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To the Acting Chief Officer South Australian State Emergency Service

Qualified Opinion

I have audited the financial report of South Australian State Emergency 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 State Emergency 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 Acting Chief Officer and the Acting Executive Director and Chief Financial Officer, SAFECOM.

Basis for qualified opinion

Procurement reporting disclosure

The South Australian State Emergency Service was required by the Treasurer's Instructions (Accounting Policy Statements) to include a disclosure reporting the level of procurement with South Australia 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 State Emergency Service included that disclosure in note 4.2 to the financial report.

My review of the processes used by the South Australian State Emergency 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 State Emergency 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 Acting Chief Officer for the financial report

The Acting 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 Acting 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 Acting 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 120(2) of the *Fire and Emergency Services Act 2005*, I have audited the financial report of the South Australian State Emergency Service for the 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 State Emergency Service's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Acting Chief Officer
- conclude on the appropriateness of the Acting 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 Acting 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

South Australian State Emergency Service

Financial Statements

For the year ended 30 June 2025

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South Australian State Emergency Service
Certification of the Financial Statements
for the year ended 30 June 2025

We certify that the:

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



Kristy Phelps
A/Chief Officer
11 September 2025



Gabriel Tudini
A/Executive Director & Chief Financial Officer
SAFECOM
1 / September 2025

South Australian State Emergency Service
Statement of Comprehensive Income
for the year ended 30 June 2025

		2025	2024
	Note	\$'000	\$'000
Income			
Contributions from the Community Emergency Services Fund	3.1	26 766	26 323
Appropriation	3.2	1 100	1 050
Fees and charges	3.3	506	-
Grants and subsidies	3.4	250	256
Intra-government transfers	3.5	2 335	7
Investment and interest revenues	3.6	93	87
Net gain from disposal of non-current assets	3.7	-	409
Other income	3.8	124	73
Total income		31 174	28 205
Expenses			
Employee related expenses	4.1	7 403	11 259
Supplies and services	4.2	15 468	12 724
Grants and subsidies		92	178
Depreciation and amortisation	5.5, 5.8	2 924	2 806
Borrowing costs	6.2	88	19
Other expenses	4.3	674	196
Total expenses		26 649	27 182
Net result		4 525	1 023
Other comprehensive income			
<i>Items that will not be reclassified to net result</i>			
Changes in property, plant and equipment asset revaluation surplus	5.5	13 865	1 345
Gains or losses recognised directly in equity		-	5
Total other comprehensive income		13 865	1 350
Total comprehensive result		18 390	2 373

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 State Emergency Service
Statement of Financial Position
as at 30 June 2025

		2025	2024
	Note	\$'000	\$'000
Current assets			
Cash and cash equivalents	5.2	1 620	3 442
Receivables	5.3	1 628	660
Other financial assets	5.4	316	226
Total current assets		3 564	4 328
Non-current assets			
Property, plant and equipment	5.5	63 363	49 422
Capital works in progress	5.9	10 139	4 592
Total non-current assets		73 502	54 014
Total assets		77 066	58 342
Current liabilities			
Payables	6.1	3 488	2 092
Other financial liabilities	6.2	9	176
Employee related liabilities	6.3	1 785	1 579
Provisions	6.4	180	284
Total current liabilities		5 462	4 131
Non-current liabilities			
Other financial liabilities	6.2	2 174	614
Employee related liabilities	6.3	1 484	1 440
Provisions	6.4	1 108	3 722
Total non-current liabilities		4 766	5 776
Total liabilities		10 228	9 907
Net assets		66 838	48 435
Equity			
Asset revaluation surplus	7.1	22 816	8 951
Retained earnings	7.1	43 993	39 468
Investments market value reserve	7.1	29	16
Total equity		66 838	48 435

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

South Australian State Emergency Service
Statement of Changes in Equity
for the year ended 30 June 2025

		Investment market value reserve	Asset revaluation surplus	Retained earnings	Total equity
	Note	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2023		11	7 135	38 916	46 062
Net result for 2023-24		-	-	1 023	1 023
Gain on revaluation of land during 2023-24		-	1 345	-	1 345
Gains or losses recognised directly in equity		5	-	-	5
Total comprehensive result for 2023-24		5	1 345	1 023	2 373
Transfer between equity components		-	471	(471)	-
Restated balance at 30 June 2024		16	8 951	39 468	48 435
Prior period adjustments	5.9	-	-	(555)	(555)
Original balance at 30 June 2024		16	8 951	38 913	47 880
Net result for 2024-25		-	-	4 525	4 525
Gain on revaluation of land and buildings during 2024-25	5.5	-	13 817	-	13 817
Loss on revaluation of vehicles during 2024-25		-	(57)	-	(57)
Gain on revaluation of plant and equipment during 2024-25		-	105	-	105
Gains or losses recognised directly in equity		13	-	-	13
Total comprehensive result for 2024-25		13	13 865	4 525	18 403
Balance at 30 June 2025	7.1	29	22 816	43 993	66 838

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

South Australian State Emergency Service
Statement of Cash Flows
for the year ended 30 June 2025

		2025 (Outflows) Inflows \$'000	2024 (Outflows) Inflows \$'000
Cash flows from operating activities	Note		
Cash inflows			
Contributions from the Community Emergency Services Fund		26 766	26 323
Appropriation		1 100	1 050
Grants and funding		259	256
Receipts from fees and charges		18	6
Investment and interest received		93	87
Intra-government transfers		2 328	60
GST recovered		1 715	1 820
Other receipts		139	69
Cash generated from Operations		32 418	29 671
Cash outflows			
Employee related payments		(9 918)	(9 666)
Payments for supplies and services		(16 499)	(13 692)
Payments of grants and subsidies		(92)	(178)
Interest paid		(88)	(19)
Cash used in operations		(26 597)	(23 555)
Net cash provided from operating activities	7.2	5 821	6 116
Cash flows from investing activities			
Cash inflows			
Proceeds from the sale of property, plant and equipment		2	1 127
Receipt of proceeds from financial assets held-to-maturity		-	124
		2	1 251
Cash outflows			
Purchase of property, plant and equipment		(7 248)	(5 981)
Payments for disposal of property		(2)	(12)
Payments for financial assets held-to-maturity		(77)	-
		(7 327)	(5 993)
Net cash used in investing activities		(7 325)	(4 742)
Cash flows from financing activities			
Cash outflows			
Repayment of principal portion of lease liabilities		(318)	(186)
Cash used in financing activities		(318)	(186)
Net increase / (decrease) in cash and cash equivalents		(1 822)	1 188
Cash and cash equivalents at the beginning of the reporting period		3 442	2 254
Cash and cash equivalents at the end of the reporting period	5.2	1 620	3 442

The accompanying notes form part of these financial statements.

South Australian State Emergency Service

Notes to and forming part of the financial statements

for the year ended 30 June 2025

1. About the South Australian State Emergency Service

Under the *Fire and Emergency Services Act 2005* (the Act), the South Australian State Emergency Service (SES) is a not-for-profit body corporate, an agency of the Crown and part of the consolidated Emergency Services Sector (ESS).

The SES does not control any other entities and has no interests in unconsolidated structured entities.

The financial statements and accompanying notes include all the controlled activities of the SES.

1.1. Basis of preparation

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

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

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

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

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

The SES is not subject to Income Tax. The SES is liable for Payroll Tax, Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

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

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

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

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

1.2. Trust funds

The SES 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 SES's own objectives.

Transactions and balances relating to the trust assets are not recognised as the SES's income, expenses, assets and liabilities, but are disclosed in the accompanying schedules as 'Trust Funds', refer note 10.1.

South Australian State Emergency Service
Notes to and forming part of the financial statements
for the year ended 30 June 2025

1.3. Objectives and programs

Objectives

The SES is predominantly volunteer based with the following objectives:

- to assist the Commissioner of Police, South Australian Metropolitan Fire Service and South Australian Country Fire Service in dealing with any emergency
- to assist the State Co-ordinator, in accordance with the State Emergency Management Plan, in carrying out prevention, preparedness, response or recovery operations under the *Emergency Management Act 2004*
- to deal with any emergency where the emergency is caused by flood or storm damage, or where there is no other body or person with lawful authority to assume control of operations for dealing with the emergency
- to deal with any emergency until such time as anybody or person that has the lawful authority to assume control of operations for dealing with the emergency
- to respond to emergency calls and where appropriate, provide assistance in any situation of need whether or not the situation constitutes an emergency
- to undertake rescues.

Funding arrangements

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

Funds generated by Units through fund raising activities are held by the respective Unit for expenditure in the local community.

These funds are recognised as part of the 'other income' within the SES's financial statements.

Programs

In achieving its objectives, the SES provides these services classified under one program titled 'State Emergency Service'.

These services are predominantly provided by volunteers.

South Australian State Emergency Service
Notes to and forming part of the financial statements
for the year ended 30 June 2025

1.4. Budget performance

The budget performance table compares the SES 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
Statement of Comprehensive Income				
Income				
Contributions from the Community Emergency Services Fund		25 816	26 766	950
Appropriation		100	1 100	1 000
Fees and charges		-	506	506
Grants and subsidies		-	250	250
Intra-government transfers	(c)	-	2 335	2 335
Investment and interest revenues		20	93	73
Other income		108	124	16
Total income		26 044	31 174	5 130
Expenses				
Employee related expenses	(a)	9 325	7 403	(1 922)
Supplies and services	(b)	10 897	15 468	4 571
Grants and subsidies		99	92	(7)
Depreciation and amortisation		3 356	2 924	(432)
Intra-government transfers		8	-	(8)
Borrowing costs		18	88	70
Other expenses		220	674	454
Total expenses		23 923	26 649	2 726
Net result		2 121	4 525	2 404
Other comprehensive income				
Items that will not be reclassified to net results	5.5	-	-	-
Changes to asset revaluation reserve		-	13 865	13 865
Total other comprehensive income		-	13 865	13 865
Total comprehensive result		2 121	18 390	16 269

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 the original budgeted total expenses.

- (a) The favourable variance is primarily due to a decrease in workers compensation offset by additional salaries related to Out of Scale Costs.
- (b) Predominantly due to Out of Scale Costs for Innamincka floods and interstate deployments
- (c) Variance relates to contingency funding received from DTF to enable the completion of the new Gawler SES Unit.

South Australian State Emergency Service
Notes to and forming part of the financial statements
for the year ended 30 June 2025

1.4. Budget performance (continued)

	Note	Original budget 2025 \$'000	Actual 2025 \$'000	Variance \$'000
Investing expenditure summary				
Total existing projects		4 476	4 353	(123)
Total Annual Programs	(d)	3 237	3 108	(129)
Total Leases		-	558	(558)
Total investing expenditure		7 713	8 019	(810)

(d) Due to the timing of expenditure related to various minor projects

1.5. Significant transactions with government entities

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

The following transactions were significant for the SES:

- Contributions from the Fund \$26.766 million (refer to note 3.1).
- Payment to the Attorney-General's Department for the government radio network of \$3.472million (refer note 4.2).

2. Board, committees and employees

2.1. Key management personnel

Key management personnel of the SES include the Minister, the Chief Officer, Deputy Chief Officer and the Director, Corporate and Operations Support of the SES who have responsibility for the strategic direction and management of the SES.

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 under section 6 the *Parliamentary Remuneration Act 1990*.

	2025 \$'000	2024 \$'000
Compensation		
Salaries and other short-term employee benefits	704	669
Post-employment benefits	80	71
Total compensation	784	740

Transactions with key management personnel and other related parties

The SES 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 State Emergency Service
Notes to and forming part of the financial statements
for the year ended 30 June 2025

3. Income

3.1. Contributions from the Community Emergency Services Fund

Contributions from The Fund \$26.766 million (2024: \$26.323 million) are recognised as revenues when the SES obtains control over the funding. Control over contributions is normally obtained upon receipt.

For details on the expenditure associated with the operational funding and capital funding refer to notes 4.1,4.2 and 5.5.

3.2. Appropriation

	2025	2024
	\$'000	\$'000
Appropriation from Consolidated Account pursuant to the <i>Appropriation Act</i>	100	1 050
Appropriations from Governor's Appropriation Fund	1 000	-
Total appropriation	1 100	1 050

Appropriation is recognised on receipt.

Appropriation consists of \$1.1 million (2024: \$50,000) for operational funding and nil (2024: \$1.0 million) for capital projects.

3.3. Fees and charges

Fees and charges of \$ 506 000 (2024: nil) was for incident cost recoveries which are from contracts with customers and are recognised in arrears.

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

The input of the request are outlined in an operating plan and may include personnel, 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

Grants and Contributions of \$250 000 (2024: \$256 000) are recognised as an asset and income when the SES 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.

The grant received from NRMA Insurance is to support joint storm preparedness programs and grassroots community engagement activities helping South Australians be better prepared and more resilient to storms and floods.

	2025	2024
	\$'000	\$'000
Private industry and local government	250	256
Total Grants and subsidies income	250	256

South Australian State Emergency Service
Notes to and forming part of the financial statements
for the year ended 30 June 2025

3.5. Intra-government transfers

	2025	2024
	\$'000	\$'000
Contingency funding provided by the Department of Treasury and Finance	2 335	7
Total Intra-government transfers	2 335	7

Intra-government transfers are recognised as income on receipt.

3.6. Investment and interest revenues

	2025	2024
	\$'000	\$'000
Dividend income	2	5
Interest on deposit accounts	91	82
Total interest revenues	93	87

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

	2025	2024
	\$'000	\$'000
Vehicles		
Proceeds from disposal	2	371
Costs of disposal	(2)	-
Less net book value of assets disposed	-	(50)
Net gain from disposal of vehicles	-	321
Assets held for sale		
Proceeds from disposal	-	745
Costs of disposal	-	(12)
Less net book value of assets disposed	-	(656)
Net gain from disposal of assets held for sale	-	77
Plant and equipment		
Proceeds from disposal	-	11
Less net book value of assets disposed	-	-
Net gain from disposal of plant and equipment	-	11
Total assets:		
Proceeds from disposal of non-current assets	2	1 127
Costs of disposal	(2)	(12)
Less net book value of assets disposed	-	(706)
Net gain / (loss) from disposal of owned assets	-	409

Gains/losses on disposal of non-current assets are recognised at the date 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 State Emergency Service
Notes to and forming part of the financial statements
For the year ended 30 June 2025

3.8. Other income

	2025	2024
	\$'000	\$'000
Donations	3	1
Unit fundraising	104	29
Insurance recoveries	2	-
Salary recoveries	1	32
Sundry revenues	3	4
Recoveries from legal cases	1	-
Other	10	7
Total other income	124	73

Other income is recognised upon receipt.

SES volunteer members give a significant number of hours to providing frontline emergency response services to the community. A value for volunteer services received has not been recognised in the financial statements as the recognition criteria of AASB 1058 *Income of Not for Profit Entities* has not been met.

South Australian State Emergency Service
Notes to and forming part of the financial statements
For the year ended 30 June 2025

4. Expenses

4.1. Employee related expenses

	2025	2024
	\$'000	\$'000
Salaries and wages	7 590	7 132
Superannuation	957	861
Payroll tax	464	435
Annual leave	738	544
Long service leave	130	284
Skills and experience retention leave	40	31
Other employment related expenses	28	-
Additional compensation	(1 086)	308
Workers compensation	(1 458)	1 664
Total employee related expenses	7 403	11 259

The SES's staff are employed under Part 5 of the Act.

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

South Australian State Emergency Service
Notes to and forming part of the financial statements
For the year ended 30 June 2025

4.1. Employee related expenses (continued)

Employee remuneration

	Employees 2025 Number	2024 Number
The number of employees whose remuneration received or receivable falls within the following bands:		
\$171 001 to \$191 000	1	2
\$211 001 to \$231 000	1	-
\$231 001 to \$251 000	1	1
\$311 001 to \$331 000	1	1
Total	4	4

The total remuneration received by these employees for the year was \$980 000 (2024: \$912,400).

The table includes all employees whose normal remuneration was equal to or greater than all 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 fringe benefits and any fringe benefits tax paid or payable in respect of those benefits as well as any termination benefits for employees who have left the SES.

South Australian State Emergency Service
Notes to and forming part of the financial statements
For the year ended 30 June 2025

4.2. Supplies and services

	2025	2024
	\$'000	\$'000
Government radio network	3 472	3 387
Accommodation	1 653	1 716
Operational costs	1 464	1 729
Travel and training	1 404	491
Computing costs	1 395	1 027
Property costs	1 156	956
Vehicle	1 123	915
Communication	903	911
Uniforms and protective clothing	874	501
Contractors	556	378
Aerial support costs	476	10
Insurance premiums	232	155
Postage and freight	49	30
Consultancy	44	4
Legal fees	18	15
Other expenses	649	499
Total supplies and services	15 468	12 724

Accommodation

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

Other Expenses

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 \$58 900 (2024: \$61 400). No other services were provided by the Audit Office of South Australia.

Leases

The SES recognises lease payments associated with short-term leases (12 months or less) and low value (less than \$15 000) as an expense on a straight-line basis over the lease term. Lease commitments for short-term leases are similar to short term lease expenses disclosed.

South Australian State Emergency 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.

	2025	Proportion SA and non-SA businesses
	\$'000	%
Total expenditure with South Australian businesses	6 372	72.71%
Total expenditure with non-South Australian businesses	2 392	27.29%
	8 763	100%

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 SES 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

	2025	2024
	\$'000	\$'000
Derecognition of assets	625	186
Other expenses	49	-
Unit fundraising	-	10
Total other expenses	674	196

South Australian State Emergency Service
Notes to and forming part of the financial statements
For the year ended 30 June 2025

5. Assets

5.1. Financial assets

	2025	2024
	\$'000	\$'000
Financial assets measured at amortised cost		
Cash and cash equivalents	1 620	3 442
Receivables	705	43
Total financial assets	2 325	3 485

All financial assets are measured at amortised cost.

5.2. Cash and cash equivalents

	2025	2024
	\$'000	\$'000
Cash at bank - Units	955	856
Deposits with the Treasurer (Special deposit accounts)	366	2 227
Short-term deposits	162	150
Short-term deposits - Units	137	209
Total cash and cash equivalents in the Statement of Financial Position	1 620	3 442
Total cash and cash equivalents in the Statement of Cash Flows	1 620	3 442

Cash is measured at nominal amounts.

Deposits with the Treasurer

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

Cash at bank - Units

Accounts held at 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 State Emergency Service
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5.3. Receivables

	2025	2024
	\$'000	\$'000
Current		
Receivables	705	43
GST input tax recoverable	498	366
Prepayments	285	225
Accrued revenues	140	26
Total current receivables	1 628	660
Total receivables	1 628	660

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. 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.

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.

5.4. Other financial assets

	2025	2024
	\$'000	\$'000
Medium term deposits - Units	188	111
<i>Investments classified as fair value through other comprehensive income:</i>		
Listed equity instruments	128	115
Total other financial assets	316	226

Medium-term deposits are made for varying periods of between three months and twelve months. Because of their maturity dates exceeding three months, these funds are not reported within Cash and Cash Equivalents or the Statement of Cash Flows. The deposits are lodged with various financial institutions at their respective medium-term deposit rates.

The equity instruments are carried at fair value.

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 are recognised in the statement of comprehensive income.

For further information on risk management refer to note 9.2.

South Australian State Emergency Service
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5.5. 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 \$'000	Buildings \$'000	Vehicles \$'000	Plant & equipment ROU \$'000	Buildings \$'000	ROU Land \$'000	Total \$'000
Carrying amount at the beginning of the period	5 561	26 213	15 460	819	774	595	49 422
Acquisitions	-	-	-	-	558	-	558
Transfers from capital WIP ⁽¹⁾	-	158	1 437	319	-	-	1 914
Revaluation increment/(decrement)	3 726	10 091	(57)	105	-	-	13 865
Remeasurement	-	-	-	-	1 153	-	1 153
Derecognition of assets	-	-	(583)	(42)	-	-	(625)
Subtotal:	9 287	36 462	16 257	1 201	2 485	595	66 287
Gains/(losses) for the period recognised in net result:							
Depreciation	-	(1 044)	(1 241)	(220)	(348)	(71)	(2 924)
Subtotal:	-	(1 044)	(1 241)	(220)	(348)	(71)	(2 924)
Carrying amount at the end of the period	9 287	35 418	15 016	981	2 137	524	63 363
Gross carrying amount							
Gross carrying amount	9 287	35 417	15 093	990	3 276	948	65 011
Accumulated depreciation	-	1	(77)	(9)	(1 139)	(424)	(1 648)
Carrying amount at the end of the period	9 287	35 418	15 016	981	2 137	524	63 363

* All buildings and property, plant and equipment are classified in the level 3 fair value hierarchy. For more details regarding revaluation refer Note 9.1.

Refer to note 6.2 for details about the lease liability for right-of-use assets.

⁽¹⁾ Refer to note 5.9

South Australian State Emergency Service
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5.5 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 Land \$'000	Total \$'000
Carrying amount at the beginning of the period	4 216	22 108	16 366	952	917	666	45 225
Prior period adjustments	-	-	-	-	-	-	-
Restated carrying amount at the beginning of the period	4 216	22 108	16 366	952	917	666	45 225
Acquisitions	-	-	48	-	-	-	48
Transfers from capital WIP ⁽¹⁾	-	5 370	264	99	-	-	5 733
Transfers between asset classes	-	-	23	(23)	-	-	-
Revaluation increment/(decrement)	1 345	-	-	-	-	-	1 345
Disposals	-	-	(50)	-	-	-	(50)
Remeasurement	-	-	-	-	42	-	42
Transfer to held for sale	-	(149)	-	-	-	-	(149)
Subtotal:	5 561	27 329	16 651	1 028	959	666	52 194
Gains/(losses) for the period recognised in net result:							
Depreciation	-	(1 116)	(1 191)	(209)	(185)	(71)	(2 772)
Subtotal:	-	(1 116)	(1 191)	(209)	(185)	(71)	(2 772)
Carrying amount at the end of the period	5 561	26 213	15 460	819	774	595	49 422
Gross carrying amount							
Gross carrying amount	5 561	30 801	20 861	1 819	1 565	970	61 577
Accumulated depreciation	-	(4 588)	(5 401)	(1 000)	(791)	(375)	(12 155)
Carrying amount at the end of the period	5 561	26 213	15 460	819	774	595	49 422

* All property, plant and equipment are classified in the level 3 fair value hierarchy except for land valued at \$439 000. Refer to note 6.2 for details about the lease liability for right-of-use assets. For more details regarding revaluation refer Note 9.1.

⁽¹⁾ Refer to note 5.9

South Australian State Emergency Service
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5.5. Property, plant and equipment (continued)

Depreciation

All non-current assets not held for sale with 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	Useful life (years)
Buildings	1-50
Vehicles	1-30
Plant and equipment	1-20
ROU Buildings	3-11
ROU Land	4-27

Review of Accounting Estimates

Assets' residual values, useful lives and depreciation 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.

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

5.6. Property, plant and equipment owned by the SES

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

Property, plant and equipment owned by the SES is recorded at fair value. Detail about the SES'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 owned by the SES 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.

South Australian State Emergency Service
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5.7. Property, plant and equipment leased by the SES

Right-of-use assets leased by the SES as lessee are measured at cost and there was no indication of impairment for 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 SES has 4 commercial leases for buildings which are used for the purpose of SES operational and administrative activities.

The lease liabilities and interest expense related to the right-of-use assets are disclosed in note 6.2. The SES's maturity analysis of its lease liabilities is disclosed in note 6.2. Depreciation expense is disclosed in note 5.5. Cash outflows related to leases are disclosed in note 7.2. SES has not committed to any lease arrangements that have not commenced from 1 July.

Concessionary (peppercorn) leases

The SES has a number of leases over land with significantly below market terms. These leases are entered into with the principal aim of enabling the SES to further its objectives and are all of a similar nature. The lease terms vary from 1 to 62 years with annual rental of \$0 or \$1.

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5.8. Intangible assets

	2025	2024
	\$'000	\$'000
Computer software		
Carrying amount at the beginning of the period	-	71
Derecognition of assets	-	(37)
Subtotal:	-	34
Gains/(losses) for the period recognised in net result:		
Amortisation	-	(34)
Subtotal:	-	(34)
Carrying amount at the end of the period	-	-
Gross carrying amount		
Gross carrying amount	22	22
Accumulated amortisation	(22)	(22)
Carrying amount at the end of the period	-	-

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting period. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation of the SES's 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 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.

5.9. Capital works in progress

	2025	2024
	\$'000	\$'000
Carrying amount at the beginning of the period	4 592	5 901
Prior period error	-	(555)
Restated balance at the beginning of the period	4 592	5 346
Acquisitions	7 461	5 076
Transfers to property, plant and equipment	(1 914)	(5 733)
CWIP write off	-	(97)
Carrying amount at the end of the period	10 139	4 592

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 to note 5.5) or intangible assets (refer to note 5.8) and are valued at cost.

The prior period error relates to 2023-24 transactions that were incorrectly capitalised when they should have been expensed. These transactions totalled \$555 000.

Consequently, applicable prior year balances have been restated in these financial statements (Notes 5.9 and 4.2) to reflect their correct classification.

South Australian State Emergency Service
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6. Liabilities

6.1. Payables

	2025	2024
	\$'000	\$'000
Current		
Accrued expenses	2 972	1 983
Creditors	516	109
Total current payables	3 488	2 092
Total payables	3 488	2 092

Payables are measured at nominal amounts.

Payables and accrued expenses are recognised for all amounts owing but unpaid. Creditors are normally settled within 15 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.

6.2. Other financial liabilities

The SES measures financial liabilities at amortised cost (2025: \$2.183 million and 2024: \$790 000). Lease liabilities have been measured via discounting future lease payments using either the interest rate implicit in the lease or DTF's incremental borrowing rate. There were no defaults or breaches throughout the year.

Interest expense paid on lease liabilities during 2024-25 was \$88 000 (2024: \$19 000). SES does not capitalise borrowing costs.

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

	2025	2024
	\$'000	\$'000
Lease liabilities		
within 1 year	226	194
1 to 5 years	941	592
More than 5 years	1 227	46
Total lease liabilities (undiscounted)	2 394	832

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

South Australian State Emergency Service
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6.3. Employee related liabilities

	2025	2024
	\$'000	\$'000
Current		
Accrued salaries and wages	75	-
Annual leave	1 208	1 089
Skills and experience retention leave	50	48
Long service leave	170	197
Employment on-costs	282	245
Total current employee related liabilities	1 785	1 579
Non-current		
Long service leave	1 343	1 306
Employment on-costs	141	134
Total non-current employee related liabilities	1 484	1 440
Total employee related liabilities	3 269	3 019

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 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.

The net financial effect of the changes to actuarial assumptions in the current financial year is an decrease in the long service leave liability and employee benefits expense of \$30 629. 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.

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6.3. Employee related liabilities (continued)

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 SES 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 not yet paid to State Government and externally managed superannuation schemes.

As a result of an actuarial assessment performed by DTF, the proportion of long service leave taken is unchanged from 44% in 2024. The average factor for the calculation of employer superannuation on-costs has changed from 11.5% to 12% in 2025. 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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6.4. Provisions

	2025	2024
	\$'000	\$'000
Current		
Provision for workers compensation	174	214
Additional compensation	6	70
Total current provisions	180	284
Non-current		
Provision for workers compensation	1 019	2 610
Additional compensation	89	1 112
Total non-current provisions	1 108	3 722
Total provisions	1 288	4 006
Movement in provisions	2025	2024
	\$'000	\$'000
Workers compensation:		
Carrying amount at the beginning of the period	2 824	1 250
Changes from remeasurement	(73)	1 539
Reductions arising from payments	(1 722)	(67)
New accident liability	164	102
Carrying amount at the end of the period	1 193	2 824
Additional compensation:		
Carrying amount at the beginning of the period	1 182	874
Changes from remeasurement	(1 094)	200
New accident liability	7	108
Carrying amount at the end of the period	95	1 182

Workers Compensation provision (statutory and additional compensation schemes)

The SES is an exempt employer under the *Return to Work Act 2014*. Under a scheme arrangement, the SES 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 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.

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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.

Investment market value reserve

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

7.2. Cash flow reconciliation

	2025	2024
	\$'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	1 620	3 442
Balance as per the Statement of Cash Flows	1 620	3 442
Reconciliation of net cash provided by operating activities to net cost of providing services		
Net cash provided by operating activities	5 821	6 116
Add / (less) non-cash items		
Depreciation and amortisation	(2 924)	(2 806)
Net gain/(loss) from disposal of non-current assets	-	409
CWIP write off	-	(97)
Derecognition of assets	(625)	(186)
Capital accruals	213	(857)
Movement in assets and liabilities		
Increase/(decrease) in receivables	184	(211)
(Increase)/decrease in payables	(612)	255
(Increase)/decrease in employee related liabilities	(250)	282
(Increase)/decrease in provisions	2 718	(1 882)
Net result	4 525	1 023

Total cash outflows for leases for the SES was \$406 000 (2024: \$205 000).

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8. Outlook

8.1. Unrecognised contractual commitments

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

Contractual commitments to acquire property, plant & equipment

	2025	2024
	\$'000	\$'000
Within one year	453	515
Total contractual commitments to acquire property, plant and equipment	453	515

The SES's contractual commitments to acquire property, plant and equipment are for building, vessel, and equipment projects.

Other contractual commitments

	2025	2024
	\$'000	\$'000
Within one year	1 950	1 732
Later than one year but not later than five years	5 126	5 459
Later than five years	8 959	10 264
Total other contractual commitments	16 035	17 455

The SES's other contractual commitments relate to accommodation, information technology contracts, equipment, and promotional goods.

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 SES is not aware of any contingent assets or liabilities.

8.3. Impact of standards not yet effective

The SES 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.

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.

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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

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.

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 SES 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.

During 2024 and 2025, the SES 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, vehicles and buildings 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 of less than three years have not been revalued. The carrying value of these items is deemed to approximate fair value.

	Note	Level 2	Level 3	Total
Recurring fair value measurements		\$'000	\$'000	\$'000
Land	5.5	7 270	2 156	9 426
Buildings	5.5	-	35 383	35 383
Vehicles	5.5	10 548	22	10 570
Plant and equipment	5.5	1 653	2 791	4 444
Total recurring fair value measurements		19 471	40 352	59 823
Total fair value measurements		19 471	40 352	59 823

9.2. Financial instruments

Financial risk management

Risk management is managed by the SES corporate services section. The SES 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 SES 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 SES is unable to meet its financial obligations as they fall due. The SES is funded principally from the Fund. The SES 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 1.3 and 3.1 for further information.

Credit risk

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

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9.2. Financial instruments (continued)

Impairment of financial assets

The SES 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. It is expected the credit loss for the SES is nil.

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

Cash

The SES 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.

Market risk

The SES does not trade in foreign currency, nor enter into transactions for speculative purpose nor for hedging. The SES 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 T1 23 *Management of Foreign Currency Exposures*.

The SES has non-interest-bearing assets (receivables) and liabilities (payables) and interest-bearing assets (cash at bank and investments). The SES'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 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 instruments

The SES measures all financial instruments at amortised cost excluding lease liabilities which are measured at the present value of expected future cash payments. All financial assets and liabilities carrying amount equals their fair value as at 30 June 2025 and are expected to be settled within one year excluding financial liabilities. Refer to the Lease Liabilities Maturity analysis in note 6.2 for more information.

10. Measurement and risk

10.1. Trust funds

	2025	2024
	\$'000	\$'000
Cash at bank	335	281
Receivables	-	21
Total trust funds	335	302

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 SES will administer these funds until they are fully expended. In 2024-25, total income earned by the Council was \$33 300 (2024: \$31 900) and expenses incurred were nil (2024: nil).