Accrued revenues	106	55
GST	1 055	510
<b>Total current receivables</b>	<b>2 444</b>	<b>2 059</b>
<b>Total receivables</b>	<b>2 444</b>	<b>2 059</b>

All receivables are non-interest bearing. They are held with the objective of collecting the contractual cash flows.

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Contractual receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

Other than as recognised in the allowance for impairment loss on contractual 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 9.2 for further information on risk management.

**South Australian Metropolitan Fire Service**  
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**5.3 Receivables (continued)**

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

**Allowance for impairment loss on contractual receivables**

	2025 \$'000	2024 \$'000
Carrying amount at the beginning of the period	5	6
Increase/(decrease) in the allowance	1	(1)
<b>Carrying amount at the end of the period</b>	<b>6</b>	<b>5</b>

Impairment losses relate to receivables arising from contracts with customers that are external to the SA Government. Refer to note 9.2 for details regarding credit risk and the methodology for determining impairment.



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**5.4 Property, plant and equipment**

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

**Reconciliation of property, plant and equipment during 2024-25**

	Land	Buildings	Vehicles	Plant & equipment	ROU Buildings	ROU Vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Carrying amount at the beginning of the period</b>	<b>94 281</b>	<b>72 554</b>	<b>46 057</b>	<b>2 077</b>	<b>892</b>	<b>471</b>	<b>216 332</b>
Acquisitions	-	-	-	-	-	192	192
Transfers from capital WIP <sup>(1)</sup>	-	1 202	5 536	274	-	-	7 012
Disposals	-	-	(1 051)	-	-	-	(1 051)
Derecognition of assets	-	-	-	(44)	-	(445)	(489)
Revaluation increment/decrement	88 120	35 054	(2 330)	999	-	-	121 843
Donated assets provided	-	-	(120)	-	-	-	(120)
<b>Subtotal:</b>	<b>182 401</b>	<b>108 810</b>	<b>48 092</b>	<b>3 306</b>	<b>892</b>	<b>218</b>	<b>343 719</b>
<b>Gains/(losses) for the period recognised in net result:</b>							
Depreciation	-	(3 374)	(4 096)	(482)	(117)	(218)	(8 287)
<b>Subtotal:</b>	<b>-</b>	<b>(3 374)</b>	<b>(4 096)</b>	<b>(482)</b>	<b>(117)</b>	<b>(218)</b>	<b>(8 287)</b>
<b>Carrying amount at the end of the period</b>	<b>182 401</b>	<b>105 436</b>	<b>43 996</b>	<b>2 824</b>	<b>775</b>	<b>-</b>	<b>335 432</b>
<b>Gross carrying amount</b>							
Gross carrying amount	182 401	105 476	44 149	2 825	1 384	-	336 235
Accumulated depreciation	-	(40)	(153)	(1)	(609)	-	(803)
<b>Carrying amount at the end of the period</b>	<b>182 401</b>	<b>105 436</b>	<b>43 996</b>	<b>2 824</b>	<b>775</b>	<b>-</b>	<b>335 432</b>

\*All property, plant and equipment are classified in the level 2 and level 3 fair value hierarchy. Refer Note 9.1 for more details.

Refer to note 6.3 for details about the lease liability for right-of-use assets.

<sup>(1)</sup> Refer to note 5.8.

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

**Reconciliation of property, plant and equipment during 2023-24**

	Land \$'000	Buildings \$'000	Vehicles \$'000	Plant & equipment \$'000	ROU Buildings \$'000	ROU Vehicles \$'000	Total \$'000
<b>Carrying amount at the beginning of the period</b>	<b>61 796</b>	<b>75 982</b>	<b>43 039</b>	<b>2 403</b>	<b>764</b>	<b>359</b>	<b>184 343</b>
Acquisitions	-	-	-	-	-	396	396
Transfers from capital WIP <sup>(1)</sup>	(103)	-	-	-	-	-	(103)
Disposals	-	566	7 670	40	-	-	8 276
Revaluation increment	32 588	-	-	-	-	-	32 588
CWIP write off	-	(609)	(692)	(7)	-	-	(1 308)
Remeasurement	-	-	-	-	250	-	250
<b>Subtotal:</b>	<b>94 281</b>	<b>75 939</b>	<b>50 017</b>	<b>2 436</b>	<b>1 014</b>	<b>755</b>	<b>224 442</b>
<b>Gains/(losses) for the period recognised in net result:</b>							
Depreciation	-	(3 385)	(3 960)	(359)	(122)	(284)	(8 110)
<b>Subtotal:</b>	<b>-</b>	<b>(3 385)</b>	<b>(3 960)</b>	<b>(359)</b>	<b>(122)</b>	<b>(284)</b>	<b>(8 110)</b>
<b>Carrying amount at the end of the period</b>	<b>94 281</b>	<b>72 554</b>	<b>46 057</b>	<b>2 077</b>	<b>892</b>	<b>471</b>	<b>216 332</b>
<b>Gross carrying amount</b>							
Gross carrying amount	94 281	87 662	63 362	3 607	1 384	823	251 119
Accumulated depreciation	-	(15 108)	(17 305)	(1 530)	(492)	(352)	(34 787)
<b>Carrying amount at the end of the period</b>	<b>94 281</b>	<b>72 554</b>	<b>46 057</b>	<b>2 077</b>	<b>892</b>	<b>471</b>	<b>216 332</b>

\*All property, plant and equipment are classified in the level 3 fair value hierarchy. Refer to note 6.3 for details about the lease liability for right-of-use assets.

<sup>1)</sup> Refer to note 5.8

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#### **5.4 Property, plant and equipment (continued)**

##### **Depreciation**

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

##### **Useful life**

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

<b>Class of asset</b>	<b>Useful life (years)</b>
Buildings	1-60
Vehicles	1-23
Plant and equipment	1-20
ROU Buildings	12
ROU Vehicles	3-5
ROU Land	11

##### **Review of Accounting Estimates**

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted, if appropriate, on an annual basis. Changes in the expected 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.

The MFS revalued its land, buildings, motor vehicles and plant and equipment as at 30 June 2025.

#### **5.5 Property, plant and equipment owned by MFS**

Property, plant and equipment owned by the MFS with a value equal to or in excess of \$15 000 is capitalised.

Property, plant and equipment owned by the MFS is recorded at fair value. Detail about the MFS's approach to fair value is set out in note 9.1.

##### **Revaluation and impairment**

Revaluation of property, plant and equipment is undertaken on a regular cycle at least every six years. 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.

Property, plant and equipment are non-cash generating assets, that are specialised in nature and held for continual use of their service capacity. These assets are not tested for impairment as they are regularly revalued to fair value.

The previous Christies Beach MFS station was decommissioned in January 2024 when operations were moved to new premises in Noarlunga. The site at Christies Beach has subsequently remained vacant while the impact of per-and polyfluoroalkyl substances (PFAS) contamination issues are being investigated with the consequence that the property has incurred some damage due to vandalism. At 30 June 2025, the impact on fair value from PFAS contamination and other damage could not be reliably measured, therefore the fair value of this property has remained unchanged.

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**5.6 Property, plant and equipment leased by the MFS**

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

Short-term leases of 12 months or less and low value leases where the underlying asset value is less than \$15 000 are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and are disclosed in note 4.2.

The MFS has one commercial lease for a building used for the purpose of operating a regional fire station at Mount Barker.

The lease liabilities and interest expense related to the ROU assets are disclosed in note 6.3. The MFS's maturity analysis of lease liabilities is disclosed in note 6.3. Cash outflows related to leases are disclosed in note 7.2. The MFS has not committed to any lease arrangements that have not commenced from 1 July.

Effective 1 April 2025, SAFA Fleet has issued new lease arrangements for all existing and new leases. The new lease agreements include a standard clause that gives SAFA Fleet substantive substitution rights in accordance with section B14 (a) of AASB 16 Leases. As a result, SAFA's motor vehicle leases are no longer captured by AASB 16. Consequently, ESS is no longer required to recognise ROU assets and liabilities relating to the motor vehicle leases and these have been derecognised as of 1 April 2025 – refer notes 5.4 and 6.3.

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## 5.7 Intangible assets

<b>Reconciliation of intangible assets</b>	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at the beginning of the period	81	165
Derecognition of assets	-	(33)
<b>Subtotal:</b>	<b>81</b>	<b>132</b>
<b>Gains/(losses) for the period recognised in net result:</b>		
Amortisation	(37)	(51)
<b>Subtotal:</b>	<b>(37)</b>	<b>(51)</b>
<b>Carrying amount at the end of the period</b>	<b>44</b>	<b>81</b>
<b>Gross carrying amount</b>		
Gross carrying amount	449	448
Accumulated depreciation	(405)	(367)
<b>Carrying amount at the end of the period</b>	<b>44</b>	<b>81</b>

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation of computer software is calculated on a straight-line basis over the estimated useful life of 5-10 years.

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

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$15 000.

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

## 5.8 Capital works in progress

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at the beginning of the period	17 567	11 384
Acquisitions	18 717	14 493
Transfers to property, plant and equipment	(7 012)	(8 276)
CWIP write off	(54)	(34)
<b>Carrying amount at the end of the period</b>	<b>29 218</b>	<b>17 567</b>

Capital works in progress are recognised as the cumulative costs of capital projects to balance date. Projects completed during the year have been recognised as property, plant and equipment (refer note 5.4) or intangible assets (refer note 5.7) and are valued at cost.

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**6 Liabilities**

**6.1 Financial liabilities**

	2025	2024
	\$'000	\$'000
<b>Financial liabilities measured at amortised cost</b>		
Payables	5 443	3 755
Lease liabilities	1 009	1 516
<b>Total financial liabilities</b>	<b>6 452</b>	<b>5 271</b>

All financial liabilities are measured at amortised cost.

**6.2 Payables**

	2025	2024
	\$'000	\$'000
<b>Current</b>		
Creditors	1 229	1 188
Accrued expenses	4 213	2 559
Paid Parental Leave Scheme payable	1	8
<b>Total current payables</b>	<b>5 443</b>	<b>3 755</b>
<b>Total payables</b>	<b>5 443</b>	<b>3 755</b>

Payables and accruals are recognised 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.

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### 6.3 Other financial liabilities

The MFS measures lease liabilities at discounted future lease payments using either the interest rate implicit in the lease or the DTF's incremental borrowing rate. There were no defaults or breaches throughout the year.

Lease liabilities relating to motor vehicles have been derecognised as of 1 April 2025 – refer notes 5.4 and 5.5.

Interest expense paid on lease liabilities during 2024-25 was \$33 000 (2024: \$40 000). The MFS does not capitalise borrowing costs.

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

	2025 \$'000	2024 \$'000
<b>Current</b>		
Lease liabilities	-	384
<b>Total current financial liabilities</b>	<b>-</b>	<b>384</b>
<b>Non-current</b>		
Lease liabilities	807	1 042
<b>Total non-current financial liabilities</b>	<b>807</b>	<b>1 042</b>
<b>Total other financial liabilities</b>	<b>807</b>	<b>1 426</b>

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

	2025 \$'000	2024 \$'000
<b>Lease liabilities</b>		
within 1 year	143	414
1 to 5 years	573	816
More than 5 years	293	286
<b>Total lease liabilities (undiscounted)</b>	<b>1 009</b>	<b>1 516</b>

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**6.4 Employee related liabilities**

	2025	2024
	\$'000	\$'000
<b>Current</b>		
Annual leave	13 247	13 508
Employment on-costs	5 064	4 851
Long service leave	4 123	3 936
Skills and experience retention leave	2 401	2 259
Accrued salaries and wages	1 689	674
<b>Total current employee related liabilities</b>	<b>26 524</b>	<b>25 228</b>
<b>Non-current</b>		
Long service leave	21 196	21 537
Employment on-costs	4 131	4 037
<b>Total non-current employee related liabilities</b>	<b>25 327</b>	<b>25 574</b>
<b>Total employee related liabilities</b>	<b>51 851</b>	<b>50 802</b>

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

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

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

The annual leave liability and the SERL liability in full is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid. The salary inflation rate applied to the annual leave and SERL liabilities increased to 3.2% in 2025 from 2.4% in 2024.

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 expected timing and amount of long service leave payments is determined through whole-of-government actuarial calculations, which are based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over the police and emergency services sector.

The discount rate used in measuring the liability is reflective of the yield on long-term Commonwealth Government bonds. The yield on long-term Commonwealth Government bonds has increased in 2025 to 4.50% (4.25% in 2024). 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.



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**6.4 Employee related liabilities (continued)**

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 \$475 271. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions - including the long-term discount rate.

The actuarial assessment performed by DTF maintained the salary inflation rate at 3.5% (2024: 3.5%) for the long service leave liability. Consequently, there was no net financial effect.

The current portion of long service liabilities reflects the amounts expected to be taken (approved or paid out of termination) to eligible employees within 2025-26.

**Employment on-costs**

Employment on-costs liabilities include payroll tax, Fringe benefits Tax, Pay As You Go Withholding, ReturnToWorkSA levies and superannuation contributions. They are settled when the respective employee benefits that they relate to is discharged. These on-costs liabilities primarily relate to the balance of leave owing to employees. The estimated proportion of long service leave to be taken as leave, rather than to be paid on termination, affects the amount of on-costs liabilities recognised as a consequence of long service leave liabilities.

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

The proportion of long service leave taken has increased to 85.95% from 84.17% in 2024. The average factor for the calculation of employer superannuation on-costs has changed to 16 % from 15.5% in 2024. 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.

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## 6.5 Provisions

	2025 \$'000	2024 \$'000
<b>Current</b>		
Provision for workers compensation	10 506	11 811
Additional compensation	2 089	1 716
<b>Total current provisions</b>	<b>12 595</b>	<b>13 527</b>
<b>Non-current</b>		
Provision for workers compensation	38 586	30 451
Additional compensation	26 623	27 863
<b>Total non-current provisions</b>	<b>65 209</b>	<b>58 314</b>
<b>Total provisions</b>	<b>77 804</b>	<b>71 841</b>
<b>Movement in workers compensation provisions</b>	<b>2025 \$'000</b>	<b>2024 \$'000</b>
<b>Workers compensation</b>		
Carrying amount at the beginning of the period	42 262	38 636
Reductions arising from payments	(6 101)	(4 748)
Changes from remeasurement	(724)	(2 779)
New accident liability	13 655	11 153
<b>Carrying amount at the end of the period</b>	<b>49 092</b>	<b>42 262</b>
<b>Additional compensation</b>		
Carrying amount at the beginning of the period	29 579	21 359
Reductions arising from payments	(2 187)	(1 873)
Changes from remeasurement	(2 167)	7 185
New accident liability	3 487	2 908
<b>Carrying amount at the end of the period</b>	<b>28 712</b>	<b>29 579</b>

### Workers Compensation provision (statutory and additional compensation schemes)

The MFS is an exempt employer under the *Return to Work Act 2014*. Under a scheme arrangement, the MFS 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 2025 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment.

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 nonserious 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.

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## 6.5 Provisions (continued)

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 Other disclosures

### 7.1 Equity

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

### 7.2 Cash flow reconciliation

	2025 \$'000	2024 \$'000
<b>Reconciliation of cash and cash equivalents at the end of the reporting period</b>		
Cash and cash equivalents disclosed in the Statement of Financial Position	4 416	2 430
Balance as per the Statement of Cash Flows	4 416	2 430
<b>Reconciliation of net cash provided by operating activities to net cost of providing services</b>		
Net cash provided by operating activities	19 555	13 740
<b>Add / (less) non-cash items</b>		
Depreciation and amortisation	(8 324)	(8 161)
Donated assets	( 120)	-
Net gain/(loss) from disposal of non-current assets	(992)	15
Capital WIP write off	(54)	(34)
Derecognition of non-current assets	(44)	(1 341)
Capital accruals	1 455	378
<b>Movement in assets and liabilities</b>		
Increase/(decrease) in receivables	385	(58)
(Increase)/decrease in payables	(1 688)	(337)
(Increase)/decrease in employee benefits	(1 049)	(2 429)
(Increase)/decrease in provisions	(5 963)	(11 846)
<b>Net result</b>	<b>3 161</b>	<b>(10 073)</b>

Total cash outflows for leases for the MFS was \$451 000 (2023-24: \$679 000).

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## 8 Outlook

### 8.1 Unrecognised contractual commitments

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

#### Contractual commitments to acquire property, plant and equipment

	2025	2024
	\$'000	\$'000
Within one year	8 770	3 455
<b>Total contractual commitments to acquire property, plant and equipment</b>	<b>8 770</b>	<b>3 455</b>

These contractual commitments to acquire property, plant and equipment are related to the Noarlunga Command Station and vehicle equipment.

#### Other contractual commitments

	2025	2024
	\$'000	\$'000
Within one year	1 982	2 505
Later than one year but not later than five years	1 401	1 543
Later than five years	1 990	2 281
<b>Total other contractual commitments</b>	<b>5 373</b>	<b>6 329</b>

MFS's other contractual commitments are for accommodation, agreements relating to asset maintenance, information technology, protective firefighting equipment and equipment.

### 8.2 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 MFS is not aware of any contingent assets at the reporting date.

The MFS recognises a contingent liability relating to the historical use of per-and polyfluoroalkyl substances (PFAS) firefighting foams across sites in South Australia.

All 37 current and 27 divested MFS sites have been risk profiled for potential PFAS contamination. Testing is underway at 11 high priority sites, with 15 standard priority sites scheduled to commence assessment by 30 December 2025 and low priority sites by December 2027 to meet EPA requirements. Three MFS sites (Oakden, Noarlunga, Mount Barker) are no longer under EPA consideration.

The MFS 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.

### 8.3 Impact of standards not yet implemented

The MFS assessed *Australian Accounting Standards* and *Interpretations* that first applied in 2024-25 and determined that they did not have a material impact on its financial statements. No new *Australian Accounting Standards* or *Interpretations* have been early adopted.

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## **8.4 Events after the reporting period**

All events occurring after financial statement balance date, and for which the financial reporting framework requires adjustment or disclosure, have been adjusted or disclosed.

## **9 Measurement and risk**

### **9.1 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**

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.

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 \$1.5 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.

#### **Fair value hierarchy**

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

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

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

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

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

During 2024 and 2025, the MFS 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.

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### 9.1 Fair value (continued)

#### Land, buildings and vehicles

An independent valuation of land, buildings and vehicles was performed by JLL (Certified Practising Valuer) in 2024-25.

Fair value of land at that time was 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.

The next independent valuation of land, vehicles and buildings will occur in 2030-31.

#### Plant and equipment

All items of plant and equipment that had a fair value at the time of acquisition less than \$1.5 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.

	Note	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Recurring fair value measurements</b>				
Land	5.5	182 402		182 402
Buildings	5.5	-	104 467	104 467
Vehicles	5.5	108	39 525	39 633
Plant and equipment	5.5	22	2 879	2 901
<b>Total recurring fair value measurements</b>		<b>182 531</b>	<b>146 871</b>	<b>329 403</b>
<b>Total fair value measurements</b>		<b>182 531</b>	<b>146 871</b>	<b>329 403</b>

### 9.2 Financial instruments

#### Financial risk management

Risk management is managed by the MFS corporate services section and the MFS risk management policies are in compliance with the *Risk Management Guide* issued by the Premier and Treasurer and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

The exposure of the MFS 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 MFS is unable to meet its financial obligations as they fall due. The MFS is funded principally from the Fund. The MFS 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 note 1.2 and 3.1 for further information.

#### Credit risk

The MFS has minimal concentration of credit risk. The MFS has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history. The MFS 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 MFS.

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## 9.2 Financial instruments (continued)

### Impairment of financial assets

Loss allowances for receivables are measured at an amount equal to lifetime expected credit loss using the simplified approach in AASB 9. The MFS 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 MFS 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 MFS'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 MFS is exposed to credit risk.

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

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

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

	Debtor gross carrying amount \$'000	Loss %	Lifetime expected losses \$'000
<b>2025</b>			
Current (not past due)	12 901	0.10%	12
1 - 30 days past due	62 757	0.16%	99
31 - 60 days past due	38 990	0.40%	158
61 - 90 days past due	17 245	0.79%	136
More than 90 days past due	346 429	1.50%	5 211
<b>Loss allowance</b>	<b>478 322</b>		<b>5 616</b>

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 MFS'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.

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

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

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**9.2 Financial instruments (continued)**

**Cash and debt instruments**

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

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

**Categorisation of financial instruments**

Details of the material 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 MFS 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 2025 and are expected to be settled within one year excluding financial liabilities. Maturity analysis for financial liabilities is presented in note 6.3.