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**Government
of South Australia**

South Australian Fire and Emergency Services Commission (SAFECOM) 2020-21 Annual Report

South Australian Fire and Emergency Services Commission

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ISSN: 2208-2230

Date presented to Minister: 27 October 2021

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To:

The Hon Vincent Tarzia MP

Minister for Police, Emergency Services and Correctional Services.

This annual report will be presented to Parliament to meet the statutory reporting requirements of the *Fire and Emergency Services Act 2005* and the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

This report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.

Submitted on behalf of the South Australian Fire and Emergency Services Commission by:

Julia Waddington-Powell

Chief Executive



Date 19/10/2021

Signature

From the Chief Executive



I am pleased to submit the 2020-21 Annual Report for the South Australian Fire and Emergency Services Commission (SAFECOM), my first Annual Report since commencing in my role as Chief Executive.

Through its statutory responsibilities, SAFECOM continues to closely partner with the South Australian Country Fire Service (CFS), South Australian Metropolitan Fire Service (MFS) and South Australian State Emergency Service (SES)

in the provision of strategic policy planning, governance, corporate services and strategic project management.

The ever-present reality of COVID-19 has seen robust ESS business continuity planning, highly skilled, flexible and adaptable staff and volunteers step-up to maintain service delivery and support State emergency management arrangements. This is deserving of praise and recognition.

As I write this foreword, I also reflect on the solidarity and amazing work of the Emergency Services Sector (ESS) to arrive at the doorstep of our imminent move to the new ESS Headquarters on Richmond Road in Keswick - to provide and bring together the most contemporary capabilities and resources for CFS, SES and MFS.

The Government's commitments made to embed Automatic Vehicle Location (AVL) technology for the safety and well-being of emergency services personnel has seen the ESS initiate the implementation phase which commenced in September 2021. This initiative forms one of a number of actions borne out of the Independent Review into the 2019/20 Bushfire Season of which all 27 immediate actions were finalised before the 2021/22 bushfire season.

The amendments made during this reporting period to the *Fire and Emergency Services Act 2005* strengthens governance, accountability and service delivery for the ESS in the pursuit of keeping our communities safe and resilient.

I would like to thank the SAFECOM Board, SAFECOM staff, the Chief Officers of the CFS, MFS and SES, and their staff and volunteers for their dedication to communities.

Julia Waddington-Powell

Chief Executive

SAFECOM

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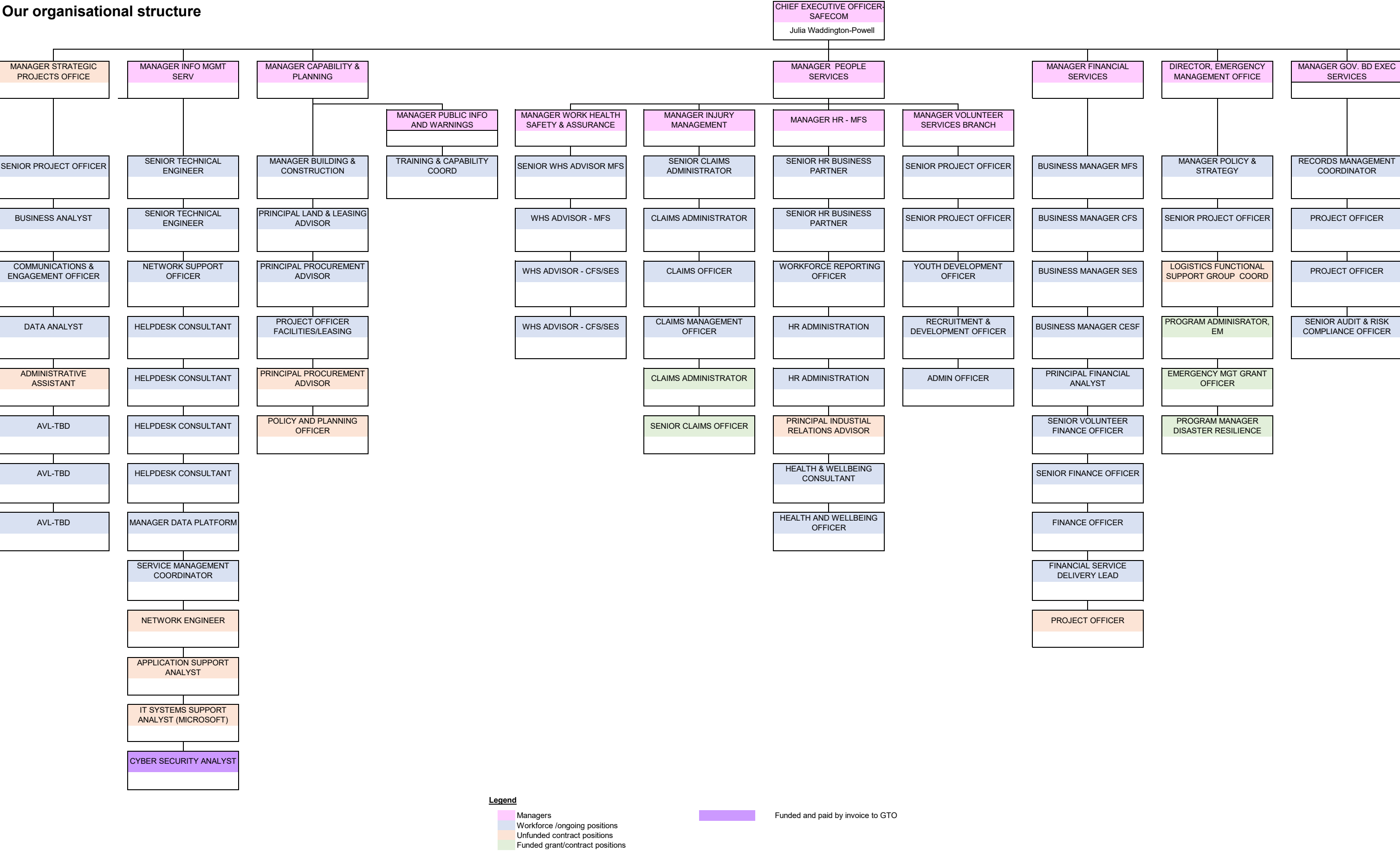
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Overview: about the agency

Our strategic focus

| | |
|---|--|
| Our Purpose | To create a safer community by providing a unified strategic direction to the Emergency Services Sector for Service Delivery, Governance and Accountability. |
| Our Vision | A trusted Fire and Emergency Services Sector building Safer and more Resilient Communities |
| Our Values | Service, Professionalism, Trust, Respect Collaboration and Engagement, Honesty and Integrity, Courage and Tenacity and Sustainability. |
| Our functions, objectives and deliverables | <p>The primary role of the ESS is to prevent the loss of life, property, environment and infrastructure through reducing the impact of fires and other emergencies on our community. Not only is this achieved through an ongoing investment in emergency response equipment and trained personnel, but as importantly the ESS is committed to providing emergency warning systems and awareness materials that enable all South Australians to be as prepared and resilient to the dangers of fire and other emergencies as possible.</p> <p>SAFECOM provides corporate and operational support services that are integral in allowing the ESS agencies to provide the frontline services that directly support and protect the community of South Australia. SAFECOM also provides a strategic leadership role in of Whole of Government emergency management.</p> <p>SAFECOM is administered by the SAFECOM Board which comprises an Independent Member (Presiding Member), the Chief Executive, SAFECOM, the Chief Officers CFS, MFS, and SES, nominees of the United Firefighters Union, CFS Volunteer Association and SES Volunteer Association, and two independent members appointed by nomination of the Minister for Police, Emergency Services and Correctional Services.</p> |

Our organisational structure



As sourced from SAFECOM Business and Workforce Plan 2021-22 – approved by SAFECOM Board July 2021

Changes to the agency

During 2020/21 there were no changes to the agency's structure and objectives as a result of internal reviews or machinery of government changes.

Our Minister



The Hon Vincent Tarzia MP is the Minister for Police, Emergency Services and Correctional Services.

Legislation administered by the agency

Fire and Emergency Services Act 2005

Other related agencies (within the Minister's area/s of responsibility)

SA Country Fire Service (CFS)

SA Metropolitan Fire Service (MFS)

SA State Emergency Service (SES).

The agency's performance

Performance at a glance

SAFECOM provide corporate governance direction and business support to the emergency services sector including finance, asset and procurement, human resources, information technology, volunteer services, occupational health, safety and welfare and injury management services.

The facilitation of the relocation of SAFECOM, CFS, MFS and SES to the new purpose-built Emergency Services Headquarters at Keswick represents a key strategic milestone and achievement for 2021-22.

Borne out of the 2019-20 Independent Bushfire Review the deployment and roll-out of Automatic Vehicle Location (AVL) systems and technology commenced in September 2021. The safety of operational brigades and units will be significantly enhanced through embedding the AVL capability for operational brigades and units.

On behalf of the South Australian Emergency Services Sector (ESS), SAFECOM worked with Emergency Victoria to roll out Emergency Alert Phase 4 in SA, which is an upgraded National telephony-based warning platform for all hazards.

Mental Health initiatives including Mental Health First Aid, Suicide Prevention Awareness and the Mentally Healthy Workplaces Framework continues to be key wellbeing pillars to ensure that volunteers and staff continue to be supported in keeping communities safe.

The ReturnToWorkSA Audit and the implementation of recommendation are being progressed as a key strategic priority for ESS to ensure legislative standards and benchmarks are maintained and that workers including those injured are managed to the highest standards.

The provision of emergency management initiatives across the state as well as administering a range of joint state and Commonwealth Government grant funded initiatives underpin and drive SAFECOM's priority to embed resilience and risk reduction in South Australia.

SAFECOM also leads the ESS response to increasing climate risk consistent with the SA Government Climate Change Strategy.

Agency response to COVID-19

As custodians of the State Emergency Call Centre Capability SAFECOM built the SA COVID Information Line and transitioned the service over to SA health, the call centre has taken over 1 million phone calls since it's inception.

SAFECOM maintains the Logistics Functional Support Group (LFSG) capability to provide logistics support to emergency management agencies, organisations and SA communities during response, relief and recovery operations following emergencies or disasters.

Agency contribution to whole of Government objectives

| Key objective | Agency's contribution |
|-----------------|--|
| More jobs | <p>The Volunteer Services Branch works directly with the CFS brigades to develop local level targeted recruitment strategies which attract, recruit and retain high quality emergency services volunteers to meet current and future workforce needs. The recruitment strategies are supported by a range of recruitment resources, which promote the different type of roles available within the ESS.</p> |
| Lower costs | <p>Emergency service volunteers play a vital role in our community. The ability to respond to and recover from emergencies does and will continue to rely heavily on the services provided by these volunteers. They make an enormous contribution to the community through volunteering and assist in building a strong and resilient South Australia.</p> <p>With a workforce of approximately 14,000 volunteers, the true value of volunteering is hard to justify. In the absence of volunteers, equivalent services would have to be provided by paid staff.</p> <p>SAFECOM Procurement continues to deliver value through the collaborative ESS contracts.</p> |
| Better Services | <p>Building a resilient, modern, flexible headquarters and State Control Centre enables the ESS to continue to provide operational services to the community.</p> <p>Enhanced accessibility, reliability and resilience of ESS' IT capabilities, to support new HQ IL4 status, ensuring continuity of operations under the most extreme conditions.</p> |

Agency specific objectives and performance

| Agency objectives | Indicators | Performance |
|--|---|--|
| Contribute to a unified direction in emergency management by providing strategic leadership, policy development and advice in partnership with Emergency Services and EM agencies. | <p>Sound policy advice is provided to SAFECOM CE and Minister for Emergency Services on state and national emergency management committees.</p> <p>Effective development and contribution to strategic emergency management policy and initiatives at the state level.</p> <p>Effective coordination of jurisdictional input into national emergency management strategy, policy, and projects.</p> | <p>SAFECOM CE and Minister for Emergency Services briefed effectively.</p> <p>Development and contribution to strategic emergency management policy and initiatives was effective.</p> <p>Jurisdictional input into national emergency management strategy, policy and projects was coordinated effectively.</p> |
| Implement and embed <i>Stronger Together</i> : SA's Disaster Resilience Strategy 2019-24. | <p>Report on first two years of implementation of <i>Stronger Together</i>.</p> <p><i>Stronger Together</i> is a key strategic document used to inform Disaster Risk Reduction Grants decision-making.</p> <p><i>Stronger Together</i> is incorporated into policy and initiatives across Government and broader</p> | <p>Delivering on <i>Stronger Together</i>: SA's Disaster Resilience Strategy 2019-2024: Interim Report is drafted and proposed for release by the Minister for Emergency Services in October 2021.</p> <p>In 2020-21, 20 approved grants directly aligned to <i>Stronger Together</i> outcomes.</p> <p><i>Stronger Together</i> is a key policy underpinning SA's 2019-20 bushfire recovery.</p> <p><i>Stronger Together</i> and resilience (<i>Focus Area 6</i></p> |

| Agency objectives | Indicators | Performance |
|---|--|---|
| | | <p><i>Resilient Communities</i>) has been included in the SA Government Climate Change Action Plan 2021-2025.</p> <p><i>Stronger Together</i> informed <i>Council Ready</i> a \$3 million, 3-year local government program to improve preparedness and build resilience of SA's 68 Councils.</p> |
| Implement and embed the State's resilience and risk reduction model across prevention, preparedness, response, recovery all hazards and all sectors. | <p>Effective consultation with relevant emergency management organisations on the SA Disaster Resilience and Risk Reduction Model 2021.</p> <p>Alignment of Disaster Risk Reduction Grants to the four key strategic directions in the Resilience and Risk Reduction Model, 2021: National Disaster Risk Reduction Framework; <i>Stronger Together</i>; SA Government Climate Change Action Plan 2021-25; and the 8 State Strategic Risk Mitigation Plans.</p> | <p>Effective consultation with 16 emergency management organisations identified 60 plus strategies, policies and programs contributing to disaster resilience and risk reduction outcomes in SA.</p> <p>100% of approved applications for Disaster Risk Reduction Grants were aligned to the strategic directions incorporated the Resilience and Risk Reduction Model, 2021.</p> |
| Facilitate the development of consistent State Strategic Risk Mitigation Plans and ongoing governance mechanism for SEMC's eight state strategic risks. | SEMC approves SA Emergency and Strategic Risk Management Framework. | <p>SA Emergency and Strategic Risk Management Framework endorsed by SEMC September 2020.</p> <p>Developed a Guide for SA Government agencies to develop State Strategic Risk Mitigation Plans.</p> |

| Agency objectives | Indicators | Performance |
|--|--|---|
| | SACS endorsement of State Strategic Risk Mitigation Plans for eight identified risks. | <p>Provided a summary report to SEMC's Strategic Advice and Coordination Sub-Committee on the development of State Strategic Risk Mitigation Plans for the eight identified risks.</p> <p>Completed first iteration of State Strategic Risk Mitigation Plan for Risk #6 <i>Inadequate stakeholder engagement</i>.</p> |
| Lead the Emergency Services Sector (ESS) response to increasing climate risk. | Effective coordination of ESS input into the SA Government Climate Change Action Plan, 2021-2025. | Four ESS actions are included under <i>Focus Area 6. Resilient Communities</i> of the SA Government Climate Change Action Plan, 2021-2025. |
| Administer the National Partnership Agreement on Disaster Risk Reduction on behalf of the Minister for Emergency Services. | <p>First round of Disaster Risk Reduction Grants Program: Disaster Risk Reduction Grants and State Strategic Projects streams completed (combined year one and two).</p> <p>Commence round two of the Disaster Risk Reduction Grants stream.</p> | <p>In February 2021, the Minister for Emergency Services approved 11 grants across the two streams, totalling \$2.11 million in grant funding.</p> <p>In March 2021, round two of the Disaster Risk Reduction Grants stream opened. 15 shortlisted expressions of interests were invited to complete full applications.</p> |
| Effective administration and compliance of the Natural Disaster Resilience (NDRP) and Disaster Risk Reduction Grants Programs. | NDRP projects acquitted and reporting to Commonwealth completed. | All projects approved under the 2019-20 Natural Disaster Resilience Program were acquitted and associated Commonwealth reporting completed. |

| Agency objectives | Indicators | Performance |
|--|--|---|
| Effective delivery of State Logistics Functional Support Group capability. | Meet demand and requests for service as per State Emergency Management arrangements. | Effectively met all requests for service. Maintained required staffing levels for both the State Emergency Centre (SEC) and LOGSCC (Logistics State Command Centre) during extended COVID-19 activations. Activities included provision of staff to the State Control Centre Health to undertake specialist roles. Effective logistics support provided to ESOs as required during the 2020/21 bushfire season. |

Corporate performance summary

This information is addressed in the Financial Performance section of this report. Individual KPIs for each of the ESS agencies (CFS, MFS and SES) will be available in their respective Annual Reports, as published on the agencies' websites.

Employment opportunity programs

| Program name | Performance |
|---|---|
| Disability Action and Inclusion Plan (DAIP) | <p>The Easy to Read DAIP is the first document published on SAFECOM's website that is in an accessible format. The publication of this document is a key achievement as it represents the start of the Agency's journey in publishing information about its services in a range of formats that are accessible for people living with disabilities.</p> <p>In developing the DAIP the YourSAy website was utilised to consult with people living with disability. This was the first time the Agency engaged directly with the community using an online engagement platform. It was also the first time the Agency targeted feedback from members of the disability community on the development, provision and direction of its services.</p> <p>The new ESS Head Quarters building has enabled the Sector to construct purpose-built premises that meet all of the disability access requirements contained in the Australian Building Standards and National Construction Code.</p> |
| Diversity and Inclusion Plan (D&IP) | <p>The South Australian Emergency Services Sector (ESS) Diversity and Inclusion Plan (Plan) 2021-2024 has been finalised and supports the South Australian Public Sector Diversity and Inclusion Strategy 2019-21 and South Australian Public Sector Diversity and Inclusion Plan 2019-20.</p> <p>This Plan sets out the collective actions that each Agency as a member of the Emergency Services Sector will undertake to:</p> <ul style="list-style-type: none"> • Support increased knowledge of diversity and inclusion • Build a workforce that reflects the diversity of the community it serves • Embed accountability for diversity and inclusion at all levels <p>The Plan has also been designed to complement existing SA Government, ESS and Agency diversity and inclusion plans and strategies.</p> <p>To monitor and review the delivery of action items contained in the Plan the ESS proposes to expand the ESS Disability Advisory Committee (established under</p> |

| | |
|----------------------------------|---|
| | the ESS Disability Access and Inclusion Plan) to include diversity broadly. |
| Reconciliation Action Plan (RAP) | Currently developing a business case to support improvements in employment outcomes for Aboriginal and Torres Strait Islanders. |

Agency performance management and development systems

| Performance management and development system | Performance |
|--|--|
| Performance Review and Development Program (PRD) | <p>The PRD program incorporates performance and development reviews on a biannual basis.</p> <p>Currently investigating improvements in materials and resources including ensuring the PRD training is relevant and accessible. A key consideration is for the face-to-face training to be converted online.</p> <p>As at 31 December 2020, 24% of SAFECOM employees participated in a formal PRD.</p> <p>As at 30 June 2021, 69% of SAFECOM employees participated in a formal PRD.</p> |

Work health, safety and return to work programs

| Program name | Performance |
|------------------------------------|---|
| Building Safety Excellence Targets | <p>Continued improvement in Building Safety Excellence Targets with Improvement in Building excellence target 8:</p> <ul style="list-style-type: none"> • Claims determination within 10 days from 69% in March 2021 to 76% in June 2021 (cabinet target is 80%). • Where claim cannot be determined within the 10 days 100% compliance with offering interim benefits. |
| Reporting and Compensability | <p>Dashboard reports have been developed for each agency and provided on a monthly basis outlining performance.</p> <p>Reconciliation for SIMS payments against GL finance has now commenced and is undertaken on a monthly basis.</p> |
| Claims Management | <p>Continued Injury Management system improvements including development of Injury Management Framework, Policy and Operational Manual.</p> <p>Due to system changes the number of open claims has decreased from 262 claims in January 2021 to 212 claims in September 2021.</p> |
| Internal Audit | <p>Audit of claim files for legislative requirements completed.</p> <p>Changes in claims practices implemented.</p> |

Mental Health and Wellbeing services

| Program name | Performance |
|---|---|
| Employee Assistance Program (EAP) for volunteers and staff, including Critical Incident Response for volunteers and staff | <p>For the past 5 years, SAFECOM has contracted with a panel of three external EAP providers to deliver the Employee Assistance Program (EAP) for staff, volunteers, and their families. In addition, critical incident stress response sessions are facilitated for volunteers and staff following a potentially traumatic event.</p> <p>During the 2020-21 financial year, 181 new referrals have been distributed to the panel of providers and 68 Critical Incident Stress Group Sessions have been conducted.</p> |
| Sector Wellbeing Intervention Program (SWIP) which includes the Employee Assistance Program for the ESS sector. | A procurement process was conducted during 2021, resulting in the contracting of a panel of four external Employee Assistance program providers. The new contract will commence 1st of August 2021. |
| Mental Health Wellbeing Framework | <p>The development of an ESS DRAFT Mental Health and Wellbeing Framework model aimed to maintain Mentally Healthy Workplaces has been adopted by the agencies and will be implemented.</p> <p>This will involve raising organisational awareness through</p> <ul style="list-style-type: none"> • Building both organisational and management knowledge, capability, and resources to create a mentally healthy work environment for both volunteers and employees. • Putting in place strategies, policies, structures, processes, protocols, and standards to prevent or minimise the effects of workplace stress and critical incidents as they occur. • Act early to intervene and mitigate the negative impact of stress and trauma which inevitably occurs in both the volunteer and employee workplace. |
| Mental Health First Aid Training for volunteers | The Independent Review into South Australia's 2019-2020 bushfire season, led by Mr Mick Keelty AO found the need to increase psychological support. In response to the review, one additional FTE has been allocated to Mental Health and Wellbeing. |

| Program name | Performance |
|---|---|
| | <p>The additional FTE, Health and Wellbeing Officer coordinates and delivers Mental Health First Aid training with other internal accredited trainers.</p> <p>One workshop has been delivered to SES with various workshops planned for CFS and SES over the next twelve months.</p> |
| Volunteer Peer Support Program | <p>The SAFECOM Volunteer Peer Support Program has 19 active Peer Support Officers across CFS and SES. Training has continued biannually, adhering to COVID-19 restrictions.</p> <p>Peer Support Officers have assisted in the 68 Critical Incident Stress Response, 1 on 1 Psychological First Aid, and delivery of Psychoeducation.</p> <p>Recruitment and retention will take precedence over the next twelve months.</p> |
| Stress, Trauma and Suicide Prevention sessions or volunteers | <p>The 90-minute interactive education session which was developed for volunteers has continued to be delivered across the state. These sessions include debunking suicide myths and equipping volunteers to have conversations on suicide prevention.</p> <p>Thirteen sessions have been delivered in the past financial year by a combination of the Health and Wellbeing Team, experienced Peer Support Officers, and a Mental Health Professional from the Employee Assistance Program.</p> |
| Stress Prevention and Management (SPAM) 24/7 rostered helpline for volunteers and staff | <p>The SPAM helpline has received over 400 calls during the past financial year. Four facilitators are rostered on-call, seven days a month. The on-call facilitators manage the calls on top of their usual duties of employment.</p> |

Work health, safety and return to work programs

| Workplace injury claims Emergency Services Sector | Current year 2020-21 | Past year 2019-20 | % Change (+ / -) |
|---|----------------------------|----------------------|---------------------|
| Total new workplace injury claims | 195 | 211 | -7.58% |
| Fatalities | 1 | 1 | 0.00% |
| Seriously injured workers* | 2 | 1 | 100.00% |
| Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE) | 0.00 | 3.00 | -100.00% |

| Workplace injury claims SAFECOM | Current year 2020-21 | Past year 2019-20 | % Change (+ / -) |
|---|----------------------------|----------------------|---------------------|
| Total new workplace injury claims | 2 | 1 | 100.00% |
| Fatalities | 0 | 0 | 0.00% |
| Seriously injured workers* | 0 | 0 | 0.00% |
| Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE) | 0.00 | 14.49 | -100.00% |

*number of claimants assessed during the reporting period as having a whole person impairment of 30% or more under the Return to Work Act 2014 (Part 2 Division 5)

| Work health and safety regulations | Current year 2020-21 | Past year 2019-20 | % Change (+ / -) |
|--|----------------------------|----------------------|---------------------|
| Number of notifiable incidents (<i>Work Health and Safety Act 2012, Part 3</i>) | 0 | 0 | 0% |
| Number of provisional improvement, improvement and prohibition notices (<i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i>) | 0 | 0 | 0% |

| Return to work costs** Emergency Services Sector | Current year 2020-21 | Past year 2019-20 | % Change (+ / -) |
|---|-------------------------|----------------------|------------------------|
| Total gross workers compensation expenditure (\$) | \$10,146,526 | \$6,981,434 | 45% |
| Income support payments – gross (\$) | \$4,090,781 | \$1,484,893 | 57% |

***before third party recovery*

| Return to work costs** SAFECOM | Current year 2020-21 | Past year 2019-20 | % Change (+ / -) |
|---|----------------------------|----------------------|---------------------|
| Total gross workers compensation expenditure (\$) | \$102,575 | \$41,129 | 149% |
| Income support payments – gross (\$) | \$0.00 | \$22,017 | 0% |

***before third party recovery*

Data for previous years is available at: [Data SA](#)

Executive employment in the agency

| Executive classification | Number of executives |
|--------------------------|----------------------|
| EXECOD | 1 |

Data for previous years is available at: [Data SA](#)

The [Office of the Commissioner for Public Sector Employment](#) has a [workforce information](#) page that provides further information on the breakdown of executive gender, salary and tenure by agency.

Financial performance

Financial performance at a glance

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2020-2021 are attached to this report.

| Statement of Comprehensive Income | 2020-21 Budget \$000s | 2020-21 Actual \$000s | Variation \$000s | 2019-20 Actual \$000s |
|--|------------------------------|------------------------------|-------------------------|------------------------------|
| Total Income | 25 890 | 29 288 | 3 398 | 18 991 |
| Total Expenses | 27 678 | 24 802 | 2 876 | 21 192 |
| Net Result | (1 788) | 4 486 | 6 274 | (2 201) |
| Changes in asset revaluation surplus | - | - | - | 161 |
| Total Comprehensive Result | (1 788) | 4 486 | 6 274 | (2 040) |

| Statement of Financial Position | 2020-21 Budget \$000s | 2020-21 Actual \$000s | Variation \$000s | 2019-20 Actual \$000s |
|--|------------------------------|------------------------------|-------------------------|------------------------------|
| Current assets | 3 612 | 11 500 | 7 888 | 6 036 |
| Non-current assets | 4 897 | 3 353 | (1 544) | 3 820 |
| Total assets | 8 509 | 14 903 | 6 394 | 9 856 |
| Current liabilities | 3 614 | 3 822 | (208) | 3 329 |
| Non-current liabilities | 2 777 | 2 689 | 88 | 2 621 |
| Total liabilities | 6 391 | 6 511 | (120) | 5 950 |
| Net assets | 2 118 | 8 392 | 6 204 | 3 906 |
| Equity | 2 118 | 8 392 | 6 204 | 3 906 |

Consultants disclosure

The following is a summary of external consultants that have been engaged by the agency, the nature of work undertaken, and the actual payments made for the work undertaken during the financial year.

Consultancies with a contract value below \$10,000 each

| Consultancies | Purpose | \$ Actual payment |
|--|----------------|--------------------------|
| All consultancies below \$10,000 each - combined | Various | \$23 706 |

Consultancies with a contract value above \$10,000 each

| Consultancies | Purpose | \$ Actual payment |
|------------------|---|-------------------|
| BDNA Group | Solution architecture services | \$74 490 |
| Noetic Solutions | Independent review of public submissions | \$13 000 |
| NEC Australia | Technical solutions, management and design for new HQ | \$11 711 |
| | Total | \$99 201 |

Data for previous years is available at [Data SA](#).

See also the [Consolidated Financial Report of the Department of Treasury and Finance](#) for total value of consultancy contracts across the South Australian Public Sector.

Contractors disclosure

The following is a summary of external contractors that have been engaged by the agency, the nature of work undertaken, and the actual payments made for work undertaken during the financial year.

Contractors with a contract value below \$10,000

| Contractors | Purpose | \$ Actual payment |
|--|---------|-------------------|
| All contractors below \$10,000 each - combined | Various | \$16 188 |

Contractors with a contract value above \$10,000 each

| Contractors | Purpose | \$ Actual payment |
|------------------|--|-------------------|
| NTT Australia | Emerald Support | \$246 310 |
| InSync Solutions | IT Support | \$33 975 |
| Datacom Systems | HQ Server Inventory and Migration Plan | \$12 508 |
| | Total | \$292 793 |

Data for previous years is available at [Data SA](#).

The details of South Australian Government-awarded contracts for goods, services, and works are displayed on the SA Tenders and Contracts website. [View the agency list of contracts](#).

The website also provides details of [across government contracts](#).

Risk management

Risk and audit at a glance

SAFECOM has an established framework of sound corporate governance, including an effective risk management framework, internal control environment, an independent Audit and Risk Committee and a dedicated internal audit and risk management function.

Fraud detected in the agency

| Category/nature of fraud | Number of instances |
|--------------------------|---------------------|
| 0 | 0 |
| 0 | 0 |
| 0 | 0 |

NB: Fraud reported includes actual and reasonably suspected incidents of fraud.

Strategies implemented to control and prevent fraud

SAFECOM maintains a governance structure and internal controls that are designed to prevent, detect and minimise the impact of fraud including:

- Fraud, corruption, misconduct and maladministration policy, procedure and control plan in place.
- Financial and human resources policies and procedures.
- An Audit and Risk Committee that reports to the SAFECOM Board.
- Regular financial monitoring and reporting.

Data for previous years is available at: [Data SA](#)

Public interest disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the Public Interest Disclosure Act 2018:

0

Data for previous years is available at: [Data SA](#)

Note: Disclosure of public interest information was previously reported under the *Whistleblowers Protection Act 1993* and repealed by the *Public Interest Disclosure Act 2018* on 1/7/2019.

Reporting required under any other act or regulation

| Act or Regulation | Requirement |
|---|--|
| <i>Fire and Emergency Services Act 2005</i> | <p>Division 7 – Accounts, audits and reports</p> <p>Section 22 – Annual reports</p> <p>(1) The Commission must, on or before 31 October in each year, provide to the Minister a report on the activities of the ESS during the preceding financial year (and need not provide a report under the <i>Public Sector Act 2009</i>).</p> |

| Act or Regulation | Requirement |
|--|---|
| <i>Freedom of Information Act 1991</i> | <p>Part 2 – Publication of certain information</p> <p>Section 9 – Publication of information concerning agencies</p> <p>(1) The responsible Minister for a State Government agency must, at intervals of not more than 12 months, cause an up-to-date information statement to be published in a manner prescribed by regulation.</p> <p>(1a) An agency (other than a State Government agency) must, at intervals of not more than 12 months, cause an up-to-date information statement to be published in a manner prescribed by regulation.</p> |

Available on SAFECOM website [here](#)

| Act or Regulation | Requirement |
|--------------------------------------|--|
| <i>Disability Inclusion Act 2018</i> | <p>Part 5 – Disability access and inclusions plans</p> <p>17 – Annual report on operation of disability access and inclusion plan.</p> <p>(1) Each state authority must, on or before 31 October in each year, report to</p> |

| Act or Regulation | Requirement |
|-------------------|---|
| | <p>the Chief Executive on the operation of its disability access and inclusion plan during the preceding financial year (including a summary of the extent to which the disability access and inclusion plan has been implemented by the state authority).</p> <p>(2) The Chief Executive must, on or before 31 December in each year, provide to the Minister a report summarising the reports received under subsection (1) in respect of the preceding financial year.</p> <p>(3) A report under subsection (2) may be combined with a report under section 14(1) annual report on operation of State Disability Inclusion Plan.</p> |

Reporting required under the *Carers' Recognition Act 2005*

Nil.

Public complaints

Number of public complaints reported

| Complaint categories | Sub-categories | Example | Number of Complaints 2021-21 |
|------------------------|-----------------------|--|------------------------------|
| Professional behaviour | Staff attitude | Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; cultural competency | 0 |
| Professional behaviour | Staff competency | Failure to action service request; poorly informed decisions; incorrect or incomplete service provided | 0 |
| Professional behaviour | Staff knowledge | Lack of service specific knowledge; incomplete or out-of-date knowledge | 0 |
| Communication | Communication quality | Inadequate, delayed or absent communication with customer | 0 |
| Communication | Confidentiality | Customer's confidentiality or privacy not respected; information shared incorrectly | 0 |
| Service delivery | Systems/technology | System offline; inaccessible to customer; incorrect result/information provided; poor system design | 0 |
| Service delivery | Access to services | Service difficult to find; location poor; facilities/ environment poor standard; not accessible to customers with disabilities | 0 |
| Service delivery | Process | Processing error; incorrect process used; delay in processing application; process not customer responsive | 0 |
| Policy | Policy application | Incorrect policy interpretation; incorrect policy applied; conflicting policy advice given | 0 |
| Policy | Policy content | Policy content difficult to understand; policy | 0 |

| Complaint categories | Sub-categories | Example | Number of Complaints 2021-21 |
|----------------------|------------------------|---|------------------------------|
| | | unreasonable or disadvantages customer | |
| Service quality | Information | Incorrect, incomplete, out dated or inadequate information; not fit for purpose | 0 |
| Service quality | Access to information | Information difficult to understand, hard to find or difficult to use; not plain English | 0 |
| Service quality | Timeliness | Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met | 0 |
| Service quality | Safety | Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness | 0 |
| Service quality | Service responsiveness | Service design doesn't meet customer needs; poor service fit with customer expectations | 0 |
| No case to answer | No case to answer | Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate | 0 |
| | | Total | 0 |

| Additional Metrics | Total |
|--|-------|
| Number of positive feedback comments | 0 |
| Number of negative feedback comments | 0 |
| Total number of feedback comments | 0 |
| % complaints resolved within policy timeframes | 0 |

Data for previous years is available at: [Data SA](#)

Service Improvements

N/A

Compliance Statement

| | |
|--|---|
| SAFECOM is compliant with Premier and Cabinet Circular 039 – complaint management in the South Australian public sector | N |
| SAFECOM has communicated the content of PC 039 and the agency's related complaints policies and procedures to employees. | N |

Appendix: Audited financial statements 2020-21



Our ref: A21/367

24 September 2021

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200 Victoria Square
Adelaide SA 5000
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Fax +618 8226 9688
ABN 53 327 061 410
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Ms J Waddington-Powell
Chief Executive
South Australian Fire and Emergency Services Commission
Level 6
60 Waymouth Street
ADELAIDE SA 5000

Dear Ms Waddington-Powell

**Audit of South Australian Fire and Emergency Services Commission
for the year to 30 June 2021**

We have completed the audit of your accounts for the year ended 30 June 2021. Two key outcomes from the audit are the:

- 1 Independent Auditor's Report on your agency's financial report
- 2 An audit management letter recommending you address identified weaknesses.

1 Independent Auditor's Report

We are returning the financial statements for South Australian Fire and Emergency Services Commission, with the Independent Auditor's Report. This report is unmodified.

My annual report to Parliament indicates that we have issued an unmodified Independent Auditor's Report on your financial statements.

2 Audit management letter

During the year, we sent you an audit management letter detailing the weaknesses we noted and improvements we considered you need to make.

Significant matters related to identified asset management deficiencies, the absence of required information technology strategic and risk management plans, a lack of retained evidence to support the completion of works/receipt of goods prior to payment, and bona fide certificates and leave returns not being reviewed promptly.

We have received a response to our letter and will follow these up as part of the 2021-22 audit.

I have also included summary comments about these matters in my annual report.

What the audit covered

Our audits meet statutory audit responsibilities under the *Public Finance and Audit Act 1987* and the Australian Auditing Standards.

Our audit covered the principal areas of the agency's financial operations and included test reviews of systems, processes, internal controls and financial transactions. Some notable areas were:

- governance, planning and reporting
- risk management
- legal compliance (including legislative changes)
- financial accounting and journals
- revenue
- supplies and services expenditure
- employee benefits expenditure, including workers' compensation
- cash, including deposit accounts, brigades/unit bank accounts, and station petty cash
- capital works in progress
- other non-current assets
- asset management
- administered activities.

Particular attention was given to workers compensation provisions and supporting actuarial assessments as at 30 June 2021. We concluded that the financial report was prepared in accordance with the financial reporting framework in this respect.

I would like to thank the staff and management of your agency for their assistance during this year's audit.

Yours sincerely



Andrew Richardson
Auditor-General

enc



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

Opinion

I have audited the financial report of the South Australian Fire and Emergency Services Commission and the consolidated entity comprising the South Australian Fire and Emergency Services Commission and its controlled entities for the financial year ended 30 June 2021.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the South Australian Fire and Emergency Services Commission and its controlled entities as at 30 June 2021, their financial performance and their cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The consolidated financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2021
- a Statement of Financial Position as at 30 June 2021
- a Statement of Changes in Equity for the year ended 30 June 2021
- a Statement of Cash Flows for the year ended 30 June 2021
- notes, comprising significant accounting policies and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2021
- a Statement of Administered Financial Position as at 30 June 2021
- a Statement of Administered Cash Flows for the year ended 30 June 2021
- notes, comprising significant accounting policies and other explanatory information for administered items
- a Certificate from the Presiding Officer, the Chief Executive and the Manager Financial Services.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further

described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the South Australian Fire and Emergency Services Commission and its controlled entities. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

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

Responsibilities of the Chief Executive and the Board for the financial report

The Chief Executive is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and the 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 is free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 21(2) of the *Fire and Emergency Services Act 2005*, I have audited the financial report of the South Australian Fire and Emergency Services Commission for the financial year ended 30 June 2021.

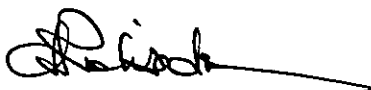
My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the South Australian Fire and Emergency Services Commission's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- conclude on the appropriateness of the Chief Executive's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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



Andrew Richardson

Auditor-General

24 September 2021

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

Financial Statements

For the year ended 30 June 2021

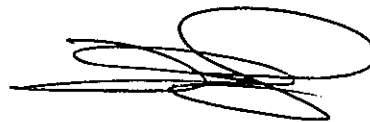
South Australian Fire and Emergency Services Commission
Certification of Financial Statements
for the year ended 30 June 2021

We certify that the:

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



Julia Waddington-Powell
Presiding Officer and Chief Executive
South Australian Fire and Emergency Services
Commission Board
17 September 2021



Julia Waddington-Powell
Chief Executive
South Australian Fire and Emergency Services
Commission
17 September 2021



Julie Best
Manager Financial Services
17 September 2021

South Australian Fire and Emergency Services Commission
Statement of Comprehensive Income
for the year ended 30 June 2021

| | | Consolidated | | SAFECOM Entity | |
|--|------|----------------|----------------|----------------|----------------|
| | Note | 2021 \$'000 | 2020 \$'000 | 2021 \$'000 | 2020 \$'000 |
| Income | | | | | |
| Contributions from the Community Emergency Services Fund | 2.1 | 293 123 | 302 970 | 17 823 | 14 403 |
| Fees and charges | 2.2 | 5 551 | 8 565 | - | - |
| Grants and contributions | 2.3 | 5 429 | 7 914 | 1 670 | 1 670 |
| SA Government grants, subsidies and transfers | 2.4 | 19 869 | 21 468 | 8 841 | 2 101 |
| Interest revenues | 2.5 | 20 | 89 | 1 | 20 |
| Other income | 2.6 | 2 787 | 4 651 | 953 | 797 |
| Total income | | 326 779 | 345 657 | 29 288 | 18 991 |
| Expenses | | | | | |
| Employee benefits expenses | 3.3 | 184 561 | 154 728 | 8 965 | 8 534 |
| Supplies and services | 4.1 | 103 579 | 109 295 | 13 217 | 8 420 |
| Depreciation and amortisation | 4.2 | 26 967 | 24 964 | 817 | 637 |
| Grants and subsidies | | 2 590 | 3 798 | 1 803 | 2 331 |
| Borrowing costs | | 197 | 114 | - | 1 |
| Net loss from disposal of non-current assets | 4.3 | 885 | 240 | - | - |
| Other expenses | 4.4 | 776 | 1 662 | - | 1 269 |
| Total expenses | | 319 555 | 294 801 | 24 802 | 21 192 |
| Net result | | 7 224 | 50 856 | 4 486 | (2 201) |
| Other comprehensive income | | | | | |
| <i>Items that will not be reclassified to net result</i> | | | | | |
| Changes in asset revaluation surplus | 5.1 | - | 71 484 | - | 161 |
| Gains or losses recognised directly in equity | | 15 | (14) | - | - |
| Total other comprehensive income | | 15 | 71 470 | - | 161 |
| Total comprehensive result | | 7 239 | 122 326 | 4 486 | (2 040) |

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

South Australian Fire and Emergency Services Commission
Statement of Financial Position
as at 30 June 2021

| | | Consolidated | | SAFECOM Entity | |
|--|------|----------------|----------------|----------------|--------------|
| | Note | 2021 | 2020 | 2021 | 2020 |
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| Current assets | | | | | |
| Cash and cash equivalents | 6.1 | 40 264 | 37 185 | 10 744 | 3 074 |
| Receivables | 6.2 | 8 468 | 13 816 | 806 | 2 962 |
| Other financial assets | 6.3 | 2 008 | 2 246 | - | - |
| Non-current assets classified as held for sale | 6.4 | 500 | 742 | - | - |
| Total current assets | | 51 240 | 53 989 | 11 550 | 6 036 |
| Non-current assets | | | | | |
| Property, plant and equipment | 5.1 | 465 268 | 445 030 | 967 | 940 |
| Intangible assets | 5.4 | 2 676 | 3 371 | 2 386 | 2 880 |
| Total non-current assets | | 467 944 | 448 401 | 3 353 | 3 820 |
| Total assets | | 519 184 | 502 390 | 14 903 | 9 856 |
| Current liabilities | | | | | |
| Payables | 7.1 | 23 691 | 15 699 | 2 380 | 1 975 |
| Employee liabilities | 3.4 | 27 608 | 25 608 | 1 372 | 1 279 |
| Financial liabilities | 7.2 | 2 063 | 1 640 | 11 | 18 |
| Provisions | 7.3 | 7 509 | 7 719 | 59 | 57 |
| Total current liabilities | | 60 871 | 50 666 | 3 822 | 3 329 |
| Non-current liabilities | | | | | |
| Payables | 7.1 | 5 303 | 5 300 | 202 | 196 |
| Employee liabilities | 3.4 | 33 571 | 33 744 | 2 146 | 2 113 |
| Financial liabilities | 7.2 | 11 352 | 4 110 | 8 | 8 |
| Provisions | 7.3 | 57 458 | 65 180 | 333 | 304 |
| Total non-current liabilities | | 107 684 | 108 334 | 2 689 | 2 621 |
| Total liabilities | | 168 555 | 159 000 | 6 511 | 5 950 |
| Net assets | | 350 629 | 343 390 | 8 392 | 3 906 |
| Equity | | | | | |
| Retained earnings | | 214 292 | 207 068 | 8 231 | 3 745 |
| Asset revaluation surplus | | 136 330 | 136 330 | 161 | 161 |
| Investment market value reserve | | 7 | (8) | - | - |
| Total equity | | 350 629 | 343 390 | 8 392 | 3 906 |

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

South Australian Fire and Emergency Services Commission
Statement of Changes in Equity
for the year ended 30 June 2021

| | | Investments market value reserve | Consolidated Asset Revaluation surplus | Retained earnings | Total equity |
|---|------|--|---|----------------------|-----------------|
| | Note | \$'000 | \$'000 | \$'000 | \$'000 |
| Balance at 1 July 2019 | | 6 | 64 846 | 156 212 | 221 064 |
| Net result for 2019-20 | | - | - | 50 856 | 50 856 |
| Gain on revaluation of land and buildings during 2019-20 | | - | 35 677 | - | 35 677 |
| Gain on revaluation of vehicles during 2019-20 | | - | 30 256 | - | 30 256 |
| Gain on revaluation of plant and equipment during 2019-20 | | - | 5 551 | - | 5 551 |
| Gains or losses recognised directly in equity | | (14) | - | - | (14) |
| Total comprehensive result for 2019-20 | | (14) | 71 484 | 50 856 | 122 326 |
| Balance at 30 June 2020 | | (8) | 136 330 | 207 068 | 343 390 |
| Net result for 2020-21 | | - | - | 7 224 | 7 224 |
| Gains or losses recognised directly in equity | | 15 | - | - | 15 |
| Total comprehensive result for 2020-2021 | | 15 | - | 7 224 | 7 239 |
| Balance at 30 June 2021 | | 7 | 136 330 | 214 292 | 350 629 |

| | | SAFECOM Entity | | | |
|---|------|--|---------------------------------|----------------------|-----------------|
| | | Investments market value reserve | Asset Revaluation surplus | Retained earnings | Total equity |
| | Note | \$'000 | \$'000 | \$'000 | \$'000 |
| Balance at 1 July 2019 | | - | - | 5 946 | 5 946 |
| Net result for 2019-20 | | - | - | (2 201) | (2 201) |
| Gain on revaluation of land and buildings during 2019-20 | | - | 4 | - | 4 |
| Gain on revaluation of plant and equipment during 2019-20 | | - | 157 | - | 157 |
| Total comprehensive result for 2019-20 | | - | 161 | (2 201) | (2 040) |
| Balance at 30 June 2020 | | - | 161 | 3 745 | 3 906 |
| Net result for 2020-21 | | - | - | 4 486 | 4 486 |
| Total comprehensive result for 2020-2021 | | - | - | 4 486 | 4 486 |
| Balance at 30 June 2021 | | - | 161 | 8 231 | 8 392 |

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

South Australian Fire and Emergency Services Commission
Statement of Cash Flows
for the year ended 30 June 2021

| | | Consolidated | | SAFECOM Entity | |
|---|-------------|---------------------|------------------|-----------------------|-----------------|
| | | 2021 | 2020 | 2021 | 2020 |
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| Cash flows from operating activities | Note | | | | |
| Cash inflows | | | | | |
| Contributions from CESF | | 293 123 | 302 970 | 17 823 | 14 403 |
| SA Government grants, subsidies and transfers | | 26 943 | 21 451 | 11 107 | 2 101 |
| Receipts from fees and charges | | 5 551 | 4 164 | - | 50 |
| Receipts from grants and contributions | | 5 429 | 7 914 | 1 670 | - |
| Interest received | | 20 | 89 | 1 | 20 |
| GST recovered from the ATO | | 14 622 | 13 003 | 3 541 | 2 578 |
| Receipts for paid parental leave scheme | | 93 | 195 | 30 | 27 |
| Other receipts | | 3 862 | 3 484 | 972 | 117 |
| Cash generated from operations | | 349 643 | 353 270 | 35 144 | 19 296 |
| Cash outflows | | | | | |
| Employee benefit payments | | (190 305) | (185 266) | (8 796) | (8 597) |
| Payments for supplies and services | | (120 968) | (129 172) | (16 492) | (11 708) |
| Payments of grants and subsidies | | (2 590) | (3 798) | (1 803) | (2 331) |
| Payments for paid parental leave scheme | | (84) | (186) | (30) | (27) |
| Interest paid | | (197) | (114) | - | (1) |
| Cash used in operations | | (314 144) | (318 536) | (27 121) | (22 664) |
| Net cash provided by / (used in) operating activities | 8.1 | 35 499 | 34 734 | 8 023 | (3 368) |
| Cash flows from investing activities | | | | | |
| Cash inflows | | | | | |
| Proceeds from the sale of property, plant and equipment | 4.3 | 810 | 610 | - | - |
| Proceeds from sale of investments | | 253 | 201 | - | - |
| Cash generated from investing activities | | 1 063 | 811 | - | - |
| Cash outflows | | | | | |
| Purchase of property, plant and equipment | | (31 568) | (31 193) | (332) | (1 136) |
| Payments for the disposal of property | | (52) | (5) | - | - |
| Cash used in investing activities | | (31 620) | (31 198) | (332) | (1 136) |
| Net cash used in investing activities | | (30 557) | (30 387) | (332) | (1 136) |
| Cash flows from financing activities | | | | | |
| Cash outflows | | | | | |
| Repayment of principal portion of leases | | (1 863) | (1 753) | (21) | (21) |
| Cash used by financing activities | | (1 863) | (1 753) | (21) | (21) |
| Net cash used in financing activities | | (1 863) | (1 753) | (21) | (21) |
| Net increase / (decrease) in cash and cash equivalents | | 3 079 | 2 594 | 7 670 | (4 525) |
| Cash and cash equivalents at the beginning of the reporting period | | 37 185 | 34 591 | 3 074 | 7 599 |
| Cash and cash equivalents at the end of the reporting period | 6.1 | 40 264 | 37 185 | 10 744 | 3 074 |

The accompanying notes form part of the financial statements.

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2021

NOTES TO THE FINANCIAL STATEMENTS

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South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2021

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South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2021

1. About the South Australian Fire and Emergency Services Commission

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

The Act also defines the Emergency Services Sector as consisting of the:

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

SAFECOM does not control any other entity and has no interest in unconsolidated structured entities.

Transactions and balances relating to administered resources are not recognised as SAFECOM income, expenses, assets and liabilities. As administered, the activities of the Community Emergency Services Fund (the fund) items are significant in relation to SAFECOM's overall financial performance and position and therefore are disclosed in the administered financial statements (schedule of administered items) at the back of the controlled general purpose financial statements. Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as for SAFECOM items.

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

Transactions and balances relating to the trust assets are not recognised as SASES's income, expenses, assets and liabilities, but are disclosed in note 9.4 as 'Trust Funds'.

The accrual basis of accounting and applicable accounting standards has been adopted.

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

The financial statements have been prepared based on a 12-month period and presented in Australian currency. 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.

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000).

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2021

1.1. Basis of preparation (continued)

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

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

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

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

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

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

Significant accounting policies are set out throughout these notes.

1.2. Principles of consolidation

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

The financial statements incorporate the assets and liabilities of all entities comprising the Emergency Services Sector as at 30 June 2021 and the results of these entities for the year then ended. The effects of all transactions between entities in the consolidated entity are eliminated in full.

1.3. Objectives and Programs

Objectives

SAFECOM has the following objectives:

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

Programs

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

South Australian Fire and Emergency Services Commission
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1.4. Impact of COVID-19 pandemic on the Emergency Services Sector

The COVID-19 pandemic has impacted on the operations of the Emergency Services Sector and the impacts are included under the relevant disclosure notes. The key impacts in 2020-21 were:

- Additional expenditure to keep personnel safe while maintaining service delivery to the community (SAFECOM: \$0.017 million, Consolidated: \$0.595 million)
- Additional expenditure to support the South Australian response to the COVID-19 pandemic. (SAFECOM: \$2.774 million, Consolidated: \$6.009 million)
- Reduced capital expenditure and delays in supplier delivery time frames due to supplier business restrictions.

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

1.5. Budget performance

The budget performance table compares SAFECOM's outcomes against budget information presented to Parliament (2020-21 Budget Paper 4). The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

| | | Original budget 2021 \$'000 | SAFECOM Actual 2021 \$'000 | Variance 2021 \$'000 |
|---|-------------|--------------------------------------|-------------------------------------|----------------------------|
| Statement of Comprehensive Income | Note | | | |
| Income | | | | |
| Contribution from the Community Emergency Services Fund | | 16 930 | 17 823 | 893 |
| Fees and charges | a | 683 | - | (683) |
| Grants and contributions | b | 3 340 | 1 670 | (1 670) |
| Interest | | 24 | 1 | (23) |
| SA Government grants, subsidies and transfers | c | 4 758 | 8 841 | 4 083 |
| Other | a | 155 | 953 | 798 |
| Total income | | 25 890 | 29 288 | 3 398 |
| Expenses | | | | |
| Employee benefits | | 8 114 | 8 965 | 851 |
| Supplies and services | d | 9 963 | 13 217 | 3 254 |
| Depreciation and amortisation | | 886 | 817 | (69) |
| Grants and subsidies | e | 8 592 | 1 803 | (6 789) |
| Borrowing costs | | 1 | - | (1) |
| Other | | 122 | - | (122) |
| Total expenses | | 27 678 | 24 802 | (2 876) |
| Net result | | (1 788) | 4 486 | 6 274 |
| Total comprehensive result | | (1 788) | 4 486 | 6 274 |

South Australian Fire and Emergency Services Commission
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1.5. Budget performance (continued)

The following are brief explanations of variances between original budget and actual amounts. Explanations are provided for variances where the variance exceeds the greater of 10% of the original budgeted amount and 5% of original budgeted total expenses.

- (a) Actual income has been reclassified from fees and charges revenue to other income.
- (b) Actual Income is lower than budgeted due to timing in the receipt of funding for the Commonwealth National Partnership on Disaster Risk Reduction Program.
- (c) Actual income is higher than the budgeted as a result of the matching state funding received for the Commonwealth National Partnership on Disaster Risk Reduction and recovery of funds for the State Emergency Information Call Centre Capability (SEICCC) COVID-19 costs.
- (d) Supplies and Services actual expenditure is higher than budgeted primarily as a result of expenditure incurred for the SA Health SEICCC COVID-19 response and the Emerald system.
- (e) Actual expenditure for grant funding is lower than budgeted due to reduced expenditure for the Commonwealth National Partnership on Disaster Risk Reduction and Natural Disaster Resilience Program for which a carryover will be sought to 2021-22.

| | | Original budget 2021 \$'000 | SAFECOM Actual 2021 \$'000 | Variance 2021 \$'000 |
|--------------------------------------|------|--------------------------------------|-------------------------------------|----------------------------|
| | Note | | | |
| Investing expenditure summary | | | | |
| Total new projects | a | 1 600 | - | 1 600 |
| Total existing projects | | 328 | 336 | (8) |
| Total investing expenditure | | 1 928 | 336 | 1 592 |

1.6. Significant transactions with government entities

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

The following transactions were significant for SAFECOM consolidated entities:

- Contributions from the Community Emergency Services Fund (refer note 2.1).
- Payments of \$18.315 million to the Attorney-General's Department for the Government Radio Network.

The following transactions were significant for SAFECOM:

- Contributions from the Community Emergency Services Fund (refer note 2.1).

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
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2. Income

2.1. Contributions from the Community Emergency Services Fund

| | Consolidated | | SAFECOM Entity | |
|---|---------------------|----------------|-----------------------|---------------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Community Emergency Services Fund | 293 123 | 302 970 | 17 823 | 14 403 |
| Total contributions from the Community Emergency Services Fund | 293 123 | 302 970 | 17 823 | 14 403 |

Contributions from Community Emergency Services Fund are recognised as revenues when SAFECOM obtains control over the funding. Control over contributions is normally obtained upon receipt.

2.2. Revenues from fees and charges

| | Consolidated | | SAFECOM Entity | |
|---|---------------------|---------------|-----------------------|---------------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Fire alarm attendance fees | 1 754 | 2 798 | - | - |
| Fire alarm monitoring fees | 2 804 | 2 701 | - | - |
| Incident cost recoveries | 340 | 2 404 | - | - |
| Facilities hire fees | 113 | 187 | - | - |
| Fire safety fees | 540 | 475 | - | - |
| Total revenues from fees and charges | 5 551 | 8 565 | - | - |

Revenue from fees and charges is recognised from contracts with customers.

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

The Emergency Services Sector recognises revenue from contracts with customers from the following major sources:

Fire alarm attendance and fire safety fees

The Emergency Services Sector provides a range of fire alarm attendance and fire safety services to customers and charge prescribed fees for these services as regulated under the *Fire and Emergency Services Act 2005*. Revenue for these services is recognised in arrears once the relevant deliverables have been provided to the customer in line with the Emergency Services Sector legislated responsibilities and internal policies.

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

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

South Australian Fire and Emergency Services Commission
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2.2 Revenues from fees and charges (continued)

Fire alarm monitoring fees

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

Incident cost recoveries

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

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

2.3. Grants and contributions

| | Consolidated | | SAFECOM Entity | |
|---------------------------------------|---------------------|---------------|-----------------------|---------------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Commonwealth Government | 2 917 | 3 075 | 1 670 | 1 670 |
| Private industry and local government | 2 512 | 4 839 | - | - |
| Total grants and contributions | 5 429 | 7 914 | 1 670 | 1 670 |

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

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

Commonwealth Government grant funding for SAFECOM relates to the National Partnership Agreement on Disaster Risk Reduction. Commonwealth Government grant funding for Consolidated relates to the National Partnership Agreement on Disaster Risk Reduction and contributions towards the provision of fire and emergency services to Commonwealth properties under the Memorandum of Understanding for the Provision of Fire Services.

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

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
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2.4. SA Government grants, subsidies and transfers

| | Consolidated | | SAFECOM Entity | |
|---|---------------------|---------------|-----------------------|---------------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Intra-government transfers | 6 268 | 19 346 | 4 758 | 110 |
| NDRP - State Contribution | 1 349 | 1 325 | 1 349 | 1 318 |
| COVID 19 Support - SA Health | 2 922 | 797 | 2 734 | 673 |
| COVID 19 Support - SAPOL | 3 100 | - | - | - |
| Capital Program | 6 230 | - | - | - |
| Total SA Government grants subsidies and transfers | 19 869 | 21 468 | 8 841 | 2 101 |

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

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

2.5. Interest

| | Consolidated | | SAFECOM Entity | |
|--------------------------------|---------------------|---------------|-----------------------|---------------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Dividend Income | 7 | 5 | - | - |
| Interest on deposit accounts | 13 | 84 | 1 | 20 |
| Total interest revenues | 20 | 89 | 1 | 20 |

Reductions in the Reserve Bank of Australia cash rate during 2020-21 have resulted in a decrease in interest received on deposit accounts.

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

| | Consolidated | | SAFEKOM Entity | |
|-----------------------------------|--------------|--------------|----------------|------------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Sundry revenues | 674 | 1 421 | 45 | 106 |
| Salary recoveries | 741 | 729 | 683 | 672 |
| Rental income | 365 | 382 | - | - |
| Insurance recoveries | 159 | 15 | - | - |
| Donations | 17 | 27 | - | - |
| Groups/Brigades/Units fundraising | 412 | 1 868 | - | - |
| Recoveries from legal cases | 225 | - | 225 | - |
| Donated Asset | - | 42 | - | - |
| Other | 194 | 167 | - | 19 |
| Total other income | 2 787 | 4 651 | 953 | 797 |

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

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

SASES and SACFS volunteer members give a significant number of hours to providing front line emergency response services to the community and in other support roles. A value for volunteers is not recognised in the financial statements as the recognition criteria of AASB 1058 *Income of Not-For-Profit Entities* has not been met.

Rental income

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

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
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3. Board, committees and employees

3.1. Key Management Personnel

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

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

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

Total compensation for consolidated key management personnel was \$2.9 million in 2020-21 and \$2.3 million in 2019-20.

The compensation disclosed in this note excludes salaries and other benefits the Minister for Emergency Services receives. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the DTF) under section 6 of the *Parliamentary Remuneration Act 1990*.

| | Consolidated | | SAFECOM Entity | |
|---|--------------|--------------|----------------|------------|
| | 2021 | 2020 | 2021 | 2020 |
| Compensation | \$'000 | \$'000 | \$'000 | \$'000 |
| Salaries and other short-term employee benefits | 2 382 | 2 100 | 447 | 471 |
| Post-employment benefits | 252 | 210 | 43 | 44 |
| Termination benefits | 222 | - | 27 | - |
| Total compensation | 2 856 | 2 310 | 517 | 515 |

Transactions with key management personnel and other related parties

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

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
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3.2. Board and committee members

Members of boards and committees during 2020-21 were:

**South Australian Fire and Emergency Services
Commission Board**

D Lane* (term expired 7 May 2021)
M-A Healy* (appointed 10 May 2021)
C J Adlam (Max)
C J Beattie*
S J Caracoussis
M J Morgan*
P J Decure
M S Jones*
S St Alban
J Tucker
D F Barry*
A De Piaz* (term expired 15 November 2020)
P M Fletcher*
W A Hicks ESM
J D Lindner

C Thomas*
G Cornish* (appointed 18 January 2021)

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

Aaron Chia
J Tucker
P J Decure

**South Australian Metropolitan Fire Service
Disciplinary Committee**

L D P Holland
R Thompson*
S J Smithson*
B Robertson*

State Bushfire Coordination Committee

A Allen*
N G Bamford*
J S Crocker*
A De Piaz* (term expired 13 November 2020)
C Gibson* (term expired 13 November 2020)
F J Gill*
W R McIntosh
M S Jones*
J Nairn*
J Psyridis* (term expired 13 November 2020)
C B Daniels* (term expired 13 November 2020)
S A Reardon (term expired 13 November 2020)
M C Roche (term expired 13 November 2020)
W B Thorley (term expired 13 November 2020)
P R White
E C Jenke (term expired 9 April 2021)
A Walsh (appointed 14 November 2020)
B Loughlin* (appointed 14 November 2020)
G V Brown* (appointed 14 November 2020)
J Moyle (appointed 14 November 2020)
M Ashley (appointed 14 November 2020)
M J Blason (appointed 14 November 2020)
P Button* (appointed 14 November 2020)
R A Cadd (appointed 14 November 2020)
K M Egan*
S Barone* (term expired 13 November 2020)
D Colliar* (term expired 13 November 2020)

G P Benham*
J Crampton* (term expired 13 November 2020)
J B Drew*
F Dunstan* (term expired 13 November 2020)
J Frizenschaf* (term expired 13 November 2020)
D S Gilbertson
H L Greaves
M M Healy (term expired 13 November 2020)
T M W Kelly (term expired 13 November 2020)
D Leblond*
J D Lindner
C W Patterson* (term expired 13 November 2020)
J Slcombe* (term expired 13 November 2020)
M R Sutton*
I Tanner* (term expired 13 November 2020)
N Rea (term expired 20 January 2021)
E Petrenas*
B A Swaffer (appointed 14 November 2020)
D Ezis* (appointed 14 November 2020)
D Kowalski* (appointed 14 November 2020)
G Venditto* (appointed 14 November 2020)
M Anolak* (appointed 14 November 2020)
M S Martin* (appointed 14 November 2020)
P Merry (appointed 14 November 2020)
T Moffat* (appointed 14 November 2020)
F Crisci*
E M Sommerville* (term expired 13 November 2020)

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

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2021

3.2. Board and committee members (continued)

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

| | Consolidated | | SAFECOM Entity | |
|--|-------------------|-------------------|-------------------|-------------------|
| | 2021 | 2020 | 2021 | 2020 |
| The number of members whose remuneration received/receivable falls within the following bands: | Number of members | Number of members | Number of members | Number of members |
| \$0 - \$19 999 | 67 | 54 | 13 | 13 |
| \$20 000 - \$39 999 | 6 | 5 | 5 | 5 |
| Total number of members | 73 | 59 | 18 | 18 |

The total remuneration received or receivable by members was Consolidated \$159 000 (2020: \$161 000) and SAFECOM \$150 000 (2020: \$147 000). Remuneration of members includes all costs of performing board and committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

For the purposes of this table, travel allowances and other expenses paid to members have not been included as remuneration as it is considered to be reimbursement of direct out-of-pocket expenses incurred by relevant members.

3.3. Employee benefits expenses

| | Consolidated | | SAFECOM Entity | |
|---------------------------------------|----------------|----------------|----------------|--------------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Salaries and wages | 134 850 | 132 908 | 6 669 | 6 652 |
| Workers compensation | (1 248) | (23 606) | 174 | 79 |
| Employment on-costs - superannuation | 19 200 | 17 213 | 762 | 747 |
| Additional compensation | 2 664 | 2 052 | 7 | 20 |
| Annual leave | 16 005 | 15 462 | 619 | 550 |
| Payroll tax | 8 593 | 8 262 | 386 | 370 |
| Long service leave | 2 772 | 658 | 148 | (71) |
| Skills and experience retention leave | 1 200 | 1 209 | 54 | 45 |
| Board fees | 145 | 148 | 137 | 134 |
| Other employment related expenses | 380 | 422 | 9 | 8 |
| Total employee benefits | 184 561 | 154 728 | 8 965 | 8 534 |

Employment on costs - superannuation

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

South Australian Fire and Emergency Services Commission
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3.3. Employee benefits expenses (continued)

Employee remuneration

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

| | Consolidated | | SAFECOM Entity | |
|-----------------------|--------------|------------|----------------|----------|
| | 2021 | 2020 | 2021 | 2020 |
| | Number | Number | Number | Number |
| \$154 001 - \$174 000 | 152 | 137 | 2 | 1 |
| \$174 001 - \$194 000 | 43 | 50 | - | - |
| \$194 001 - \$214 000 | 16 | 17 | - | - |
| \$214 001 - \$234 000 | 4 | 7 | - | - |
| \$234 001 - \$254 000 | 6 | 3 | - | - |
| \$254 001 - \$274 000 | 4 | 1 | - | - |
| \$274 001 - \$294 000 | 3 | 2 | - | - |
| \$294 001 - \$314 000 | - | 1 | - | - |
| \$314 001 - \$334 000 | 1 | - | - | - |
| \$354 001 - \$374 000 | 1 | - | 1 | - |
| \$374 001 - \$394 000 | - | 1 | - | 1 |
| Total | 230 | 219 | 3 | 2 |

The total remuneration received by these employees for the year was SAFECOM entity \$0.692 million (2020: \$0.532 million) and Consolidated \$40.65 million (2020: \$38.73 million). The table includes all employees who received normal 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, terminations benefits, salary sacrifice benefits, fringe benefits and related FBT.

South Australian Fire and Emergency Services Commission
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3.4. Employee benefits liability

| | Consolidated | | SAFECOM Entity | |
|--|---------------------|---------------|-----------------------|---------------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Current | | | | |
| Accrued salaries and wages | 4 966 | 4 234 | 214 | 219 |
| Annual leave | 17 077 | 15 811 | 874 | 798 |
| Skills and experience retention leave | 2 218 | 2 093 | 96 | 76 |
| Long service leave | 3 347 | 3 470 | 188 | 186 |
| Total current employee benefits | 27 608 | 25 608 | 1 372 | 1 279 |
| Non-current | | | | |
| Long service leave | 33 571 | 33 744 | 2 146 | 2 113 |
| Total non-current employee benefits | 33 571 | 33 744 | 2 146 | 2 113 |
| Total employee benefits - liability | 61 179 | 59 352 | 3 518 | 3 392 |

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

Salaries and wages, annual leave, skills and experience retention leave and sick leave

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

The annual leave liability and the skills and experience retention leave liability is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

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

Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the project unit credit method. Details about the measurement of long service leave liability is provided in note 10.1.

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

Employee benefits expenses are disclosed in note 3.3.

4.1. Supplies and services

| | Consolidated | | SAFECOM Entity | |
|--|----------------|----------------|----------------|--------------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Government radio network | 18 963 | 18 315 | - | - |
| Aerial support costs | 11 992 | 19 795 | - | - |
| Vehicles | 12 145 | 14 542 | 20 | 22 |
| Operational costs | 8 818 | 11 625 | 8 | 155 |
| Consultancy, contractor and legal fees | 9 435 | 7 313 | 2 956 | 1 666 |
| Property Costs | 7 513 | 7 840 | 169 | 175 |
| Travel and training | 3 434 | 5 237 | 42 | 89 |
| Computing costs | 5 883 | 5 366 | 1 434 | 1 240 |
| Communications | 8 458 | 4 917 | 4 974 | 1 751 |
| Uniforms and protective clothing | 4 193 | 3 363 | 1 | 1 |
| Accommodation | 3 798 | 2 817 | 1 135 | 993 |
| Shared Services SA fees | 1 991 | 1 937 | 1 969 | 1 910 |
| Insurance premiums | 784 | 764 | 10 | 9 |
| Short term leases | 517 | 190 | - | - |
| Low-value leases | 227 | 129 | 41 | 12 |
| Other expenses | 5 428 | 5 145 | 458 | 397 |
| Total supplies and services | 103 579 | 109 295 | 13 217 | 8 420 |

Accommodation

The Emergency Services Sector hold accommodation agreements with the Department of Infrastructure and Transport (DIT) under Memoranda of Administrative Arrangement (MoAA) for a number of sites, issued in accordance with Government-wide accommodation policies. MoAA do not meet the definition of a lease and are accordingly expensed.

SAFECOM recognises lease payments associated with short-term leases (12 months or less) and 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.

Other

Audit fees paid/payable to the Auditor-General's Department (AGD) relating to work performed under the *Public Finance and Audit Act* were \$218 000 (2020: \$204 000) for the sector and \$126 000 (2020: \$113 000) for SAFECOM. These costs are recognised in 'other expenses' above. No other services were provided by the Auditor-General's Department.

Consultants

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

| | Consolidated | | | | SAFECOM Entity | | | |
|--|--------------|------------|-----------|------------|----------------|------------|----------|-----------|
| | 2021 | 2021 | 2020 | 2020 | 2021 | 2021 | 2020 | 2020 |
| | No. | \$'000 | No. | \$'000 | No. | \$'000 | No. | \$'000 |
| Below \$10 000 | 9 | 44 | 17 | 57 | 3 | 24 | 3 | 5 |
| \$10 000 or above | 11 | 909 | 12 | 754 | 3 | 99 | 2 | 49 |
| Total paid / payable to the consultants engaged | 20 | 953 | 29 | 811 | 6 | 123 | 5 | 54 |

South Australian Fire and Emergency Services Commission
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4.2. Depreciation and amortisation expense

| | Consolidated | | SAFECOM Entity | |
|--|---------------------|---------------|-----------------------|---------------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Depreciation | | | | |
| Vehicles | 13 268 | 12 460 | - | - |
| Buildings | 6 884 | 6 178 | 4 | 4 |
| Communications equipment | 2 385 | 2 381 | 15 | 15 |
| Plant and equipment | 1 285 | 1 119 | 21 | 20 |
| Computer equipment | 297 | 313 | 68 | 73 |
| Right-of-use land | 1 | 1 | - | - |
| Right-of-use plant and equipment | 470 | - | - | - |
| Right-of-use buildings | 677 | 931 | - | - |
| Right-of-use vehicles | 857 | 895 | 21 | 21 |
| Total depreciation | 26 124 | 24 278 | 129 | 133 |
| Amortisation | | | | |
| Computer software | 843 | 686 | 688 | 504 |
| Total amortisation | 843 | 686 | 688 | 504 |
| Total depreciation and amortisation | 26 967 | 24 964 | 817 | 637 |

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

Useful life

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

| Class of asset | Consolidated Useful life (years) | SAFECOM Entity Useful life (years) |
|--------------------------|---|---|
| Buildings | 1-44 | 4 |
| Vehicles | 1-30 | N/A |
| Communications equipment | 1-10 | 8 |
| Plant and equipment | 1-20 | 1-12 |
| Computer equipment | 2-10 | 3-9 |
| Computer software | 5 | 5 |
| ROU assets | 1 - 77 | 1-3 |

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

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, which is a change in accounting estimate.

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

South Australian Fire and Emergency Services Commission
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4.3. Net gain / loss from disposal of non-current assets

| | Consolidated | | SAFECOM Entity | |
|---|--------------|--------------|----------------|----------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Land and buildings | | | | |
| Proceeds from disposal | - | - | - | - |
| Costs of disposal | (4) | - | - | - |
| Less net book value of assets disposed | - | (220) | - | - |
| Net gain / (loss) from disposal of land and buildings | (4) | (220) | - | - |
| Vehicles | | | | |
| Proceeds from disposal | 809 | 601 | - | - |
| Less net book value of assets disposed | (1 595) | (627) | - | - |
| Net gain / (loss) from disposal of vehicles | (786) | (26) | - | - |
| Plant and equipment | | | | |
| Proceeds from disposal | 1 | 9 | - | - |
| Costs of disposal | (48) | (5) | - | - |
| Less net book value of assets disposed | (6) | - | - | - |
| Net gain / (loss) from disposal of plant and equipment | (53) | 4 | - | - |
| Intangibles | | | | |
| Proceeds from disposal | - | - | - | - |
| Less net book value of assets disposed | (46) | - | - | - |
| Net gain / (loss) from disposal of intangibles | (46) | - | - | - |
| Total assets | | | | |
| Proceeds from disposal | 810 | 610 | - | - |
| Costs of disposal | (52) | (5) | - | - |
| Less net book value of assets disposed | (1 647) | (847) | - | - |
| Net gain / (loss) on disposal of owned assets | (889) | (242) | - | - |
| Gain / (loss) on modification of right-of-use assets | 4 | 2 | | |
| Net gain / (loss) from disposal of non-current assets | (885) | (240) | - | - |

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.

4.4. Other expenses

| | Consolidated | | SAFECOM Entity | |
|-----------------------------|--------------|--------------|----------------|--------------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Impairment loss | 242 | - | - | - |
| CWIP partial write off | 534 | 1 662 | - | 1 269 |
| Total other expenses | 776 | 1 662 | - | 1 269 |

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5. Non-financial assets

5.1. Property, plant and equipment by asset class

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

| | Consolidated | | SAFECOM Entity | |
|---|---------------------|----------------|-----------------------|---------------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Land | | | | |
| Land at fair value | 82 704 | 82 059 | - | - |
| Total land | 82 704 | 82 059 | - | - |
| Buildings | | | | |
| Buildings at fair value | 145 438 | 135 540 | 14 | 14 |
| Accumulated depreciation | (11 278) | (4 394) | (6) | (2) |
| Total buildings | 134 160 | 131 146 | 8 | 12 |
| Vehicles | | | | |
| Vehicles at fair value | 190 565 | 168 180 | - | - |
| Accumulated depreciation | (21 733) | (8 486) | - | - |
| Total vehicles | 168 832 | 159 694 | - | - |
| Communication (Comms.) equipment | | | | |
| Communication equipment at fair value | 15 526 | 15 113 | 122 | 122 |
| Accumulated depreciation | (4 008) | (1 623) | (25) | (10) |
| Total communication equipment | 11 518 | 13 490 | 97 | 112 |
| Computer equipment | | | | |
| Computer equipment at fair value | 1 852 | 1 712 | 469 | 469 |
| Accumulated depreciation | (462) | (163) | (107) | (39) |
| Total computer equipment | 1 390 | 1 549 | 362 | 430 |
| Plant and equipment | | | | |
| Plant and equipment at fair value | 12 645 | 11 303 | 55 | 54 |
| Accumulated depreciation | (2 030) | (746) | (35) | (13) |
| Total plant and equipment | 10 615 | 10 557 | 20 | 41 |
| Capital work in progress | | | | |
| Capital work in progress at cost | 42 746 | 40 858 | 461 | 319 |
| Total capital work in progress | 42 746 | 40 858 | 461 | 319 |
| Right-of-use buildings | | | | |
| Right-of-use buildings at cost | 4 493 | 5 162 | - | - |
| Accumulated depreciation | (1 294) | (931) | - | - |
| Total right-of-use buildings | 3 199 | 4 231 | - | - |
| Right-of-use vehicles | | | | |
| Right-of-use vehicles at cost | 2 574 | 2 201 | 52 | 46 |
| Accumulated depreciation | (1 385) | (821) | (33) | (20) |
| Total right-of-use vehicles | 1 189 | 1 380 | 19 | 26 |
| Right-of-use plant and equipment | | | | |
| Right-of-use plant and equipment at cost | 9 320 | - | - | - |
| Accumulated depreciation | (470) | - | - | - |
| Total right-of-use plant and equipment | 8 850 | - | - | - |
| Right-of-use land | | | | |
| Right-of-use land at cost | 67 | 67 | - | - |
| Accumulated depreciation | (2) | (1) | - | - |
| Total right-of-use land | 65 | 66 | - | - |
| Total property, plant and equipment | 465 268 | 445 030 | 967 | 940 |

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5.2. Property, plant and equipment owned by the Emergency Services Sector

Property, plant and equipment with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed.

Property, plant and equipment is recorded at fair value. Detail about the Emergency Services Sector's approach to fair value is set out in note 10.2.

Impairment

Property, plant and equipment owned by the Emergency Services Sector has not been assessed for impairment as they are non-cash generating assets, that are specialised in nature and held for continual use of their service capacity.

Revaluation of property, plant and equipment is undertaken on a regular cycle as detailed in Note 11.2. 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.

Reconciliation of property, plant and equipment during 2020-21

| | Land | Buildings | Vehicles | Comms. equipment | Computer equipment | Plant & equipment | Capital work in progress | Total |
|---|---------------|----------------|----------------|------------------|--------------------|-------------------|--------------------------|----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Consolidated Carrying amount 1 July 2020 | 82 059 | 131 146 | 159 694 | 13 490 | 1 549 | 10 557 | 40 858 | 439 353 |
| Acquisitions | - | - | - | - | - | 40 | 39 020 | 39 060 |
| Disposals | - | - | (1 595) | - | - | (6) | - | (1 601) |
| Transfers from capital WIP | 645 | 9 898 | 24 001 | 413 | 138 | 1 309 | (36 598) | (194) |
| Depreciation | - | (6 884) | (13 268) | (2 385) | (297) | (1 285) | - | (24 119) |
| CWIP write off | - | - | - | - | - | - | (534) | (534) |
| Carrying amount at 30 June 2021 | 82 704 | 134 160 | 168 832 | 11 518 | 1 390 | 10 615 | 42 746 | 451 965 |

Reconciliation of property, plant and equipment during 2019-20

| | Land | Buildings | Vehicles | Comms. equipment | Computer equipment | Plant & equipment | Capital work in progress | Total |
|---|---------------|----------------|----------------|------------------|--------------------|-------------------|--------------------------|----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Consolidated Carrying amount 1 July 2019 | 65 891 | 111 577 | 128 843 | 12 732 | 742 | 6 982 | 36 259 | 363 026 |
| Acquisitions | - | - | - | - | - | - | 31 193 | 31 193 |
| Disposals | (1) | (219) | (627) | - | - | - | (1 662) | (2 509) |
| Transfers from capital WIP | 6 | 6 746 | 13 648 | 524 | 129 | 2 722 | (24 932) | (1 157) |
| Donated asset | - | - | 34 | - | - | - | - | 34 |
| Depreciation | - | (6 178) | (12 460) | (2 381) | (313) | (1 119) | - | (22 451) |
| Revaluation increment | 16 163 | 19 514 | 30 256 | 2 615 | 991 | 1 945 | - | 71 484 |
| Transfers between asset classes | - | (294) | - | - | - | 27 | - | (267) |
| Carrying amount at 30 June 2020 | 82 059 | 131 146 | 159 694 | 13 490 | 1 549 | 10 557 | 40 858 | 439 353 |

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5.2. Property, plant and equipment owned by the Emergency Services Sector (continued)

Reconciliation of property, plant and equipment during 2020-21

| | Land | Buildings | Vehicles | Comms. equipment | Computer equipment | Plant & equipment | Capital work in progress | Total |
|--|----------|-----------|----------|------------------|--------------------|-------------------|--------------------------|------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| SAFECOM | | | | | | | | |
| Carrying amount 1 July 2020 | - | 12 | - | 112 | 430 | 41 | 319 | 914 |
| Acquisitions | - | - | - | - | - | - | 336 | 336 |
| Transfers from capital WIP | - | - | - | - | - | - | (194) | (194) |
| Depreciation and amortisation | - | (4) | - | (15) | (68) | (21) | - | (108) |
| Carrying amount at 30 June 2021 | - | 8 | - | 97 | 362 | 20 | 461 | 948 |

Reconciliation of property, plant and equipment during 2019-20

| | Land | Buildings | Vehicles | Comms. equipment | Computer equipment | Plant & equipment | Capital work in progress | Total |
|--|----------|-----------|----------|------------------|--------------------|-------------------|--------------------------|------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| SAFECOM | | | | | | | | |
| Carrying amount 1 July 2019 | - | 12 | - | 123 | 326 | 39 | 1 469 | 1 969 |
| Acquisitions | - | - | - | - | - | - | 1 136 | 1 136 |
| Disposals | - | - | - | - | - | - | (1 269) | (1 269) |
| Transfers from capital WIP | - | - | - | - | 47 | - | (1 017) | (970) |
| Revaluation increment | - | 4 | - | 4 | 131 | 22 | - | 161 |
| Depreciation | - | (4) | - | (15) | (74) | (20) | - | (113) |
| Carrying amount at 30 June 2020 | - | 12 | - | 112 | 430 | 41 | 319 | 914 |

5.3. Property, plant and equipment leased by the Emergency Services Sector

Right-of-use property, plant and equipment assets leased by the Emergency Services Sector as lessee are recorded at cost and there was no indication of impairment of right-of-use assets. Additions to leased property, plant and equipment during 2020-21 were \$2.080 million.

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 4.1.

The Emergency Services Sector has a limited number of leases:

- 200 motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Motor vehicle lease terms can range from 3 years (60,000km) up to 5 years (100,000km). No contingent rental provisions exist within the lease agreements and no options exist to renew the leases at the end of their term.
- 16 Commercial leases for land and buildings used for the purpose of operational and administrative activities

There were no new lease(s) entered into in 2020-21 for plant and equipment.

The lease liabilities related to the right-of-use assets are disclosed in note 7.2. Emergency Services Sector's maturity analysis of its lease liabilities is disclosed in note 10.3. Expenses related to leases, including depreciation and interest expenses, are disclosed in notes 4.2 and 7.2. Cash outflows related to leases are disclosed in note 8.2. SAFECOM has not committed to any lease arrangements that have not commenced from 1 July.

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

| | Consolidated | | SAFECOM Entity | |
|--------------------------------|---------------------|---------------|-----------------------|---------------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Computer software | | | | |
| Computer software at cost | 6 436 | 6 356 | 5 616 | 5 421 |
| Accumulated amortisation | (3 760) | (2 985) | (3 230) | (2 541) |
| Total computer software | 2 676 | 3 371 | 2 386 | 2 880 |
| Total intangible assets | 2 676 | 3 371 | 2 386 | 2 880 |

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.

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

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

Reconciliation 2020-21

| | Consolidated Computer software \$'000 | SAFECOM Entity Computer software \$'000 |
|--|--|--|
| Carrying amount 1 July 2020 | 3 371 | 2 880 |
| Write off | (46) | - |
| Transfers from capital WIP | 194 | 194 |
| Amortisation | (843) | (688) |
| Carrying amount at 30 June 2021 | 2 676 | 2 386 |

Reconciliation 2019-20

| | Consolidated Computer software \$'000 | SAFECOM Entity Computer software \$'000 |
|--|--|--|
| Carrying amount 1 July 2019 | 2 632 | 2 414 |
| Transfers between asset classes | 267 | - |
| Transfers from capital WIP | 1 158 | 970 |
| Amortisation | (686) | (504) |
| Carrying amount at 30 June 2020 | 3 371 | 2 880 |

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6. Financial assets

6.1. Cash and cash equivalents

| | Consolidated | | SAFECOM Entity | |
|---|---------------|---------------|----------------|--------------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Operating account with the Treasurer | 32 398 | 29 969 | 10 744 | 3 074 |
| Cash on hand | 10 | 11 | - | - |
| Cash at bank | 8 | 7 | - | - |
| Cash at bank - Groups/Brigades/Units | 6 226 | 6 305 | - | - |
| Short-term deposits - Groups/Brigades/Units | 1 516 | 801 | - | - |
| Short-term deposits | 106 | 92 | - | - |
| Total cash and cash equivalents | 40 264 | 37 185 | 10 744 | 3 074 |

Cash is measured at nominal amounts.

Deposits with the Treasurer

Special deposit accounts are established under section 8 of the *Public Finance and Audit Act 1987*. Special deposit accounts must be used in accordance with their approved purpose.

The Emergency Services Sector has one operating account held with the Treasurer. This account is interest bearing.

Cash at bank – Groups/Brigades/Units

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

Short term deposits

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

Interest rate risk

Cash on hand is non-interest bearing. SAFECOM does not earn interest on its deposits with the Treasurer. The carrying amount of cash and cash equivalents represent fair value.

6.2. Receivables

| | Consolidated | | SAFECOM Entity | |
|-----------------------------------|--------------|---------------|----------------|--------------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Current | | | | |
| Receivables | 4 154 | 7 070 | 82 | 741 |
| Less allowance for doubtful debts | (7) | (3) | - | - |
| Prepayments | 1 136 | 494 | 147 | 3 |
| Accrued revenues | 122 | 4 268 | 55 | 1 673 |
| GST input tax recoverable | 3 063 | 1 987 | 522 | 545 |
| Total current receivables | 8 468 | 13 816 | 806 | 2 962 |
| Total receivables | 8 468 | 13 816 | 806 | 2 962 |

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

South Australian Fire and Emergency Services Commission
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6.2 Receivables (continued)

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

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

Refer to note 10.3 for further information on risk management.

Allowance for impairment loss on receivables

| | Consolidated | | SAFECOM Entity | |
|--|---------------------|---------------|-----------------------|---------------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Carrying amount at the beginning of the period | 3 | 15 | - | - |
| Amounts written off | (45) | (16) | (20) | - |
| Increase in the allowance recognised in profit or loss | 49 | 4 | 20 | - |
| Carrying amount at the end of the period | 7 | 3 | - | - |

Impairment losses relate to contract with customers external to the SA Government.

Refer to note 10.3 for details regarding credit risk and the methodology for determining impairment.

6.3. Other financial assets

| | Consolidated | | SAFECOM Entity | |
|--|---------------------|---------------|-----------------------|---------------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Current | | | | |
| Medium Term Deposits - Groups/Brigades/Units | 1 902 | 2 155 | - | - |
| Investments | | | | |
| Listed equity instruments | 106 | 91 | - | - |
| Total current financial assets | 2 008 | 2 246 | - | - |
| Total other financial assets | 2 008 | 2 246 | - | - |

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

The equity instruments are carried at fair value.

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

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

For further information on risk management refer to note 10.3.

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6.4. Non-current assets classified as held for sale

| | Consolidated | | SAFECOM Entity | |
|---|--------------|------------|----------------|----------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Land | 500 | 742 | - | - |
| Total non-current assets classified as held for sale | 500 | 742 | - | - |

A tender to sell surplus SACFS land at Port Lincoln during 2011 failed to be realised, and as at 30 June 2021 the property continues to remain on the market for sale.

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

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

An independent site valuation was provided by a Certified Practising Valuer for the property upon its classification as held for sale. The valuation was based on recent market transactions for similar unrestricted land and buildings in the area and includes adjustment for factors specific to the land and building such as size and location. This valuation was in accordance with the valuation principles and technique outlined in note 10.2 (i.e. there was no change to valuation technique).

South Australian Fire and Emergency Services Commission
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7. Liabilities

Employee benefits liabilities are disclosed in note 3.4.

7.1. Payables

| | Consolidated | | SAFECOM Entity | |
|------------------------------------|---------------------|---------------|-----------------------|---------------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Current | | | | |
| Creditors | 531 | 863 | 140 | - 2 |
| Accrued expenses | 17 466 | 9 637 | 2 005 | 1 756 |
| Paid parental leave scheme payable | 19 | 12 | 3 | 3 |
| Employment on-costs | 5 675 | 5 187 | 232 | 214 |
| Total current payables | 23 691 | 15 699 | 2 380 | 1 975 |
| Non-current | | | | |
| Creditors | 9 | 9 | - | - |
| Employment on-costs | 5 294 | 5 291 | 202 | 196 |
| Total non-current payables | 5 303 | 5 300 | 202 | 196 |
| Total payables | 28 994 | 20 999 | 2 582 | 2 171 |

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

The net amount of GST recoverable from the ATO is included as part of receivables. However, if a net GST payable arises then this amount would be disclosed in this Payables note.

Employment on-costs

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

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

The actuarial assessment performed by the Department of Treasury and Finance (DTF), has resulted in the percentage, the proportion of long service leave taken as leave has changed to 42% from the 2020 rate of (41%) The average factor for the calculation of employer superannuation on-costs has changed to 10.1% to the 2019-2020 rate of (9.8%). 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.

The net financial effect of the changes in the current financial year is not material. The estimated impact on future periods is not expected to be materially different to the effect on the current period as shown above.

South Australian Fire and Emergency Services Commission
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7.2. Financial liabilities

| | Consolidated | | SAFECOM Entity | |
|--|---------------------|---------------|-----------------------|---------------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Current | | | | |
| Lease liabilities | 2 063 | 1 640 | 11 | 18 |
| Total current financial liabilities | 2 063 | 1 640 | 11 | 18 |
| Non-current | | | | |
| Lease liabilities | 11 352 | 4 110 | 8 | 8 |
| Total non-current financial liabilities | 11 352 | 4 110 | 8 | 8 |
| Total financial liabilities | 13 415 | 5 750 | 19 | 26 |

The Emergency Services Sector measures lease liabilities at discounted future lease payments using either the interest rate implicit in the lease or the Department of Treasury and Finance's incremental borrowing rate. There were no defaults or breaches throughout the year.

Interest expense paid on lease liabilities during 2020-21 was \$211 000 (2019-20: \$240 000). The Department does not capitalise borrowing costs.

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

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7.3. Provisions

| | Consolidated | | SAFECOM Entity | |
|-------------------------------------|---------------|---------------|----------------|------------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Current | | | | |
| Provision for workers compensation | 6 299 | 7 109 | 56 | 54 |
| Additional compensation | 1 210 | 610 | 3 | 3 |
| Total current provisions | 7 509 | 7 719 | 59 | 57 |
| Non-current | | | | |
| Provision for workers compensation | 37 902 | 47 685 | 94 | 71 |
| Additional compensation | 19 556 | 17 495 | 239 | 233 |
| Total non-current provisions | 57 458 | 65 180 | 333 | 304 |
| Total provisions | 64 967 | 72 899 | 392 | 361 |

Movement in workers compensation provisions

| | Consolidated | | SAFECOM Entity | |
|---|---------------|---------------|----------------|------------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Workers compensation | | | | |
| Carrying amount at the beginning of the period | 54 794 | 85 600 | 125 | 103 |
| Additional provision recognised | 405 | - | 175 | - |
| Reductions resulting from re-measurement | (1 653) | (23 606) | - | 79 |
| Reductions arising from payments | (9 345) | (7 201) | (150) | (57) |
| Carrying amount at the end of the period | 44 201 | 54 794 | 150 | 125 |

Additional compensation

| | Consolidated | | SAFECOM Entity | |
|---|---------------|---------------|----------------|------------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Carrying amount at the beginning of the period | | | | |
| Carrying amount at the beginning of the period | 18 105 | 16 510 | 236 | 216 |
| Additional provision recognised | 4 829 | 2 051 | 6 | 20 |
| Reductions resulting from re-measurement | (383) | - | - | - |
| Reductions arising from payments | (1 785) | (457) | - | - |
| Carrying amount at the end of the period | 20 766 | 18 105 | 242 | 236 |

Workers Compensation

A provision has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2021 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment. The provision was calculated in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* as the present value of the expenditures expected to be required to settle obligations incurred as at 30 June. No risk margin is included in this estimate.

The Emergency Services Sector is responsible for the payment of workers compensation claims.

Presumptive workers compensation coverage for firefighters for a range of cancers came into effect in 2013. The workers compensation provision includes an actuarial assessment of firefighter cancer claims. However, the actuarial

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7.3 Provisions (continued)

assessment is sensitive to changes in assumptions and there is a significant degree of uncertainty associated with estimating future claim and expense payments.

The workers compensation provision across the sector has decreased in 2021 primarily due to an observed reduction in the number of known and incurred but not reported cancer claims and a reduction in the average claim size for non-seriously injured workers cancer claims, as well as a reduction in the average claim cost.

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

Additional compensation was introduced in 2018 and provides continuing benefits to workers who have suffered eligible work-related injuries and whose entitlements have ceased under the statutory workers compensation scheme.

The additional compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2021 provided by a consulting actuary engaged through the Office of the Commissioner for the Public Sector. The liability was calculated in accordance with *AASB 137 Provisions, Contingent Liabilities and Contingent Assets* as the present value of the expenditures expected to be required to settle obligations incurred as at 30 June. No risk margin is included in the estimate.

The Emergency Services Sector is responsible for the payment of additional compensation claims.

There is a degree of uncertainty associated with this estimate. In addition to the general uncertainties associated with estimating future claim and expense payments, the additional compensation provision is impacted by a short claim's history and the evolving nature of the interpretation of, and evidence required to meet, eligibility criteria.

Given these uncertainties, the actual cost of Additional Compensation claims may differ materially from the estimate. The assumptions used will continue to be refined to reflect emerging experience.

8. Other disclosures

8.1. Equity

Asset revaluation surplus

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

Investment reserve

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

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
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8.2. Cash flow reconciliation

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.

Total cash outflows for leases for the Emergency Services Sector and SAFECOM was \$2.804m (2020: \$2.186m) and \$41 000 (2020: \$34 000) respectively.

| | Consolidated | | SAFECOM Entity | |
|--|---------------------|---------------|-----------------------|----------------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$'000 | \$'000 | \$'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 | 40 264 | 37 185 | 10 744 | 3 074 |
| Balance as per the Statement of Cash Flows | 40 264 | 37 185 | 10 744 | 3 074 |
| Reconciliation of net cash provided by operating activities to net cost of providing services | | | | |
| Net cash provided by / (used in) operating activities | 35 499 | 34 734 | 8 023 | (3 368) |
| Add / (less) non-cash items | | | | |
| Depreciation and amortisation | (26 967) | (24 964) | (817) | (637) |
| Donated assets | - | 42 | - | - |
| Impairment Loss | (242) | - | - | - |
| Intangible write off | - | (1 662) | - | (1 269) |
| Net gain/(loss) from disposal of non-current assets | (885) | (242) | - | - |
| Movement in assets and liabilities | | | | |
| Increase/(decrease) in receivables | (5 348) | 6 050 | (2 156) | 2 297 |
| (Increase)/decrease in payables | (938) | 7 178 | (407) | 707 |
| (Increase)/decrease in employee benefits | (1 827) | 509 | (126) | 111 |
| (Increase)/decrease in provisions | 7 932 | 29 211 | (31) | (42) |
| Net result | 7 224 | 50 856 | 4 486 | (2 201) |

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
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9. Outlook

9.1. Unrecognised contractual commitments

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

Capital commitments

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

| | Consolidated | | SAFECOM Entity | |
|---|---------------------|---------------|-----------------------|---------------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Within one year | 21 766 | 9 184 | - | - |
| Later than one year but not later than five years | 5 062 | - | - | - |
| Total capital commitments | 26 828 | 9 184 | - | - |

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

Expenditure commitments

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

| | Consolidated | | SAFECOM Entity | |
|---|---------------------|---------------|-----------------------|---------------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Within one year | 17 562 | 17 984 | 2 210 | 5 715 |
| Later than one year but not later than five years | 7 331 | 9 621 | 2 760 | 4 493 |
| Later than five years | 1 057 | - | - | - |
| Total expenditure commitments | 25 950 | 27 605 | 4 970 | 10 208 |

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

SAFECOM's expenditure commitments are for agreements for:

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

The above commitments figures do not include the cost of the new Emergency Services Headquarters that parts of the sector will be relocating to in late 2021 as the agreement is not yet finalised.

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2021

9.2. Contingent assets and liabilities

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

Unrecognised contingencies are disclosed net of the amount of GST recoverable from, or payable to, the ATO. If GST is not payable to, or recoverable from, the ATO, the commitments and contingencies are disclosed on a gross basis.

Contingent assets

SAFECOM Consolidated

Emergency Services Sector is not aware of any contingent assets.

SAFECOM Entity

SAFECOM is not aware of any contingent assets.

Contingent liabilities

SAFECOM Consolidated

Emergency Services Sector is not aware of any contingent assets.

SAFECOM Entity

SAFECOM is not aware of any contingent liabilities.

9.3. Impact of Standards and Statements not yet implemented

SAFECOM has assessed the impact of the new and amended Australian Accounting Standards and Interpretations not yet implemented and changes to the Accounting Policy Statements issued by the Treasurer. There are no Accounting Policy Statements that are not yet in effect.

Amending Standard AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments* will apply from 1 July 2022 and Amending Standard AASB 2021-2 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates* will apply from 1 July 2023. Although applicable to the Department, these amending standards are not expected to have an impact on the Department's general purpose financial statements. The Department will update its policies, procedures and work instructions, where required, to reflect the additional clarification requirements.

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

9.4. Trust funds

| | Consolidated | | SAFECOM Entity | |
|--------------------------|--------------|------------|----------------|----------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Cash at bank | 221 | 158 | - | - |
| Total trust funds | 221 | 158 | - | - |

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. SASES will administer these funds until they are fully expended. In 2020-21, total income earned by the Council was \$60 000 (2020: \$39 000) and no expenses incurred (2020: \$76 000).

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2021

9.5. COVID-19 pandemic outlook for the Emergency Services Sector

The COVID-19 pandemic will continue to impact the operations of Emergency Services Sector in 2021-22. The key expected impacts are:

- Further significant outbreaks of the COVID-19 pandemic in South Australia would see greater response measures with associated additional expenses.
- Additional assistance to SA Health, SAPOL and other SA Government agencies in response to the COVID-19 pandemic.
- Additional expenditure to keep personnel and volunteers safe while maintain service delivery to the community
- Delays in the delivery of capital and ICT programs and increased capital expenditure due to supplier business restrictions and demand.
- Additional employee expenses are likely to be incurred in addressing cancelled leave (SAMFS).

9.6. Events after the reporting period

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

10. Measurement and risk

10.1. Long service leave

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

The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over the police and Emergency Services Sector.

AASB 119 requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has increased from 2020 (1.00%) to 1.5% in 2021.

This increase in the bond yield, which is used as the rate to discount future long service leave cash flows, results in an overall decrease in the reported long service leave liability.

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability and employee benefits expense of \$1.672m (SAFECOM \$91 000). The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions - a key assumption is the long-term discount rate.

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

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

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2021

10.2. Fair value

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

Initial recognition

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

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

Revaluation

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

The revaluation process is reviewed by SAFECOM each year.

Non-current tangible assets are valued at fair value, and revaluation of non-current assets or a group of assets is only performed when the fair value at the time of acquisition is greater than \$1.5 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.

The 2019 valuation highlighted a possibility of the COVID-19 pandemic impacting the determined fair values. However there is no observable evidence that can reliably quantify the impact at the reporting date.

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2021

10.2. Fair Value (continued)

Fair value hierarchy

SAFECOM 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.

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

During 2021 and 2020, SAFECOM 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.

Fair value classification – non-financial assets at 30 June 2021

| | Note | Consolidated | | | SAFECOM Entity | |
|--|------|--------------|----------------|----------------|----------------|------------|
| | | Level 2 | Level 3 | Total | Level 3 | Total |
| | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Recurring fair value measurements | | | | | | |
| Land | 5.1 | 1 202 | 81 502 | 82 704 | - | - |
| Buildings | 5.1 | - | 134 160 | 134 160 | 8 | 8 |
| Vehicles | 5.1 | - | 168 832 | 168 832 | - | - |
| Communication (Comms.) equipment | 5.1 | - | 11 518 | 11 518 | 97 | 97 |
| Computer equipment | 5.1 | - | 1 390 | 1 390 | 362 | 362 |
| Plant and equipment | 5.1 | - | 10 615 | 10 615 | 20 | 20 |
| Total recurring fair value measurements | | 1 202 | 408 017 | 409 219 | 487 | 487 |
| Non- recurring fair value measurements | | | | | | |
| Land held for sale | 6.4 | - | 500 | 500 | - | - |
| Total non-recurring fair value measurements | | - | 500 | 500 | - | - |
| Total fair value measurements | | 1 202 | 408 517 | 409 719 | 487 | 487 |

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2021

10.2. Fair value (continued)

Fair value classification – non-financial assets at 30 June 2020

| | Note | Consolidated | | | SAFECOM Entity | |
|--|------|--------------|----------------|----------------|----------------|------------|
| | | Level 2 | Level 3 | Total | Level 3 | Total |
| | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Recurring fair value measurements | | | | | | |
| Land | 5.1 | 1 202 | 80 857 | 82 059 | - | - |
| Buildings | 5.1 | - | 131 146 | 131 146 | 12 | 12 |
| Vehicles | 5.1 | - | 159 694 | 159 694 | - | - |
| Communication (Comms.) equipment | 5.1 | - | 13 490 | 13 490 | 112 | 112 |
| Computer equipment | 5.1 | - | 1 549 | 1 549 | 430 | 430 |
| Plant and equipment | 5.1 | - | 10 557 | 10 557 | 41 | 41 |
| Total recurring fair value measurements | | 1 202 | 397 293 | 398 495 | 595 | 595 |
| Non- recurring fair value measurements | | | | | | |
| Land held for sale | 6.4 | - | 742 | 742 | - | - |
| Total non-recurring fair value measurements | | - | 742 | 742 | - | - |
| Total fair value measurements | | 1 202 | 398 035 | 399 237 | 595 | 595 |

Land and Buildings

An independent valuation of land and buildings was performed by a Certified Practising Valuer from Liquid Pacific, as at 1 November 2019. The Emergency Services Sector did not revalue land and buildings related to peppercorn leased sites. These have been recognised at their carrying amounts from 30 June 2019. The land and buildings values at revaluation were considered relevant for 30 June 2021

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

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

Plant and equipment

All items of plant and equipment that had a fair value at the time of acquisition less than \$1.5 million and had an estimated useful life that less than three years have not been revalued in accordance with APS 116.D. The carrying value of these items is deemed to approximate fair value.

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2021

10.2. Fair value (continued)

Reconciliation of level 3 recurring fair value measurement at 30 June 2021

The following table is a reconciliation of fair value measurements using significant unobservable inputs (level 3).

| Consolidated | Land \$'000 | Buildings \$'000 | Vehicles \$'000 | Comms. equipment \$'000 | Computer equipment \$'000 | Plant & equipment \$'000 | Total \$'000 |
|---|------------------------|-----------------------------|----------------------------|--|--|---|-------------------------|
| Opening balance at the beginning of the period | 80 857 | 131 146 | 159 694 | 13 490 | 1 549 | 10 557 | 397 293 |
| Acquisitions | - | - | - | - | - | 40 | 40 |
| Capitalised asset transfers | 645 | 9 898 | 24 001 | 413 | 138 | 1 309 | 36 404 |
| Disposals | - | - | (1 595) | - | - | (6) | (1 601) |
| Gains/(losses) for the period recognised in net result: | | | | | | | |
| Depreciation | - | (6 884) | (13 268) | (2 385) | (297) | (1 285) | (24 119) |
| Total gains/(losses) recognised in net result | - | (6 884) | (13 268) | (2 385) | (297) | (1 285) | (24 119) |
| Closing balance at the end of the period | 81 502 | 134 160 | 168 832 | 11 518 | 1 390 | 10 615 | 408 017 |

Reconciliation of Level 3 recurring fair value measurement at 30 June 2020

The following table is a reconciliation of fair value measurements using significant unobservable inputs (level 3).

| Consolidated | Land \$'000 | Buildings \$'000 | Vehicles \$'000 | Comms. equipment \$'000 | Computer equipment \$'000 | Plant & equipment \$'000 | Total \$'000 |
|---|------------------------|-----------------------------|----------------------------|--|--|---|-------------------------|
| Opening balance at the beginning of the period | 51 845 | 88 849 | 128 843 | 12 732 | 742 | 6 982 | 289 993 |
| Capitalised asset transfers | 6 | 6 746 | 13 648 | 524 | 129 | 2 722 | 23 775 |
| Donated Asset | - | - | 34 | - | - | - | 34 |
| Transfer to Level 3 | 12 843 | 22 461 | - | - | - | - | 35 304 |
| Transfers between asset classes | - | (27) | - | - | - | 27 | - |
| Disposals | (1) | (219) | (627) | - | - | - | (847) |
| Gains/(losses) for the period recognised in net result: | | | | | | | |
| Depreciation | - | (6 178) | (12 460) | (2 381) | (313) | (1 119) | (22 451) |
| Total gains/(losses) recognised in net result | - | (6 178) | (12 460) | (2 381) | (313) | (1 119) | (22 451) |
| Gains/(losses) for the period recognised in other comprehensive income (OCI): | | | | | | | |
| Revaluation increments/(decrements) | 16 164 | 19 514 | 30 256 | 2 615 | 991 | 1 945 | 71 485 |
| Total gains/(losses) recognised in OCI | 16 164 | 19 514 | 30 256 | 2 615 | 991 | 1 945 | 71 485 |
| Closing balance at the end of the period | 80 857 | 131 146 | 159 694 | 13 490 | 1 549 | 10 557 | 397 293 |

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2021

10.2. Fair value (continued)

Reconciliation of level 3 recurring fair value measurement at 30 June 2021

The following table is a reconciliation of fair value measurements using significant unobservable inputs (level 3).

| SAFECOM Entity | Buildings \$'000 | Comms. equipment \$'000 | Computer equipment \$'000 | Plant & equipment \$'000 | Total \$'000 |
|---|-----------------------------|--|--|---|-------------------------|
| Opening balance at the beginning of the period | 12 | 112 | 430 | 41 | 595 |
| Gains/(losses) for the period recognised in net result: | | | | | |
| Depreciation | (4) | (15) | (68) | (21) | (108) |
| Total gains/(losses) recognised in net result | (4) | (15) | (68) | (21) | - |
| Closing balance at the end of the period | 8 | 97 | 362 | 20 | 487 |

Reconciliation of Level 3 recurring fair value measurement at 30 June 2020

The following table is a reconciliation of fair value measurements using significant unobservable inputs (level 3).

| SAFECOM Entity | Buildings \$'000 | Comms. equipment \$'000 | Computer equipment \$'000 | Plant & equipment \$'000 | Total \$'000 |
|---|-----------------------------|--|--|---|-------------------------|
| Opening balance at the beginning of the period | 12 | 123 | 325 | 39 | 499 |
| Capitalised asset transfers | - | - | 47 | - | 47 |
| Gains/(losses) for the period recognised in net result: | | | | | |
| Depreciation | (4) | (15) | (73) | (20) | (112) |
| Total gains/(losses) recognised in net result | (4) | (15) | (73) | (20) | (112) |
| Gains/(losses) for the period recognised in other comprehensive income (OCI): | | | | | |
| Revaluation increments/(decrements) | 4 | 4 | 131 | 22 | 161 |
| Total gains/(losses) recognised in OCI | 4 | 4 | 131 | 22 | 161 |
| Closing balance at the end of the period | 12 | 112 | 430 | 41 | 595 |

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2021

10.3. Financial Instruments

Financial risk management

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

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

Refer to notes 7.1 and 7.2 for further information

Credit risk

SAFECOM has minimal concentration of credit risk. SAFECOM has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history. No collateral is held as security and no credit enhancements relate to financial assets held by SAFECOM..

Impairment of financial assets

Loss allowances for receivables are measured at an amount equal to lifetime expected credit loss (ECL) using the simplified approach in AASB 9. SAFECOM 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, SAFECOM 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 Emergency Service Sector'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 Emergency Service Sector 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 expected credit loss for government debtors for the emergency services sector is nil. The expected credit loss for government debtors for SAFECOM is nil. This is based on the external credit ratings and nature of the counterparties.

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

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

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

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2021

10.3. Financial instruments (continued)

| | Debtor gross carrying amount \$'000 | Loss % | Lifetime expected losses \$'000 |
|----------------------------|---|--------|---------------------------------------|
| 2021 | | | |
| Current (not past due) | 2 436 | 0.06% | 1 |
| 1-30 days past due | 121 | 0.30% | - |
| 31-60 days past due | 14 | 0.61% | 1 |
| 61-90 days past due | 17 | 2.69% | - |
| More than 90 days past due | 283 | 1.93% | 6 |
| Loss allowance | 2 871 | | 8 |

Cash and debt instruments

The Emergency Services Sector 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 Emergency Services Sector'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

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

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

Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in the respective financial asset / financial liability note.

Classification of financial assets and liabilities

The Emergency Services Sector (consolidated) and SAFECOM measure all financial instruments at cost other than lease liabilities at amortised cost. All financial assets and liabilities carrying amount equals their fair value as at 30 June 2021 and are expected to be settled within one year excluding financial liabilities.

Maturity analysis for financial liabilities is presented below using the undiscounted cash flows.

| | Consolidated | |
|---|---------------------|---------------|
| | 2021 | 2020 |
| | \$'000 | \$'000 |
| Lease Liabilities | | |
| within 1 year | 2 055 | 1 620 |
| 1 to 5 years | 4 766 | 4 102 |
| More than 5 years | 8 195 | - |
| Total lease liabilities (undiscounted) | 15 016 | 5 722 |

**Community Emergency Services Fund
(CESF)**

Administered Financial Statements

For the year ended 30 June 2021

Community Emergency Services Fund
Statement of Administered Comprehensive Income
for the year ended 30 June 2021

| | Note | 2021 \$'000 | 2020 \$'000 |
|---|------|----------------|-----------------|
| Administered income | | | |
| Levy sources | A2.1 | 339 448 | 328 655 |
| Fees and charges | A2.2 | 571 | 472 |
| Interest | A2.3 | 26 | 600 |
| Total administered income | | 340 045 | 329 727 |
| Administered expenses | | | |
| Contributions to SA Government administrative units | A3.1 | 325 451 | 334 571 |
| Grants and subsidies | A3.2 | 6 141 | 2 513 |
| Other | A3.3 | 8 649 | 8 452 |
| Total administered expenses | | 340 241 | 345 536 |
| Net result | | (196) | (15 809) |
| Total comprehensive result | | (196) | (15 809) |

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

Community Emergency Services Fund
Statement of Administered Financial Position
as at 30 June 2021

| | Note | 2021 \$'000 | 2020 \$'000 |
|---|------|----------------|----------------|
| Administered current assets | | | |
| Cash and cash equivalents | A4.1 | 12 732 | 13 668 |
| Receivables | A4.2 | 2 013 | 1 263 |
| Total current assets | | 14 745 | 14 931 |
| Administered current liabilities | | | |
| Payables | A5.1 | 625 | 615 |
| Total current liabilities | | 625 | 615 |
| Net assets | | 14 120 | 14 316 |
| Administered equity | | | |
| Retained earnings | | 14 120 | 14 316 |
| Total equity | | 14 120 | 14 316 |

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

Community Emergency Services Fund
Statement of Administered Cash Flows
for the year ended 30 June 2021

| | | 2021 | 2020 |
|---|-------------|------------------|------------------|
| | Note | \$'000 | \$'000 |
| Cash flows from operating activities | | | |
| Cash inflows | | | |
| Receipts from levy sources | | 338 698 | 329 040 |
| Fees and charges | | 571 | 474 |
| Interest received | | 26 | 657 |
| Cash generated from operations | | 339 295 | 330 171 |
| Cash outflows | | | |
| Payments to SA Government administrative units | | (325 451) | (338 111) |
| Payments of grants and subsidies | | (6 172) | (2 480) |
| Other payments | | (8 608) | (7 965) |
| Cash used in operations | | (340 231) | (348 556) |
| Net cash used in operations | A6.1 | (936) | (18 385) |
| Net decrease in cash and cash equivalents | | (936) | (18 385) |
| Cash and cash equivalents at the beginning of the period | | 13 668 | 32 053 |
| Cash and cash equivalents at the end of the period | A4.1 | 12 732 | 13 668 |

The accompanying notes form part of these financial statements.

Community Emergency Services Fund
Notes to and forming part of the financial statements
For the year ended 30 June 2021

NOTES TO THE FINANCIAL STATEMENTS

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Community Emergency Services Fund
Notes to and forming part of the financial statements
For the year ended 30 June 2021

A1. About the Community Emergency Services Fund

A1.1. Basis of preparation and accounting policies

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

A1.2. Establishment, objectives and funding arrangements

Establishment

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

Objectives

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

Funding arrangements

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

Community Emergency Services Fund
Notes to and forming part of the financial statements
For the year ended 30 June 2021

A1.3. Budget performance

The budget performance table compares the funds outcomes against budget information presented to Parliament (2020-21 Budget Paper 4). The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

| | Original budget 2021 \$'000 | Actual 2021 \$'000 | Variance \$'000 |
|---|--------------------------------------|--------------------------|--------------------|
| Statement of Comprehensive Income | | | |
| Income | | | |
| Levy sources | 336 461 | 339 448 | 2 987 |
| Fees and charges | 441 | 571 | 130 |
| Interest | 1 500 | 26 | (1 474) |
| Total administered income | 338 402 | 340 045 | 1 643 |
| Expenses | | | |
| Contributions to SA Government administrative units | 325 047 | 325 451 | 404 |
| Grants and subsidies | 8 517 | 6 141 | (2 376) |
| Other | 8 509 | 8 649 | 140 |
| Total administered expenses | 342 073 | 340 241 | (1 832) |
| Net result | (3 671) | (196) | 3 475 |
| Total comprehensive result | (3 671) | (196) | 3 475 |

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

In 2020-21 there were no variances that exceeded the greater of 10% of the original budget amount and 5% of original budgeted total expenses.

Community Emergency Services Fund
Notes to and forming part of the financial statements
For the year ended 30 June 2021

A2. Income

A2.1. Revenues from levy sources

| | 2021 | 2020 |
|---|----------------|----------------|
| | \$'000 | \$'000 |
| Fixed property collections | 164 205 | 155 006 |
| Fixed property remissions | 119 233 | 118 518 |
| Mobile collections | 46 523 | 45 386 |
| Government concessions | 6 461 | 6 120 |
| Mobile remissions | 3 026 | 3 625 |
| Total revenues from levy sources | 339 448 | 328 655 |

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

A2.2. Revenues from fees and charges

| | 2021 | 2020 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Certificate sales and other from entities with SA Govt | 571 | 472 |
| Total revenue from fees and charges | 571 | 472 |

Revenue SA administers certificate sales on behalf of the fund, remitting revenue to the fund once collected. The fund recognises revenue when it obtains the right to receive which is generally when the revenue has been collected by the administering entity.

A2.3. Interest revenues

| | 2021 | 2020 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Interest on deposit accounts - from entities within the SA Government | 26 | 600 |
| Total interest | 26 | 600 |

Reductions in the Reserve Bank of Australia cash rate during 2020-21 have resulted in a decrease in interest received on deposit accounts.

Community Emergency Services Fund
Notes to and forming part of the financial statements
For the year ended 30 June 2021

A3. Expenses

A3.1. Contributions to SA Government administrative units

| | 2021 | 2020 |
|--|----------------|----------------|
| | \$'000 | \$'000 |
| South Australian Metropolitan Fire Service | 164 213 | 152 424 |
| South Australian Country Fire Service | 88 174 | 113 145 |
| South Australian Police | 23 263 | 22 696 |
| South Australian State Emergency Service | 22 913 | 22 998 |
| South Australian Fire and Emergency Services Commission | 17 823 | 14 403 |
| Department for Environment and Water | 6 039 | 5 952 |
| South Australian Ambulance Service | 1 249 | 1 219 |
| South Australian Police - Government radio network | 796 | 777 |
| Attorney-General's Department - State Rescue Helicopter Service | 740 | 722 |
| South Australian Ambulance Service - Government radio network | 241 | 235 |
| Total contributions to SA Government administrative units | 325 451 | 334 571 |

A3.2. Grants and subsidies

| | 2021 | 2020 |
|-----------------------------------|--------------|--------------|
| | \$'000 | \$'000 |
| Surf Life Saving South Australia | 4 414 | 858 |
| Volunteer Marine Rescue | 1 293 | 1 262 |
| Shark Beach Patrol | 434 | 393 |
| Total grants and subsidies | 6 141 | 2 513 |

A3.3. Other expenses

| | 2021 | 2020 |
|---|--------------|--------------|
| | \$'000 | \$'000 |
| Revenue SA - collection costs | 6 849 | 6 695 |
| Department of Infrastructure and Transport - collection costs | 1 117 | 1 089 |
| Administration costs | 683 | 668 |
| Total other expenses | 8 649 | 8 452 |

Community Emergency Services Fund
Notes to and forming part of the financial statements
For the year ended 30 June 2021

A4. Financial assets

A4.1. Cash and cash equivalents

| | 2021 | 2020 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Deposits with the Treasurer | 12 732 | 13 668 |
| Total cash and cash equivalents | 12 732 | 13 668 |

Cash is measured as nominal amounts.

Deposits with the Treasurer

One operating account is held with the Treasurer. This account is interest bearing.

Interest rate risk

Deposits with the Treasurer earn a floating-point interest rate based on daily bank deposit rates. Due to unusually low interest rates throughout the year there was no interest received on deposits with the Treasurer for a significant portion of 2020-21. The carrying amount of cash and cash equivalents approximates fair value.

A4.2. Receivables

| | 2021 | 2020 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Current | | |
| Receivables from entities within the SA Government | 2 013 | 1 263 |
| Total current receivables | 2 013 | 1 263 |
| Total receivables | 2 013 | 1 263 |

All receivable amounts are recorded at amortised cost and non-interest bearing. All amounts are expected to be recovered within 12 months of reporting date.

Receivables are raised for outstanding levy and certificate sales revenue received by other SA Government entities yet to be remitted to the fund at 30 June.

Community Emergency Services Fund
Notes to and forming part of the financial statements
For the year ended 30 June 2021

A5. Liabilities

A5.1. Payables

| | 2021 | 2020 |
|-------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Current | | |
| Creditors | 625 | 615 |
| Total current payables | 625 | 615 |
| Total payables | 625 | 615 |

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

Community Emergency Services Fund
Notes to and forming part of the financial statements
For the year ended 30 June 2021

A6. Other disclosures

A6.1. Cash flow reconciliation

| | 2021 | 2020 |
|--|---------------|-----------------|
| | \$'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 | 12 732 | 13 668 |
| Balance as per the Statement of Cash Flows | 12 732 | 13 668 |
| Reconciliation of net cash provided by / (used in) operating activities to net result | | |
| Net cash provided by/(used in) operating activities | (936) | (18 385) |
| Movement in assets and liabilities | | |
| Increase/(decrease) in receivables | 750 | (444) |
| (Increase)/decrease in payables | (10) | 3 020 |
| Net result | (196) | (15 809) |

Community Emergency Services Fund
Notes to and forming part of the financial statements
For the year ended 30 June 2021

A7. Measurement and risk

A7.1. Financial instruments

Financial risk management

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

The exposure of CESF 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

CESF is funded principally from Emergency Services Levy contributions, government concessions and remissions, and interest. The payments from CESF are referred by the Economic and Finance Committee, pursuant to the Act, and approved by the Minister for Emergency Services. CESF is an Administered item and cash flows associated with its approved payments and budgeted receipts are managed to ensure funding is available to meet the expected cash flows. Refer to note A5.1 for further information.

Credit risk

CESF has minimal concentration of credit risk. The fund is dependent on funds collected through the Emergency Services Levy (fixed and mobile property). CESF 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 CESF.

Impairment of financial assets

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

Market risk

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

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

Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in note A1.1

CESF financial assets and liabilities, receivables and payables are held at cost therefore their carrying is a reasonable approximation of their fair values due to the short-term nature of these (refer notes A4.2 and A5.1).

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