



**Government  
of South Australia**

# **South Australian Fire and Emergency Services Commission 2018-19 Annual Report**

**South Australian Fire and Emergency Services Commission**

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To:

Hon Corey Wingard MP

Minister for Police, Emergency Services and Correctional Services

Minister for Recreation, Sport and Racing

This annual report will be presented to Parliament to meet the statutory reporting requirements of *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:

Dominic Lane

Chief Executive

Date\_\_\_\_\_

Signature \_\_\_\_\_

## From the Chief Executive



I am pleased to submit the 2018-2019 Annual Report for the South Australian Fire and Emergency Services Commission (SAFECOM), my first Annual Report since commencing in my role as Chief Executive.

SAFECOM provides corporate and operational support services that are integral in allowing the Emergency Service Organisations (ESO's), which include the South Australian Country Fire Service (CFS), South Australian Metropolitan Fire Service (MFS) and South Australian State Emergency Service (SES), to provide the frontline services that directly support and protect the community of South Australia.

I am proud to join the ranks of the fine people who work together as staff and volunteers to serve our collective purpose, which is to protect South Australian lives, property and the environment.

Over the past twelve months, our ESO's have delivered an exceptional effort responding to a large number of incidents across the state.

As I reflect on my role as Chief Executive, I anticipate strengthening alignment within emergency services and providing quality support, leadership and direction. We will do this through clear and connected governance which is focused on robust and relevant strategic priorities enacted as straight forward, achievable actions and deliverables.

I would like to take this opportunity acknowledge and thank our Minister, the Hon Corey Wingard and the South Australian Government, the SAFECOM Board, SAFECOM staff, the Chief Officers of the CFS, MFS and SES, and their respective staff and volunteers. I thank all of them for the dedication they commit to making South Australia not only a safer, but more resilient community.

In closing, I wish to acknowledge the contribution of my predecessor, Mr Malcolm Jackman, and thank him for his service and commitment to the community, the Government of South Australia, and the staff and volunteers within the emergency services.

**Dominic Lane**

**SAFECOM**

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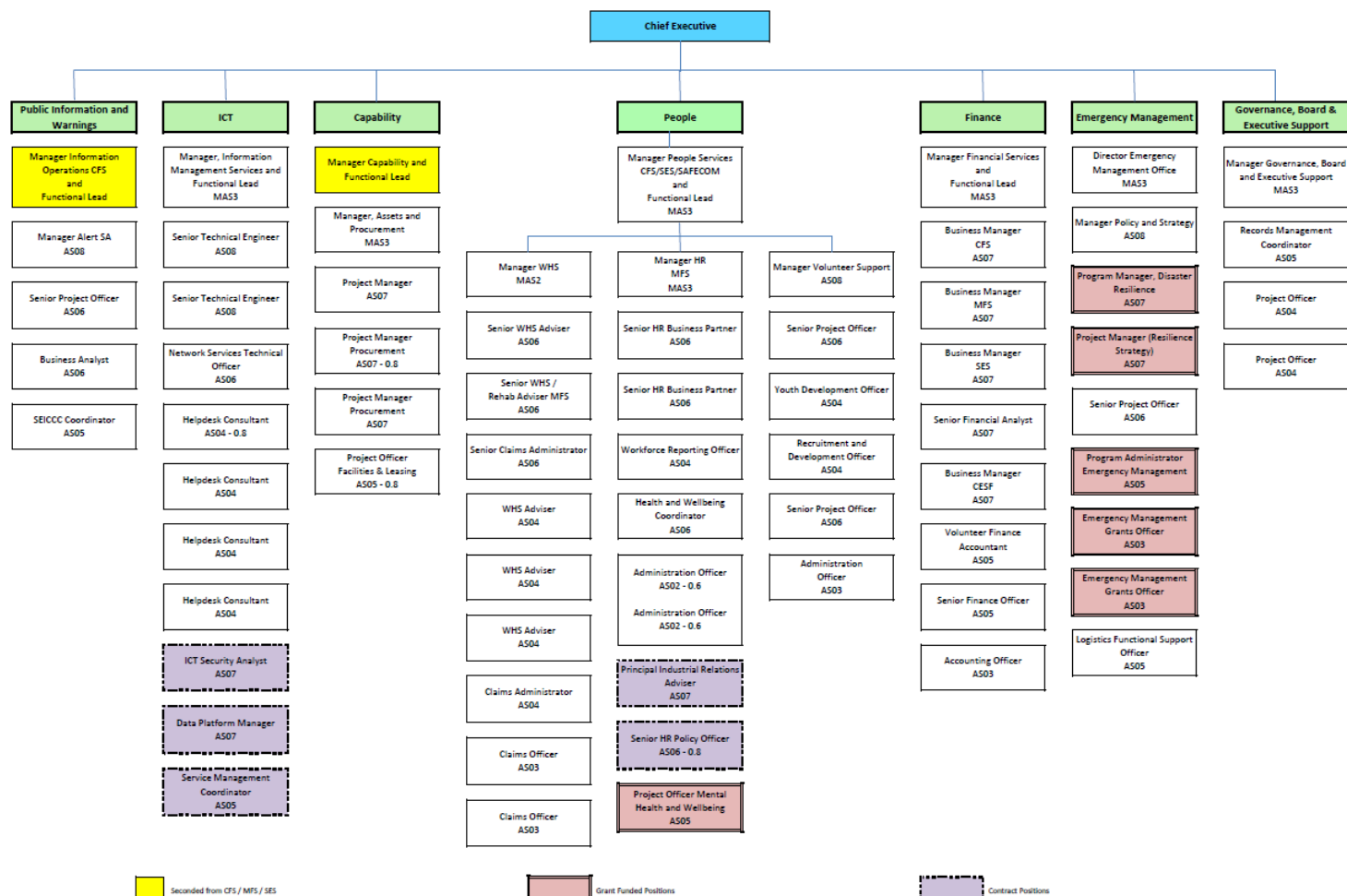
## Overview: about the agency

### Our strategic focus

<b>Our Purpose</b>	The South Australian Emergency Services Sector (ESS), comprising the South Australian Fire and Emergency Services Commission (SAFECOM), Country Fire Service (CFS), Metropolitan Fire Service (MFS) and State Emergency Service (SES), protects South Australian lives, property and environment.
<b>Our Vision</b>	To support the vision of “we are safe in our homes, community and at work” from the South Australian Strategic Plan.
<b>Our Values</b>	The ESS plays an essential role in the safety of all South Australians. Funded wholly by the people of South Australia, the ESS has a responsibility to deliver benefits and cost efficiency to those it serves and returns an increasing value on their trusted investment.
<b>Our functions, objectives and deliverables</b>	<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 Emergency Service Organisations (ESOs) – CFS, MFS and SES – to provide the frontline services that directly support and protect the community of South Australia.</p> <p>SAFECOM is governed by the SAFECOM Board which comprises the SAFECOM Chief Executive (Presiding Member), the Chief Officers of the three ESOs, nominees of the United Firefighters Union, CFS Volunteer Association and SES Volunteer Association, and two independent members appointed by the Minister for Police, Emergency Services and Correctional Services.</p>

# Our organisational structure

## SAFECOM ORGANISATIONAL CHART 2018-19



## **Changes to the agency**

During 2018-19 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 Corey Wingard 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**

- Progressed the delivery of the Phase 4 Emergency Alert upgrade.
- Implemented a new local funds reporting system, policies and procedures to support volunteers in financial management roles.
- Tailored targeted and strategic recruitment and retention methods to attract and recruit volunteers with diverse characteristics and skills into CFS and SES.
- Completed the final six stage release and roll out of the new system containing eLearning and training management components for the sector.
- Effectively administered the 2018-19 Disaster Resilience Grants Program.
- Developed an integrated risk assessment process for the emergency management sector to identify state strategic risks.
- Assessed risks to service delivery of key emergency management agencies during a large scale emergency event to inform future strategic priorities for the State Emergency Management Committee (SEMC).

**Agency contribution to whole of Government objectives**

<b>Key objective</b>	<b>Agency's contribution</b>
More jobs	<p>The Volunteer Services Branch works directly with the CFS brigades and SES units 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 Emergency Services Sector.</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>South Australia's Disaster Resilience Strategy developed by SAFECOM, highlights that targeting resources to build resilience and reduces expenditure required on disaster. Implementation of the Strategy aims to build the resilience of individuals and communities through a range of initiatives, including: the Business Ready Project; the Business Innovation Challenge for High Schools; and Community Led Emergency Management project.</p>
Better Services	<p>Reviewed and implemented a performance management and development program for non-operational employees, to improve the effectiveness of employees to deliver services efficiently and effectively.</p> <p>South Australia's Disaster Resilience Strategy identifies the need for a more strategic and connected emergency management sector working on common goals and shared outcomes to build a more resilient state. This includes SAFECOM leading a key project to develop a State Emergency Management Communication Plan that will deliver more consistent messaging for the public, aimed at building community resilience.</p>

**Agency specific objectives and performance**

Agency objectives	Indicators	Performance
Emergency Service Support	SAFECOM provides support to the emergency services sector operational agencies – CFS, MFS and SES. This includes people, finance, ICT, capability and public information and warnings together with policy and strategic framework, governance and risk management.	SAFECOM has developed a strategic framework for the emergency services sector and continues to provide corporate support to the emergency services organisations which enables the provision of emergency services to the public.
Effective management of Emergency Services Sector procurement, including high risk and collaborative contracts.	<p>Successful delivery of procurement process, in accordance with State Procurement Board policy framework.</p> <p>Successful delivery of collaborative contracts across the Emergency Services Sector which aggregates spend, reduces internal procurement resource effort and delivers other non-cashable benefits.</p>	Collaborative contracts include cutting equipment, paging devices and maintenance services, thermal imaging cameras, structural gloves, helmets, multi-RAE device and bump test equipment, Moodle (Learning Management System), chemical protective clothing (Level A, B, C Suits and body bags) and B Class Foam.
Effective representation of South Australia in national emergency management policy and program development	Coordinate input from relevant stakeholders in South Australia	SA contributed to the development of Profiling Australia's Vulnerability, Disaster Recovery Funding Arrangements 2018, Australian Disaster Preparedness Framework and the National Disaster Risk Reduction Framework.

Contribute to the procurement requirements of Project Boomer.	Successful delivery of the procurement process, in accordance with State Procurement Board policy framework.	Sourcing and implementation of a five (5) year support agreement for the management of the new system environment.
Maintain sector wide relevant procurement training to identified staff.	Successful delivery of procurement training, in accordance with Emergency Services Sector procurement policy, which is underpinned by the State Procurement Board policy framework.	Delivery of two distinct procurement training types. The first aimed at personnel undertaking procurement activities. The second aimed at procurement approvers, which will be refreshed biennially.
Assessed risks to service delivery of key emergency management agencies during a large scale emergency event to inform future strategic priorities for the State Emergency Management Committee (SEMC).	<p>SAFECOM led a series of risk assessment processes which collated the initial register of 150 risks identified by SEMC member agencies into a consolidated Top 40 risks to service delivery.</p> <p>A further workshop then grouped the Top 40 risks into eight consolidated risk statements under three themes, namely Capability and Capacity; Infrastructure; and Governance.</p>	Along with the outputs of an upcoming facilitated Strategic Risk Assessment workshop for SEMC members, this information will support the development of risk treatments at whole-of-government and emergency management sector levels. SAFECOM is also consulting with Hazard Leaders on the <i>South Australian Key Hazards and Risks Summary</i> for publication later in the year.

<p>Through the Natural Disaster Resilience Program, contribute to delivering the strategic priorities under the National Strategy for Disaster Resilience (NSDR) aimed at strengthening Australian communities' resilience to, and minimising the impact of a range of natural disasters in Australia.</p>	<p>Consistent with the NSDR, approved projects will demonstrate SA's commitment to shared responsibility across all sectors. Approved projects will be implemented at State, Emergency Management, Zone, Local Government and community level in partnership with key stakeholders. Primary beneficiaries will make financial and/or in-kind contributions towards project costs.</p>	<p>SAFECOM, in January 2019, invited applicants to submit project proposals to support the delivery of disaster resilience projects across SA. SAFECOM received 84 applications, of which 32 projects were approved totalling \$2.3m in Commonwealth and State allocated funding.</p>
<p>Completion of South Australia's Disaster Resilience Strategy (the Strategy) and commencing the implementation of Strategy projects and recommendations.</p>	<p>SAFECOM developed an Implementation Plan for SA's Disaster Resilience Strategy. Implementation was endorsed by the State Emergency Management Committee (SEMC) and Cabinet and identified as a strategic activity under the SEMC State Strategic Plan. SAFECOM will coordinate and connect existing work and programs across government to build a more disaster resilient SA.</p>	<p>SEMC has endorsed South Australia's Disaster Resilience Strategy.</p> <p>In 2019 the SA Disaster Resilience Grants were aligned to the Strategy, and focus groups were established to bring together agencies working on projects directly aligned to the Strategy. 75% of successful projects (19 projects) funded through the SA Disaster Resilience Grants were directly aligned to the Strategy.</p>



To deliver an effective State level Logistics Functional Support Group (LFSG) to respond in an emergency or disaster.	Increased LFSG capability and capacity to ensure that effective logistics support is provided to emergency management agencies, organisations and SA communities during response, relief and recovery operations for emergencies and disasters.	A targeted recruitment, induction and training program resulted in a four-fold increase in LFSG capability and capacity.
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### Corporate performance summary

This information is addressed in the Financial Performance section of this report. Individual KPI's for each of the Emergency Services Sector agencies (CFS/MFS/SES) will be available in their respective Annual Reports, as published on the agencies' websites.

### Employment opportunity programs

Program name	Performance
Nil	N/A

### Agency performance management and development systems

Performance management and development system	Performance
Planned Review and Development Program (excluding Firefighters)	<p>Program successfully implemented:</p> <ul style="list-style-type: none"> <li>• Training program tailored to the Emergency Services Sector (ESS) requirements developed.</li> <li>• 18 sessions scheduled with 346 employees attending.</li> <li>• Approximately 95% of participants provided feedback on the program with over 88% providing positive feedback.</li> <li>• A Post-Implementation Review of the program prepared assessing the overall program outcomes and identifying improvement opportunities for the ESS Executive consideration.</li> </ul>

## Work health, safety and return to work programs

Program name	Performance
Support the ESS continuously to improve their work health safety (WHS) systems.	<p>Services delivered include:</p> <ul style="list-style-type: none"> <li>• WHS leadership providing expert advice to ESS agencies on WHS policies, procedures, training, doctrines and other systems and tools.</li> <li>• WHS internal auditing and governance reporting.</li> <li>• Workplace inspections to over 150 CFS brigades, MFS stations and SES Units.</li> <li>• Health monitoring programs.</li> <li>• Monitoring of incident reporting systems and conduct of independent WHS investigations.</li> <li>• WHS training and awareness sessions to paid and volunteer groups.</li> <li>• Expert advice to WHS Committees, volunteer committees, national committees and working groups.</li> </ul> <p>WHS operational support in activation of the State Control Centre, incident management teams and State On Call Roster.</p>
Support the ESS continuously to improve their injury management (IM) systems	<p>Services provided included the full range of workers compensation claims management services to paid staff and volunteers of the ESS agencies:</p> <ul style="list-style-type: none"> <li>• Fulfilling the role of the ESS as self-insured Crown employers under the <i>Return to Work Act 2014</i> ensuring determined claims paid income support, medical expenses and other entitlements, assessment for return to work (RTW) services and monitoring of RTW plans, effective case management to ensure all parties engaged and informed of RTW progress.</li> <li>• Managing additional compensation claims resulting from Employment Awards and Enterprise Bargaining Agreements.</li> </ul>

Employee Assistance Program (EAP) for volunteers and staff including a Critical Incident Response for volunteers	<p>Seeking to extend the term of the Panel Contract of three suppliers for a further two years from August 2019 to 2021. KPI's are reviewed annually with each Provider. Usage of services has increased with:</p> <p>108 new referrals received including 18 family members and an extra 99 referrals that continued on from last financial year.</p>
Mental Health First Aid Training for volunteers and staff of SAFECOM, CFS and SES	<p>NDRP, CFS and SES funded project ceases on 18 December 2019.</p> <ul style="list-style-type: none"> <li>• Seven Mental Health First Aid (MHFA) Instructors have completed training in Standard and Youth MHFA and have commenced facilitating the two day MHFA training for CFS and SES Volunteers and SAFECOM Staff.</li> <li>• 275 Volunteers and 32 Staff have completed the two day training.</li> </ul>
Volunteer Peer Support Program	<p>Two training weekends per year.</p> <p>One on one support provided to volunteers following critical incidents.</p>
Major Campaign Deployment and follow up welfare check of volunteers and staff	<p>425 welfare calls undertaken to personnel who attended the following incidents:</p> <ul style="list-style-type: none"> <li>• Canadian fires</li> <li>• US fires</li> <li>• Queensland fire</li> <li>• Tasmanian fires</li> <li>• Victorian fires</li> <li>• Kangaroo Island fire</li> </ul>
Staff Welfare Checks and Staff counselling support	<p>51 staff welfare checks conducted with staff in seven regional locations.</p>
SES Wellbeing and Resilience Program for staff	<p>All SES and approximately fifty percent of SAFECOM staff have participated in a two day Wellbeing and Resilience course with South Australian Health and Medical Research Institute (SAHMRI) Wellbeing and Resilience Centre.</p> <p>Six Lunchbox Learning Sessions reinforcing the 10 PERMA + skills learnt in the course were arranged.</p>
Stress, Trauma and Suicide Prevention sessions for volunteers	<p>10 sessions conducted with CFS Brigades and SES Units across the State. Sessions conducted with 4 CFS Cadet groups across the State.</p>

Stress Prevention and Management (SPAM) 24/7 rostered helpline for volunteers and staff	Rostered by three SAFECOM staff who rotate on a weekly roster. During the period 01/04/2018 to 30/03/2019*, 254 individuals sought assistance through the SPAM Helpline: <ul style="list-style-type: none"> <li>• 108 new referrals for EAP services</li> <li>• 32 critical incident stress responses.</li> </ul>
Development of online information and links to other services	Reviewed annually and updated.

\*Time period specified due to data availability.

<b>Workplace injury claims - SAFECOM</b>	Current year 2018-19	Past year 2017-18	% Change (+ / -)
Total new workplace injury claims	0	0	0%
Fatalities	0	0	0%
Seriously injured workers*	0	0	0%
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	0	0	0%

\*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)

<b>Work health and safety regulations - SAFECOM</b>	Current year 2018-19	Past year 2017-18	% 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%

<b>Return to work costs** - SAFECOM</b>	Current year 2018-19	Past year 2017-18	% Change (+ / -)
Total gross workers compensation expenditure (\$)	\$20,470	\$41,199	-50%
Income support payments – gross (\$)	\$0.00	\$0.00	0%

\*\*before third party recovery

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

<b>Workplace injury claims - ESS</b>	Current year 2018-19	Past year 2017-18	% Change (+ / -)
Total new workplace injury claims	175	199	-12.06%
Fatalities	1	3	-66.67%
Seriously injured workers*	0	5	-100.00%
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	28.19	35.22	19.96%

\*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)

<b>Work health and safety regulations - ESS</b>	Current year 2018-19	Past year 2017-18	% Change (+ / -)
Number of notifiable incidents ( <i>Work Health and Safety Act 2012, Part 3</i> )	12	14	-14%
Number of provisional improvement, improvement and prohibition notices ( <i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i> )	1	0	100%

<b>Return to work costs** - ESS</b>	<b>Current year 2018-19</b>	<b>Past year 2017-18</b>	<b>% Change (+ / -)</b>
Total gross workers compensation expenditure (\$)	\$8,215,984	\$5,023,862	64%
Income support payments – gross (\$)	\$3,847,911	\$793,437	385%

*\*\*before third party recovery*

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

## Executive employment in the agency - SAFECOM

Executive classification	Number of executives
EXEC0D	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 2018-19 are attached to this report.

<b>Statement of Comprehensive Income</b>	<b>2018-19 Budget \$000s</b>	<b>2018-19 Actual \$000s</b>	<b>Variation \$000s</b>	<b>2017-18 Actual \$000s</b>
Expenses	22,795	20,322	(2,473)	19,970
Revenues	3,057	831	(2,226)	1,017
<b>Net cost of providing services</b>	<b>19,738</b>	<b>19,491</b>	<b>(247)</b>	<b>18,953</b>
Net Revenue from SA Government	14,274	23,098	8,824	16,869
<b>Net result</b>	<b>(5,464)</b>	<b>3,607</b>	<b>8,577</b>	<b>(2,084)</b>
<b>Total Comprehensive Result</b>	<b>(5,464)</b>	<b>3,607</b>	<b>8,577</b>	<b>(2,084)</b>

<b>Statement of Financial Position</b>	<b>2018-19 Budget \$000s</b>	<b>2018-19 Actual \$000s</b>	<b>Variation \$000s</b>	<b>2017-18 Actual \$000s</b>
Current assets	2,072	8,263	6,191	6,925
Non-current assets	3,085	4,382	1,297	1,713
<b>Total assets</b>	<b>5,157</b>	<b>12,645</b>	<b>7,488</b>	<b>8,638</b>
Current liabilities	3,333	3,848	515	3,702
Non-current liabilities	2,490	2,852	362	2,598
<b>Total liabilities</b>	<b>5,823</b>	<b>6,700</b>	<b>877</b>	<b>6,300</b>
<b>Net assets</b>	<b>(666)</b>	<b>5,945</b>	<b>6,611</b>	<b>2,338</b>
<b>Equity</b>	<b>(666)</b>	<b>5,945</b>	<b>6,611</b>	<b>2,338</b>

### Consultants - SAFECOM

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

<b>Consultant</b>	<b>Purpose</b>	<b>Total \$</b>
OutsideIn Group	HR Committee Facilitation	2,925
	<b>Total</b>	<b>\$ 2,925</b>



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

<b>Consultant</b>	<b>Purpose</b>	<b>Total \$</b>
New Focus	Alert SA replacement	10,960
	<b>Total</b>	<b>\$ 10,960</b>

**Consultants – ESS****Consultancies with a contract value below \$10,000 each**

<b>Consultant</b>	<b>Purpose</b>	<b>Total \$</b>
Strategic Matters	Strategic Development and Planning Sessions	6,490
KPMG	BCP Risk Assessment consultancy (legal advice in relation to the PFAS)	6,250
TMK Consulting	Condition assessment of fire lookout tower at Mount Lofty Summit	3,875
Outsideln Group	HR Committee Facilitation	2,925
University of Adelaide	Indoor Air Quality Assessment	2,440
KBS Consultants	Site inspection as per the National Construction Code	1,800
Sports & Arthritis Clinic	PFAS testing	1,740
Genesys Australia	Psychometric testing	1,125
	<b>Total</b>	<b>\$ 26,645</b>

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

<b>Consultant</b>	<b>Purpose</b>	<b>Total \$</b>
Remediation + Contracting Services	PFAS testing	420,711
Metrix Consulting	National Fire Danger Rating System evaluation	400,750
GHD Pty Ltd	PFAS testing	309,545
New Focus	Market research to support future strategic direction for SACFS	39,500
New Focus P/L	Post Campaign testing and evaluation	24,197

Galpins Accountants	Audit of existing VMR capabilities with Gap analysis	12,300
New Focus	Alert SA replacement	10,960
	<b>Total</b>	<b>\$ 1,217,963</b>

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 - ESS

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 – SAFECOM

#### Contractors with a contract value below \$10,000

Contractor	Purpose	Total \$
All contractors below \$10,000 each - combined	Various	37,207

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

Contractor	Purpose	Total \$
Dimension Data	Project Boomer	100,980
Objective	Upgrade of Records Management System	64,716
Bushfire and Natural Hazards	Develop new Strategy and Capability Plan	33,957
Dialog (Information Tech)	Building Asset Register	30,000
SRA Information	Alert SA - Software Development and Support Agreement	21,200
Haymaker	Alert SA App/site research	20,000

Cummins Hybrid	Alert SA Web/App Design	18,568
Klevar Group	Develop a training package for Volunteer Services branch	11,250
	<b>Total</b>	<b>\$ 300,671</b>

## Contractors – State Emergency Service

### Contractors with a contract value below \$10,000

Contractor	Purpose	Total \$
All contractors below \$10,000 each - combined	Various	30,110

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

Contractor	Purpose	Total \$
BOM Embed Meteorology	BOM 2018-19 Contribution	76,005
Adelaide University	Fee for service - Heatwave forecast and warning decision support tools	30,000
	<b>Total</b>	<b>\$ 106,005</b>

## Contractors – SA Metro Fire Service

### Contractors with a contract value below \$10,000

Contractor	Purpose	Total \$
All contractors below \$10,000 each - combined	Various	48,534

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

Contractor	Purpose	Total \$
Babcock P/L	Engineering support services	553,425
Safe Select	Psychological Testing	159,263
Jeff McDonald	Install and repair of radios & chargers etc.	83,821
NEC Australia	Network Management Services	24,508
	<b>Total</b>	<b>\$ 821,017</b>

## Contractors – SA Country Fire Service

### Contractors with a contract value below \$10,000

Contractor	Purpose	Total \$
All contractors below \$10,000 each - combined	Various	39,594

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

Contractor	Purpose	Total \$
Bureau of Meteorology	Fire Weather Briefing & Support Services	264,445
Phil Richards	Air Attack Supervisor for the Fire Danger Season	66,384
Protexion Consulting P/L	Air Operations Activity for Fire Danger Season	65,685
Anthony Byrnes	Retainer fee for contracted aircrew for Fire Danger Season	59,912
Bureau of Meteorology	Creation of 18 Year Reanalysis	52,500
Operational Support Services	Air Operations/Active Standby	40,384
James Blackmore	Air Attack Supervisor for the Fire Danger Season	36,976
Cleanaway	Waste management	19,770
Centricminds	Volunteer Portal page redesign	19,015
TMK Consulting	Soil contamination test	11,780
Centricminds	CFS Maps Hosting Migration	10,500
Quark & Associates	Review of CFS team	10,491
<b>Total</b>		<b>\$ 657,841</b>

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.](#)

## **Other financial information**

The attached audited financial statements also include the Community Emergency Services Fund (CESF) which is administered by SAFECOM. Emergency services in South Australia are funded by the Emergency Services Levy (ESL). All collections are paid into the CESF which makes payments to government agencies and non-government organisations for the provision of emergency services and associated activities as stipulated in the *Emergency Services Funding Act 1998* (the Act).

## **Other information**

Nil.

## 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 for the sector and a dedicated internal audit function.

### Fraud detected in the agency

Category/nature of fraud	Number of instances
Misuse of Government Purchase Card	1 (SES)

*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](#)

### Whistle-blowers disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Whistleblowers Protection Act 1993*:

Nil

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

## Public complaints

### Number of public complaints reported

Complaint categories	Sub-categories	Example	Number of Complaints 2018-19
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; cultural competency	Nil
Professional behaviour	Staff competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	Nil
Professional behaviour	Staff knowledge	Lack of service specific knowledge; incomplete or out-of-date knowledge	Nil
Communication	Communication quality	Inadequate, delayed or absent communication with customer	Nil
Communication	Confidentiality	Customer's confidentiality or privacy not respected; information shared incorrectly	Nil
Service delivery	Systems/technology	System offline; inaccessible to customer; incorrect result/information provided; poor system design	Nil
Service delivery	Access to services	Service difficult to find; location poor; facilities/ environment poor standard; not accessible to customers with disabilities	Nil
Service delivery	Process	Processing error; incorrect process used; delay in processing application; process not customer responsive	Nil
Policy	Policy application	Incorrect policy interpretation; incorrect policy applied; conflicting policy advice given	Nil
Policy	Policy content	Policy content difficult to understand; policy unreasonable or disadvantages customer	Nil

<b>Complaint categories</b>	<b>Sub-categories</b>	<b>Example</b>	<b>Number of Complaints 2018-19</b>
Service quality	Information	Incorrect, incomplete, out dated or inadequate information; not fit for purpose	Nil
Service quality	Access to information	Information difficult to understand, hard to find or difficult to use; not plain English	Nil
Service quality	Timeliness	Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met	Nil
Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness	Nil
Service quality	Service responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	Nil
No case to answer	No case to answer	Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate	Nil
		<b>Total</b>	<b>0</b>

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



## **Appendix: Audited financial statements 2018-19**

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

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### **Financial Statements**

For the year ended 30 June 2019

**South Australian Fire and Emergency Services Commission**  
**Certification of Financial Statements**  
*for the year ended 30 June 2019*

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We certify that the attached general purpose financial statements for the South Australian Fire and Emergency Services Commission:

- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards
- are in accordance with the accounts and records of the South Australian Fire and Emergency Services Commission
- present a true and fair view of the financial position of the South Australian Fire and Emergency Services Commission as at 30 June 2019 and the results of its operations and cash flows for the financial year.

We certify that the internal controls employed by the South Australian Fire and Emergency Services Commission for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



Dominic Lane  
Presiding Officer  
South Australian Fire and Emergency Services  
Commission Board  
16 September 2019



Dominic Lane  
Chief Executive  
16 September 2019



Luis Pineda  
Manager Financial Services  
16 September 2019

**South Australian Fire and Emergency Services Commission**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2019*

	Note	Consolidated		SAFECOM Entity	
		2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000
<b>Expenses</b>					
Employee benefits	2.3	205 590	224 516	8 364	8 414
Supplies and services	3.1	91 564	82 650	6 926	6 493
Depreciation and amortisation	3.2	21 505	21 669	234	443
Grants and subsidies	3.3	5 225	4 099	4 798	3 698
Net loss from disposal of non-current assets	3.4	-	9	-	-
Other	3.5	-	922	-	922
<b>Total expenses</b>		<b>323 884</b>	<b>333 865</b>	<b>20 322</b>	<b>19 970</b>
<b>Income</b>					
Fees and charges	4.2	8 870	7 185	650	633
Grants and contributions	4.3	2 851	2 638	119	297
Interest	4.4	213	249	54	59
Donated asset	4.5	99	-	-	-
Net gain from disposal of non-current assets	3.4	30	-	-	-
Other	4.6	1 222	1 112	8	28
<b>Total income</b>		<b>13 285</b>	<b>11 184</b>	<b>831</b>	<b>1 017</b>
<b>Net cost of providing services</b>		<b>310 599</b>	<b>322 681</b>	<b>19 491</b>	<b>18 953</b>
<b>Revenues from / (payments to) SA Government</b>					
Revenues from SA Government	4.1	290 442	257 001	23 098	16 869
<b>Total net revenues from SA Government</b>		<b>290 442</b>	<b>257 001</b>	<b>23 098</b>	<b>16 869</b>
<b>Net result</b>		<b>(20 157)</b>	<b>(65 680)</b>	<b>3 607</b>	<b>(2 084)</b>
<b>Other comprehensive income</b>					
<i>Items that will not be reclassified to net result</i>					
Changes in fair value of investments classified as fair value through other comprehensive income		6	-	-	-
<b>Total other comprehensive income</b>		<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive result</b>		<b>(20 151)</b>	<b>(65 680)</b>	<b>3 607</b>	<b>(2 084)</b>

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 2019*

	Note	Consolidated		SAFECOM Entity	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Current assets</b>					
Cash and cash equivalents	6.1	34 591	23 309	7 598	6 366
Receivables	6.2	7 766	5 596	665	559
Other financial assets	6.3	2 461	2 805	-	-
Non-current assets classified as held for sale	6.4	742	742	-	-
<b>Total current assets</b>		<b>45 560</b>	<b>32 452</b>	<b>8 263</b>	<b>6 925</b>
<b>Non-current assets</b>					
Property, plant and equipment	5.1	363 026	359 899	1 968	1 604
Intangible assets	5.2	2 632	385	2 414	109
<b>Total non-current assets</b>		<b>365 658</b>	<b>360 284</b>	<b>4 382</b>	<b>1 713</b>
<b>Total assets</b>		<b>411 218</b>	<b>392 736</b>	<b>12 645</b>	<b>8 638</b>
<b>Current liabilities</b>					
Payables	7.1	22 376	19 373	2 661	2 559
Employee benefits	2.4	22 957	21 282	1 133	1 084
Provisions	7.2	13 921	11 950	54	59
<b>Total current liabilities</b>		<b>59 254</b>	<b>52 605</b>	<b>3 848</b>	<b>3 702</b>
<b>Non-current liabilities</b>					
Payables	7.1	5 806	4 756	217	191
Employee benefits	2.4	36 904	30 749	2 370	2 077
Provisions	7.2	88 189	63 494	265	330
<b>Total non-current liabilities</b>		<b>130 899</b>	<b>98 999</b>	<b>2 852</b>	<b>2 598</b>
<b>Total liabilities</b>		<b>190 153</b>	<b>151 604</b>	<b>6 700</b>	<b>6 300</b>
<b>Net assets</b>		<b>221 065</b>	<b>241 132</b>	<b>5 945</b>	<b>2 338</b>
<b>Equity</b>					
Retained earnings		156 213	176 286	5 945	2 338
Revaluation surplus		64 846	64 846	-	-
Investment market value reserve		6	-	-	-
<b>Total equity</b>		<b>221 065</b>	<b>241 132</b>	<b>5 945</b>	<b>2 338</b>

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 2019*

	Consolidated			
	Investments market value reserve	Revaluation surplus	Retained earnings	Total equity
	\$'000	\$'000	\$'000	\$'000
<b>Balance at 30 June 2017</b>	-	64 846	241 966	306 812
Net result for 2017-18	-	-	(65 680)	(65 680)
<b>Total comprehensive result for 2017-18</b>	-	-	(65 680)	(65 680)
<b>Transactions with SA Government as owner</b>				
<b>Balance at 30 June 2018</b>	-	64 846	176 286	241 132
Adjustments on initial adoption of AASB 9	-	-	84	84
<b>Adjusted balance at 1 July 2018</b>	-	64 846	176 370	241 216
Net result for 2018-19	-	-	(20 157)	(20 157)
Changes in fair value of investments classified as fair value through other comprehensive income	6	-	-	6
<b>Total comprehensive result for 2018-19</b>	6	-	(20 157)	(20 151)
<b>Balance at 30 June 2019</b>	6	64 846	156 213	221 065

	SAFECOM Entity			
	Investments market value reserve	Revaluation surplus	Retained earnings	Total equity
	\$'000	\$'000	\$'000	\$'000
<b>Balance at 30 June 2017</b>	-	-	4 422	4 422
Net result for 2017-18	-	-	(2 084)	(2 084)
<b>Total comprehensive result for 2017-18</b>	-	-	(2 084)	(2 084)
<b>Balance at 30 June 2018</b>	-	-	2 338	2 338
Net result for 2018-19	-	-	3 607	3 607
<b>Total comprehensive result for 2018-19</b>	-	-	3 607	3 607
<b>Balance at 30 June 2019</b>	-	-	5 945	5 945

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 2019*

	Note	Consolidated		SAFECOM Entity	
		2019 (Outflows) Inflows \$'000	2018 (Outflows) Inflows \$'000	2019 (Outflows) Inflows \$'000	2018 (Outflows) Inflows \$'000
<b>Cash flows from operating activities</b>					
<b>Cash outflows</b>					
Employee benefit payments		(168 896)	(161 737)	(8 066)	(7 646)
Payments for supplies and services		(101 348)	(89 852)	(9 871)	(8 183)
Payments of grants and subsidies		(5 201)	(3 794)	(4 798)	(3 393)
Payments for paid parental leave scheme		(61)	(74)	(4)	(27)
<b>Cash used in operations</b>		<b>(275 506)</b>	<b>(255 457)</b>	<b>(22 739)</b>	<b>(19 249)</b>
<b>Cash inflows</b>					
Receipts from fees and charges		8 410	7 790	539	1 683
Receipts from grants and contributions		2 827	1 594	119	297
Interest received		213	249	54	59
GST recovered from the ATO		9 817	10 833	3 050	2 638
Receipts for paid parental leave scheme		64	68	7	24
Other receipts		1 406	1 073	7	26
<b>Cash generated from operations</b>		<b>22 737</b>	<b>21 607</b>	<b>3 776</b>	<b>4 727</b>
<b>Cash flows from SA Government</b>					
Contributions from Community Emergency Services Fund		280 394	250 969	17 811	14 759
Other receipts from SA Government		10 048	6 032	5 287	2 110
<b>Cash generated from SA Government</b>		<b>290 442</b>	<b>257 001</b>	<b>23 098</b>	<b>16 869</b>
<b>Net cash provided by / (used in) operating activities</b>	8.2	<b>37 673</b>	<b>23 151</b>	<b>4 135</b>	<b>2 347</b>
<b>Cash flows from investing activities</b>					
<b>Cash outflows</b>					
Purchase of property, plant and equipment		(27 268)	(29 607)	(2 903)	(1 374)
Purchase of investments		449	(33)	-	-
<b>Cash used in investing activities</b>		<b>(26 819)</b>	<b>(29 640)</b>	<b>(2 903)</b>	<b>(1 374)</b>
<b>Cash inflows</b>					
Proceeds from the sale of property, plant and equipment	3.4	428	440	-	14
<b>Cash generated from investing activities</b>		<b>428</b>	<b>440</b>	<b>-</b>	<b>14</b>
<b>Net cash provided by / (used in) investing activities</b>		<b>(26 391)</b>	<b>(29 200)</b>	<b>(2 903)</b>	<b>(1 360)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>11 282</b>	<b>(6 049)</b>	<b>1 232</b>	<b>987</b>
Cash and cash equivalents at the beginning of the reporting period		23 309	29 358	6 366	5 379
<b>Cash and cash equivalents at the end of the reporting period</b>	6.1	<b>34 591</b>	<b>23 309</b>	<b>7 598</b>	<b>6 366</b>

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 2019*

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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 2019*

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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 2019

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#### 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 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 10.4 as 'Trust Funds'.

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

The financial statements incorporate the assets and liabilities of all entities comprising the emergency services sector as at 30 June 2019 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.

#### 1.1. 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

For the 2018-19 financial statements SAFECOM adopted AASB 9 – *Financial Instruments* and is required to comply with the new *Treasurer's Instructions (Accounting Policy Statements)* issued on 22 March 2019. Further information is provided in note 9.

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.

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 2019*

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#### **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

#### **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 2019 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.

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

#### **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 and SASES. These services are classified under one program titled "Fire and Emergency Services Strategic Services and Business Support".



**South Australian Fire and Emergency Services Commission**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

**1.4. Budget performance**

The budget performance table compares SAFECOM's outcomes against budget information presented to Parliament (2018-19 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 2019 \$'000	SAFECOM Actual 2019 \$'000	Variance \$'000
<b>Statement of Comprehensive Income</b>	<b>Note</b>			
<b>Expenses</b>				
Employee benefits		7 801	8 364	563
Supplies and services		7 034	6 926	(108)
Depreciation and amortisation		867	234	(633)
Grants and subsidies	a	6 977	4 798	(2 179)
Other		116	-	(116)
<b>Total expenses</b>		<b>22 795</b>	<b>20 322</b>	<b>(2 473)</b>
<b>Income</b>				
Fees and charges		650	650	-
Grants and contributions		149	119	(30)
Interest		24	54	30
Other		146	8	(138)
<b>Total income</b>		<b>969</b>	<b>831</b>	<b>(138)</b>
<b>Net cost of providing services</b>		<b>21 826</b>	<b>19 491</b>	<b>(2335)</b>
<b>Revenues from / (payments to) SA Government</b>				
Revenues from SA Government	b	16 362	23 098	6 736
<b>Total net revenues from SA Government</b>		<b>16 362</b>	<b>23 098</b>	<b>6 736</b>
<b>Net result</b>		<b>(5 464)</b>	<b>3 607</b>	<b>9 071</b>
<b>Total comprehensive result</b>		<b>(5 464)</b>	<b>3 607</b>	<b>9 071</b>

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 Primarily relates to changes in the timing of the receipt of funding for the Natural Disaster Resilience Program in 2018-19.
- b Revenues from SA Government actuals were higher than budgeted due to the original budget not including State funding matching component for Commonwealth grants being finalised, funding towards Emergency Alert, sector contributions towards shared sector IT projects and brought forward funds for new headquarters.

**South Australian Fire and Emergency Services Commission**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**1.4. Budget performance (continued)**

		Original budget 2019 \$'000	Actual 2019 \$'000	Variance \$'000
	Note			
<b>Investing Expenditure Summary</b>				
Total existing projects	c	1 642	2 393	751
Total annual programs	d	-	510	510
<b>Total investing expenditure</b>		<b>1 642</b>	<b>2 903</b>	<b>1 261</b>

- c Total existing projects actuals were higher than budgeted due to the timing of carryovers in relation to the sector's new data management system and funds brought forward from 2021-22 to 2018-19 to fund expenses for the new headquarters.
- d Total annual projects actuals were higher than budgeted due to timing of additional contributions from within the sector towards other shared sector IT projects

**1.5. 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:

- Approximately 80% of lease payments relate to accommodation supplied by DPTI and cars supplied by Fleet SA.
- Payments of \$16.681 million to the Attorney-General's Department for the government radio network.

The following transactions were significant for SAFECOM:

- Contributions received from the Community Emergency Services Fund (refer note 4.1).

**South Australian Fire and Emergency Services Commission**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**2. Board, committees and employees**

**2.1. Key Management Personnel**

The Consolidated key management personnel includes the Minister, the Chief Executive of SAFECOM, the Chief Officers of MFS, CFS and SES, 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, MFS, CFS and SES. 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 \$2.26 million in 2018-19 and \$2.30 million in 2017-18.

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	
	2019	2018	2019	2018
Compensation	\$'000	\$'000	\$'000	\$'000
Salaries and other short term employee benefits	2 052	2 076	418	454
Post-employment benefits	208	229	37	43
<b>Total compensation</b>	<b>2 260</b>	<b>2 305</b>	<b>455</b>	<b>497</b>

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

There are no material transactions or balances to disclose with key management personnel or related parties.



**South Australian Fire and Emergency Services Commission**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**2.2. Board and committee members**

Members of boards and committees during 2018-19 were:

**South Australian Fire and Emergency Services**

**Commission Board**

A De Piaz\*  
 C A King  
 C J Adlam (Max)  
 C J Beattie\*  
 C Thomas\* (appointed 18 October 2018)  
 D F Barry\*  
 D Lane\* (appointed 3 June 2019)  
 G B Northcott (term expired 29 August 2018)  
 G H Nettleton\*  
 J D Lindner  
 J Tucker  
 M G Jackman\* (term expired 31 May 2019)  
 M J Morgan\* (appointed 18 July 2018)  
 P M Fletcher\* (appointed 18 October 2018)  
 S J Caracoussis  
 S St Alban  
 W A Hicks ESM

**South Australian Fire and Emergency Services**

**Commission Audit and Risk Committee**

A Chia  
 C King  
 J Tucker

**South Australian Metropolitan Fire Service**

**Disciplinary Committee**

J L Virgo\* (appointed 29 November 2018)  
 L D P Holland  
 M Vander-Jeugd\* (term expired 28 November 2018)  
 P L Kilsby\*

**State Bushfire Coordination Committee**

A Allen\*  
 A De Piaz\*  
 C B Daniels  
 C Gibson\*  
 C W Patterson\*  
 D Colliar  
 D Leblond\*  
 D S Gilbertson  
 E M Sommerville  
 E Petrenas\*  
 F Crisci\*  
 F Dunstan\*  
 F J Gill\*  
 G H Nettleton\*  
 G P Benham\* (appointed 20 December 2018)  
 H L Greaves  
 I Tanner\*  
 J B Drew\*  
 J Crampton\*  
 J D Lindner  
 J Frizenschaf\*  
 J Nairn\*  
 J Psyridis\*  
 J S Crocker\*  
 J Slocombe\*  
 K M Egan  
 M C Roche  
 M M Healy\*  
 M R Sutton\*  
 N G Bamford\*  
 N Rea  
 P R White  
 S A Reardon  
 S Barone  
 T M W Kelly  
 W B Thorley  
 W R McIntosh

\* 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**  
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**2.2. Board and committee members (continued)**

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

	Consolidated		SAFECOM Entity	
	2019	2018	2019	2018
\$nil	44	48	12	11
\$1 - \$19 999	8	10	1	6
\$20 000 - \$39 999	5	1	5	1
<b>Total</b>	<b>57</b>	<b>59</b>	<b>18</b>	<b>18</b>

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any FBT paid or payable in respect of those benefits. The total remuneration received or receivable by members was Consolidated \$162 843 (2018: \$116 000) and SAFECOM \$152 638 (2018: \$106 000).

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.

**2.3. Employee benefits expenses**

	Consolidated		SAFECOM Entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Salaries and wages	121 021	114 674	5 885	5 528
Workers compensation	34 285	44 518	30	103
Employment on-costs - superannuation	17 111	18 373	766	986
Additional compensation	(1 329)	18 365	(70)	286
Annual leave	15 068	13 527	640	545
Payroll tax	8 053	7 547	368	348
Long service leave	9 335	5 763	535	443
Skills and experience retention leave	1 429	1 028	53	58
Board fees	150	106	139	97
Other employment related expenses	467	615	18	20
<b>Total employee benefits expenses</b>	<b>205 590</b>	<b>224 516</b>	<b>8 364</b>	<b>8 414</b>

**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.

**Additional compensation**

Additional compensation was introduced in 2018, refer to note 7.2.

**South Australian Fire and Emergency Services Commission**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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

**Remuneration of employees**

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

	Consolidated		SAFECOM Entity	
	2019	2018	2019	2018
	Number	Number	Number	Number
\$149 000 to \$151 000*	N/A	20	-	-
\$151 001 to \$171 000	125	90	-	-
\$171 001 to \$191 000	31	15	-	-
\$191 001 to \$211 000	5	2	-	-
\$211 001 to \$231 000	3	1	-	-
\$231 001 to \$251 000	2	1	-	-
\$251 001 to \$271 000	-	1	-	-
\$271 001 to \$291 000	1	1	-	-
\$291 001 to \$311 000	2	2	1	-
\$311 001 to \$331 000	1	-	-	-
\$391 001 to \$411 000	-	1	-	1
<b>Total number of executives / employees</b>	<b>170</b>	<b>134</b>	<b>1</b>	<b>1</b>

\* The \$149 000 to \$151 000 band has been included for the purposes of reporting comparative figures based on the executive base level remuneration 2017-18.

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any FBT paid or payable in respect of those benefits. The total remuneration received by these employees for the year was SAFECOM entity \$0.3 million (2018: \$0.4 million) and consolidated \$28.85 million (2018: \$22.36 million).



**South Australian Fire and Emergency Services Commission**  
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**2.4. Employee benefits liability**

	Consolidated		SAFECOM Entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Accrued salaries and wages	3 249	3 050	136	127
Annual leave	14 451	13 193	723	682
Skills and experience retention leave	1 860	1 489	82	68
Long service leave	3 397	3 550	192	207
<b>Total current employee benefits</b>	<b>22 957</b>	<b>21 282</b>	<b>1 133</b>	<b>1 084</b>
<b>Non-current</b>				
Long service leave	36 904	30 749	2 370	2 077
<b>Total non-current employee benefits</b>	<b>36 904</b>	<b>30 749</b>	<b>2 370</b>	<b>2 077</b>
<b>Total employee benefits</b>	<b>59 861</b>	<b>52 031</b>	<b>3 503</b>	<b>3 161</b>

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. In the unusual event where salary and wages, annual leave and skills and experience retention liability are payable later than 12 months, the liability will be measured at present value.

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 as note 11.1.

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

Employee benefits expenses are disclosed in note 2.3

#### 3.1. Supplies and services

	Consolidated		SAFECOM Entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Government radio network	16 681	16 355	-	-
Aerial support costs	13 536	9 915	-	-
Vehicles	9 553	8 889	-	1
Uniforms and protective clothing	6 227	7 640	1	-
Property Costs	7 723	7 029	46	97
Consultancy, contractor and legal fees	5 616	4 185	1 189	1 149
Operational costs	5 551	5 085	26	52
Communications	5 275	3 711	2 305	1 393
Operating lease payments	4 750	4 333	568	453
Travel and training	4 398	3 596	128	136
Computing costs	4 283	4 517	555	1 109
Shared Services SA fees	1 799	1 763	1 791	1 747
Insurance premiums	547	611	9	9
Other expenses	5 625	5 021	308	347
<b>Total supplies and services</b>	<b>91 564</b>	<b>82 650</b>	<b>6 926</b>	<b>6 493</b>

The total supplies and services amount disclosed includes GST amounts not recoverable from ATO due to SAFECOM not holding a tax invoice or payments relating to third party arrangements.

#### Other

Audit fees paid/payable to the Auditor-General's Department (AGD) relating to work performed under the *Public Finance and Audit Act* were \$201 000 (2018: \$198 000) for the sector and \$113 000 (2018: \$110 000) for SAFECOM. These costs are recognised in 'other expenses' above. No other services were provided by the Auditor-General's Department.

#### Operating Leases

Operating lease payments (less any lease incentives) are recognised on a straight-line basis over the lease term.

#### 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			
	2019	2019	2018	2018	2019	2019	2018	2018
	No.	\$'000	No.	\$'000	No.	\$'000	No.	\$'000
Below \$10 000	8	27	11	34	1	3	4	17
\$10 000 or above	7	1 217	6	251	1	10	4	223
<b>Total</b>	<b>15</b>	<b>1 244</b>	<b>17</b>	<b>285</b>	<b>2</b>	<b>13</b>	<b>8</b>	<b>240</b>

**South Australian Fire and Emergency Services Commission**  
**Notes to and forming part of the financial statements**  
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**3.2. Depreciation and amortisation expense**

	Consolidated		SAFECOM Entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Depreciation</b>				
Vehicles	11 949	12 086	-	9
Buildings	5 436	5 435	3	3
Communications	2 380	2 276	25	-
Plant and equipment	1 110	1 041	20	20
Computers	475	454	112	90
<b>Total depreciation</b>	<b>21 350</b>	<b>21 292</b>	<b>160</b>	<b>122</b>
<b>Amortisation</b>				
Computer software	155	377	74	321
<b>Total amortisation</b>	<b>155</b>	<b>377</b>	<b>74</b>	<b>321</b>
<b>Total depreciation and amortisation</b>	<b>21 505</b>	<b>21 669</b>	<b>234</b>	<b>443</b>

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. Land and non-current assets held for sale are not depreciated.

**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.

**Useful life**

Depreciation/amortisation is calculated on a straight-line basis over the estimated useful life of the following classes of assets as follows:

Class of asset	Consolidated	SAFECOM Entity
	Useful life (years)	Useful life (years)
Buildings	40-50	40
Vehicles	15-20	15
Communications equipment	10	N/A
Plant and equipment	10	10
Computer equipment	5	5
Intangibles	5	5

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



**South Australian Fire and Emergency Services Commission**  
**Notes to and forming part of the financial statements**  
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**3.3. Grants and subsidies**

	Consolidated		SAFECOM Entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Recurrent grant	5 225	4 099	4 798	3 698
<b>Total grants and subsidies</b>	<b>5 225</b>	<b>4 099</b>	<b>4 798</b>	<b>3 698</b>

**3.4. Net gain / loss from disposal of non-current assets**

	Consolidated		SAFECOM Entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Vehicles</b>				
Proceeds from disposal	417	440	-	14
Less net book value of assets disposed	(388)	(449)	-	(14)
<b>Net gain / (loss) from disposal of vehicles</b>	<b>29</b>	<b>(9)</b>	<b>-</b>	<b>-</b>
<b>Plant and equipment</b>				
Proceeds from disposal	11	-	-	-
Less net book value of assets disposed	(10)	-	-	-
<b>Net gain / (loss) from disposal of plant and equipment</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>				
Total proceeds from disposal	428	440	-	14
Less net book value of assets disposed	(398)	(449)	-	(14)
<b>Total net gain / (loss) from disposal of non-current assets</b>	<b>30</b>	<b>(9)</b>	<b>-</b>	<b>-</b>

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

**3.5. Other expenses**

	Consolidated		SAFECOM Entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Intangible write off	-	922	-	922
<b>Total other expenses</b>	<b>-</b>	<b>922</b>	<b>-</b>	<b>922</b>

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

**4.1. Revenues from SA Government**

	Consolidated		SAFECOM Entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Revenues from SA Government</b>				
Contributions from Community Emergency Services Fund	280 394	250 969	17 811	14 759
Commonwealth grants received via Treasury and Finance	3 653	3 213	2 488	2 088
Other revenues from SA Government	6 395	2 819	2 799	22
<b>Total revenues from SA Government</b>	<b>290 442</b>	<b>257 001</b>	<b>23 098</b>	<b>16 869</b>
<b>Net revenues from SA Government</b>	<b>290 442</b>	<b>257 001</b>	<b>23 098</b>	<b>16 869</b>

Revenues from SA Government for SAFECOM entity consist of \$19.59 million (2018: \$15.54 million) for operational funding and \$3.50 million (2018: \$1.32 million) for capital projects.

Revenues from SA Government for the consolidated sector comprised \$256.52 million (2018: \$230.89 million) for operational funding and \$33.92 million (2018: \$26.12 million) for capital projects.

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.

For details on the expenditure associated with the operational funding and capital funding refer notes 1.4, 3.1, 3.3, 5.1 and 5.2.

**4.2. Revenues from fees and charges**

	Consolidated		SAFECOM Entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Fire alarm attendance fees	2 489	2 609	-	-
Fire alarm monitoring fees	2 530	2 439	-	-
Incident cost recoveries	1 911	243	-	-
Rent of premises	695	630	-	-
Salary recovery	650	634	650	633
Fire safety fees	558	498	-	-
Training and other recoveries	-	1	-	-
Other recoveries	37	131	-	-
<b>Total revenues from fees and charges</b>	<b>8 870</b>	<b>7 185</b>	<b>650</b>	<b>633</b>

Income from fees and charges is derived from the provision of goods and services to other SA Government agencies and to the public. This revenue is recognised upon delivery of the service to the client or by reference to the stage of completion.

**South Australian Fire and Emergency Services Commission**  
**Notes to and forming part of the financial statements**  
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**4.3. Grants and contributions**

	Consolidated		SAFECOM Entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Commonwealth Government	260	105	-	-
State Government	157	511	119	281
Private industry and local government	2 434	2 022	-	16
<b>Total grants and contributions</b>	<b>2 851</b>	<b>2 638</b>	<b>119</b>	<b>297</b>

Contributions are recognised as an asset and income when the Sector obtains control of the contributions or obtains the right to receive the contributions and the income recognition criteria are met.

Private industry funding for Consolidated mainly relates to the provision of fire and emergency services to Commonwealth properties and contributions towards aerial firefighting costs and Commonwealth grant funding relates to Natural Disaster Resilience Program funding for emergency management projects

**4.4. Interest revenues**

	Consolidated		SAFECOM Entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Dividend Income	6	-	-	-
Interest on deposit accounts	207	249	54	59
<b>Total interest revenues</b>	<b>213</b>	<b>249</b>	<b>54</b>	<b>59</b>

**4.5. Donated Asset**

	Consolidated		SAFECOM Entity	
	2019	2018	2019	2018
Donated asset	99	-	-	-
<b>Total Donated asset</b>	<b>99</b>	<b>-</b>	<b>-</b>	<b>-</b>

In 2018-19 the SES received donated shares. These shares are not held for trading

**4.6. Other income**

	Consolidated		SAFECOM Entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Sundry revenues	817	583	8	27
Salary recoveries	15	255	-	-
Rent received	46	75	-	-
Insurance recoveries	68	43	-	-
Donations	26	4	-	-
Groups/Brigades/Units fundraising	26	7	-	-
Other	224	145	-	1
<b>Total other income</b>	<b>1 222</b>	<b>1 112</b>	<b>8</b>	<b>28</b>



**South Australian Fire and Emergency Services Commission**  
**Notes to and forming part of the financial statements**  
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**4.7. Resources received free of charge**

SES and CFS 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.

**5. Non-financial assets**

**5.1. Property, plant and equipment**

	Consolidated		SAFECOM Entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Land</b>				
Land at fair value	65 891	65 049	-	-
<b>Total land</b>	<b>65 891</b>	<b>65 049</b>	<b>-</b>	<b>-</b>
<b>Buildings</b>				
Buildings at fair value	141 192	137 585	29	29
Accumulated depreciation	(29 615)	(24 179)	(17)	(14)
<b>Total buildings</b>	<b>111 577</b>	<b>113 406</b>	<b>12</b>	<b>15</b>
<b>Vehicles</b>				
Vehicles at fair value	192 846	181 549	-	-
Accumulated depreciation	(64 004)	(52 377)	-	-
<b>Total vehicles</b>	<b>128 842</b>	<b>129 172</b>	<b>-</b>	<b>-</b>
<b>Communication (Comms.) equipment</b>				
Communication equipment at fair value	21 838	20 798	148	-
Accumulated depreciation	(9 106)	(6 726)	(25)	-
<b>Total communication equipment</b>	<b>12 732</b>	<b>14 072</b>	<b>123</b>	<b>-</b>
<b>Computer equipment</b>				
Computer equipment at fair value	2 542	2 452	673	594
Accumulated depreciation	(1 800)	(1 325)	(348)	(236)
<b>Total computer equipment</b>	<b>742</b>	<b>1 127</b>	<b>325</b>	<b>358</b>
<b>Plant and equipment</b>				
Plant and equipment at fair value	11 766	10 347	228	228
Accumulated depreciation	(4 784)	(3 692)	(189)	(169)
<b>Total plant and equipment</b>	<b>6 982</b>	<b>6 655</b>	<b>39</b>	<b>59</b>
<b>Capital work in progress</b>				
Capital work in progress at cost	36 260	30 418	1 469	1 172
<b>Total capital work in progress</b>	<b>36 260</b>	<b>30 418</b>	<b>1 469</b>	<b>1 172</b>
<b>Total property, plant and equipment</b>	<b>363 026</b>	<b>359 899</b>	<b>1 968</b>	<b>1 604</b>

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

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 department's approach to fair value is set out in note 11.2.

**Impairment**

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

**Reconciliation of property, plant and equipment during 2018-19**

	Land	Buildings	Vehicles	Comms. equipment	Computer equipment	Plant & equipment	Capital work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Consolidated</b>								
Carrying amount at 1 July 2018	65 049	113 406	129 172	14 072	1 127	6 655	30 418	359 899
Acquisitions	690	-	21	-	-	37	26 520	27 268
Disposals	-	-	(388)	-	-	(10)	-	(398)
Transfers from capital WIP	152	3 607	11 986	1 040	90	1 410	(20 687)	(2 402)
Depreciation	-	(5 436)	(11 949)	(2 380)	(475)	(1 110)	-	(21 350)
Other	-	-	-	-	-	-	9	9
<b>Carrying amount at 30 June 2019</b>	<b>65 891</b>	<b>111 577</b>	<b>128 842</b>	<b>12 732</b>	<b>742</b>	<b>6 982</b>	<b>36 260</b>	<b>363 026</b>



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

**Reconciliation of property, plant and equipment during 2017-18**

	Land	Buildings	Vehicles	Comms. equipment	Computer equipment	Plant & equipment	Capital work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Consolidated</b>								
Carrying amount at 1 July 2017	65 027	115 446	125 935	14 940	1 417	6 628	23 078	352 471
Acquisitions	-	-	14	-	-	-	29 593	29 607
Disposals	-	-	(449)	-	-	-	-	(449)
Transfers from capital WIP	-	3 395	15 758	1 408	164	1 068	(22 202)	(409)
Assets received free of charge	-	-	-	-	-	-	-	-
Depreciation	-	(5 435)	(12 086)	(2 276)	(454)	(1 041)	-	(21 292)
Capital WIP - expensed in current period	-	-	-	-	-	-	(51)	(51)
Other	22	-	-	-	-	-	-	22
<b>Carrying amount at 30 June 2018</b>	<b>65 049</b>	<b>113 406</b>	<b>129 172</b>	<b>14 072</b>	<b>1 127</b>	<b>6 655</b>	<b>30 418</b>	<b>359 899</b>

**Reconciliation of property, plant and equipment during 2018-19**

	Buildings	Vehicles	Comms. equipment	Computer equipment	Plant & equipment	Capital work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>SAFECOM</b>							
Carrying amount at 1 July 2018	15	-	-	358	59	1 172	1 604
Acquisitions	-	-	-	-	-	2 903	2 903
Transfers from capital WIP	-	-	148	79	-	(2 606)	(2 379)
Depreciation	(3)	-	(25)	(112)	(20)	-	(160)
<b>Carrying amount at 30 June 2019</b>	<b>12</b>	<b>-</b>	<b>123</b>	<b>325</b>	<b>39</b>	<b>1 469</b>	<b>1 968</b>

**Reconciliation of property, plant and equipment during 2017-18**

	Buildings	Vehicles	Comms. equipment	Computer equipment	Plant & equipment	Capital work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>SAFECOM</b>							
Carrying amount at 1 July 2017	18	23	-	320	79	225	665
Acquisitions	-	-	-	-	-	1,374	1 374
Disposals	-	(14)	-	-	-	-	(14)
Transfers from capital WIP	-	-	-	128	-	(427)	(299)
Depreciation	(3)	(9)	-	(90)	(20)	-	(122)
<b>Carrying amount at 30 June 2018</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>358</b>	<b>59</b>	<b>1 172</b>	<b>1 604</b>

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**5.2. Intangible assets**

	Consolidated		SAFECOM Entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Computer software</b>				
Computer software at cost	4 932	2 768	4 451	2 072
Accumulated amortisation	(2 300)	(2 383)	(2 037)	(1 963)
<b>Total computer software</b>	<b>2 632</b>	<b>385</b>	<b>2 414</b>	<b>109</b>
<b>Total intangible assets</b>	<b>2 632</b>	<b>385</b>	<b>2 414</b>	<b>109</b>

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

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.

**Reconciliation 2018-19**

	Consolidated Computer software \$'000	SAFECOM Entity Computer software \$'000
Carrying amount at 1 July 2018	385	109
Additions	-	-
Write off	-	-
Transfers from capital WIP	2 402	2 379
Amortisation	(155)	(74)
<b>Carrying amount at 30 June 2019</b>	<b>2 632</b>	<b>2 414</b>

**Reconciliation 2017-18**

	Consolidated Computer software \$'000	SAFECOM Entity Computer software \$'000
Carrying amount at 1 July 2017	1 274	1 052
Additions	-	-
Write off	(922)	(922)
Transfers from capital WIP	410	300
Amortisation	(377)	(321)
<b>Carrying amount at 30 June 2018</b>	<b>385</b>	<b>109</b>

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**6. Financial assets**

**6.1. Cash and cash equivalents**

	<b>Consolidated</b>		<b>SAFECOM Entity</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Cash on hand	12	11	-	-
Deposits with the Treasurer	29 434	17 595	7 598	6 366
Cash at bank	36	560	-	-
Cash at bank - Groups/Brigades/Units	4 283	4 379	-	-
Short-term deposits - Groups/Brigades/Units	754	704	-	-
Short-term deposits	72	60	-	-
<b>Total cash and cash equivalents</b>	<b>34 591</b>	<b>23 309</b>	<b>7 598</b>	<b>6 366</b>

Cash is measured at nominal amounts.

**Deposits with the Treasurer**

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

**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. Deposits at call and with the Treasurer earn a floating interest rate, based on daily deposit rates. The carrying amount of cash and cash equivalents represents fair value.

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**6.2. Receivables**

	Consolidated		SAFECOM Entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Receivables	3 124	2 697	54	11
Less allowance for doubtful debts	(15)	(99)	-	-
Prepayments	434	364	4	1
Accrued revenues	1 400	79	5	3
GST input tax recoverable	2 823	2 555	602	544
<b>Total current receivables</b>	<b>7 766</b>	<b>5 596</b>	<b>665</b>	<b>559</b>
<b>Total receivables</b>	<b>7 766</b>	<b>5 596</b>	<b>665</b>	<b>559</b>

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

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

Refer to note 11.3 for further information on risk management.

**Impairment of Receivables**

	Consolidated		SAFECOM Entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Balance at 30 June 2018 under AASB 139	99	-		
Adjustments on initial adoption of AASB 9	(84)	-		
<b>Carrying amount at beginning of the period</b>	<b>15</b>	<b>92</b>	<b>-</b>	<b>-</b>
Increase/(decrease) in the allowance	2	76	-	-
Amounts written off	(2)	(23)	-	-
Amounts recovered during the year	-	(46)	-	-
<b>Carrying amount at the end of the period</b>	<b>15</b>	<b>99</b>	<b>-</b>	<b>-</b>

Refer to note 11.3 for details regarding credit risk and the methodology for determining impairment.



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**6.3. Other financial assets**

	Consolidated		SAFECOM Entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Medium Term Deposits - Groups/Brigades/Units	2 356	2 805	-	-
Investments				
Investments classified as fair value through other comprehensive income				
Listed equity instruments	105	-	-	-
<b>Total current other financial assets</b>	<b>2 461</b>	<b>2 805</b>	<b>-</b>	<b>-</b>
<b>Total other financial assets</b>	<b>2 461</b>	<b>2 805</b>	<b>-</b>	<b>-</b>

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 11.3. For further information on the impact of the AASB 9 refer to note 9.2

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

	Consolidated		SAFECOM Entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Land	742	742	-	-
<b>Total non-current assets classified as held for sale</b>	<b>742</b>	<b>742</b>	<b>-</b>	<b>-</b>

A tender to sell surplus SACFS land at Port Lincoln during 2011 failed to be realised, and as at 30 June 2019 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 11.2 (i.e. there was no change to valuation technique).

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**7. Liabilities**

Employee benefits liabilities are disclosed in note 2.4

**7.1. Payables**

	<b>Consolidated</b>		<b>SAFECOM Entity</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>				
Creditors	1 792	1 587	274	64
Accrued expenses	15 984	13 474	2 195	2 306
Paid parental leave scheme payable	3	-	3	-
Employment on-costs	4 597	4 312	189	189
<b>Total current payables</b>	<b>22 376</b>	<b>19 373</b>	<b>2 661</b>	<b>2 559</b>
<b>Non-current</b>				
Creditors	8	8	-	-
Employment on-costs	5 798	4 748	217	191
<b>Total non-current payables</b>	<b>5 806</b>	<b>4 756</b>	<b>217</b>	<b>191</b>
<b>Total payables</b>	<b>28 182</b>	<b>24 129</b>	<b>2 878</b>	<b>2 750</b>

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

**Employment on-costs**

Employment on-costs include Payroll Tax and superannuation contributions. SAFECOM makes contributions 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 of the proportion of long service leave taken as leave has remain unchanged at 41% and the average factor for the calculation of employer superannuation cost on-cost is 9.8% (2018: 9.9%). 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.

**Paid Parental Leave Scheme**

Paid Parental Leave Scheme payable represents amounts which SAFECOM has received from the Commonwealth Government to forward onto eligible employees via SAFECOM's standard payroll processes. That is, SAFECOM is acting as a conduit through which the payment to eligible employees is made on behalf of the Family Assistance Office.

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**7.2. Provisions**

	Consolidated		SAFECOM Entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Provision for workers' compensation	13 410	11 420	50	53
Additional compensation	511	530	4	6
<b>Total current provisions</b>	<b>13 921</b>	<b>11 950</b>	<b>54</b>	<b>59</b>
<b>Non-current</b>				
Provision for workers' compensation	72 190	45 659	53	50
Additional compensation	15 999	17 835	212	280
<b>Total non-current provisions</b>	<b>88 189</b>	<b>63 494</b>	<b>265</b>	<b>330</b>
<b>Total provisions</b>	<b>102 110</b>	<b>75 444</b>	<b>319</b>	<b>389</b>

	Consolidated		SAFECOM Entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Movement in provisions</b>				
<b>Workers' compensation</b>				
Carrying amount at the beginning of the period	57 079	18 927	103	42
Additional provision recognised	34 285	44 485	30	102
Reductions arising from payments	(5 764)	(6 333)	(30)	(41)
<b>Carrying amount at the end of the period</b>	<b>85 600</b>	<b>57 079</b>	<b>103</b>	<b>103</b>
<b>Additional compensation</b>				
Carrying amount at the beginning of the period	18 365	-	286	-
Additional provision recognised	-	18 365	-	286
Reductions resulting from re-measurement	(1 330)	-	(70)	-
Reductions arising from payments	(525)	-	-	-
<b>Carrying amount at the end of the period</b>	<b>16 510</b>	<b>18 365</b>	<b>216</b>	<b>286</b>



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**7.2. Provisions (continued)**

**Workers Compensation**

The emergency services sector is responsible for the payment of workers' compensation claims.

A liability 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 2019 provided by a consulting actuary engaged through the Office for the Public Sector. The liability was calculated in accordance with Australian Accounting Standard 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.

There is a significant degree of uncertainty associated with estimating future claim and expense payments. The actuarial assessment is sensitive to changes in assumptions and as claim costs are received and assessed, assumptions will be based on more extensive experience.

Presumptive workers' compensation coverage for firefighters for a range of cancers came into effect from 1 July 2013. The workers' compensation provision as at 30 June 2019 includes an actuarial assessment of firefighters cancer claims. The actuary has included an estimate for injuries incurred but not reported

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

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

The Additional Compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2019 provided by a consulting actuary engaged by the Office for the Public Sector. The liability was calculated in accordance with Australian Accounting Standard 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. The liability comprises an estimate for known claims and an estimate of incurred but not reported (IBNR) applications. No risk margin is included in the estimate.

Key assumptions in the estimate include:

- application frequency
- the probability of applications becoming successful claims
- projections of annual claim payments
- rates of benefit continuance
- retirement age and mortality rates.

There is a significant 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 the absence of claims 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.



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**8. Other disclosures**

**8.1. Equity**

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

**Investment reserve**

Current year – the reserve is used to record all changes in fair value of investments classified as fair value through other comprehensive income.

**8.2. Cash flow**

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.

	<b>Consolidated</b>		<b>SAFECOM Entity</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Reconciliation of cash and cash equivalents at the end of the reporting period</b>				
Cash and cash equivalents disclosed in the Statement of Financial Position	34 591	23 309	7 598	6 366
Balance as per Statement of Cash Flows	34 591	23 309	7 598	6 366
<b>Reconciliation of net cash provided by / (used in) operating activities to net cost of providing services</b>				
Net cash provided by / (used in) operating activities	37 673	23 151	4 135	2 347
Less revenues from SA Government	(290 442)	(257 001)	(23 098)	(16 869)
<b>Add / (less) non-cash items</b>				
Depreciation and amortisation	(21 505)	(21 669)	(234)	(443)
Donated assets	99	-	-	-
Assets acquired at no cost	-	22	-	-
Capital work-in-progress expensed	-	(51)	-	-
Intangible write off	-	(922)	-	(922)
Net gain/(loss) from disposal of non-current assets	30	(9)	-	-
<b>Movement in assets and liabilities</b>				
Increase/(decrease) in receivables	2 086	1 378	106	(965)
(Increase)/decrease in payables	(4 044)	(7 766)	(128)	(1 376)
(Increase)/decrease in employee benefits	(7 830)	(3 297)	(342)	(378)
(Increase)/decrease in provisions	(26 666)	(56 517)	70	(347)
<b>Net cost of providing services</b>	<b>(310 599)</b>	<b>(322 681)</b>	<b>(19 491)</b>	<b>(18 953)</b>

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**9. Changes in accounting policy**

**9.1. Treasurer's Instructions (Accounting Policy Statement)**

On 22 March 2019 the *Treasurer's Instructions (Accounting Policy Statements) 2019* were issued by the Treasurer under the *Public Finance and Audit Act 1987*. The Accounting Policy Statements replaced the following Accounting Policy Frameworks:

- Purpose and Scope
- General Purpose Financial Statements Framework
- Asset Accounting Framework
- Financial Asset and Liability Framework
- Income Framework
- Definitions.

The new Accounting Policy Statements have largely been prepared on a no-policy change basis. Changes that impact on these financial statements are:

- removal of the additional requirement to report transactions with the SA Government.
- removal of the additional requirement to report a statement of equity for administered items.
- increasing the bands from \$10,000 to \$20,000 for employee and board member reporting.

These changes, however, do not impact on the amounts reported in the financial statements.

The Accounting Policy Statements also set out requirements in relation to Accounting Standards and Statements not yet effective. This is further discussed in note 10.3.

**9.2. AASB 9 Financial Instruments**

*AASB 9 Financial Instruments* replaces the provisions of AASB 139 that relate to recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The adoption of AASB 9 from 1 July 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in financial statements.

As part of the adoption of AASB 9, SAFECOM adopted consequential amendments to other accounting standards and the *Treasurer's Instructions (Accounting Policy Statements)* arising from the issue of AASB 9 as follows:

- *AASB 7 Financial Instruments: Disclosures* requires amended disclosures due to changes arising from AASB 9, these disclosures have been provided for the current year because the comparatives have not been restated.

In accordance with transitional provisions and the *Treasurer's Instructions (Accounting Policy Statements)*, *AASB 9 Financial Instruments* was adopted without restating comparative information for classification and measurement requirements. All adjustments relating to classification and measurement are recognised in retained earnings at 1 July 2018.

The adoption of AASB 9 has not had a significant effect on the recognition, measurement or classification of financial liabilities.

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**9.2. AASB 9 Financial Instruments (continued)**

The total impact on SAFECOM Consolidated retained earnings as at 1 July 2018 is as follows:

	Consolidated	SAFECOM Entity
	2018	2018
	\$'000	\$'000
Closing retained earnings 30 June 2018 – AASB 139	176 286	-
Adjustment to retained earnings from adoption of AASB 9	84	-
Opening retained earnings 1 July 2018 – AASB 9	176 370	-

On 1 July 2018, SAFECOM Consolidated has assessed and reclassified its financial assets into the appropriate AASB 9 categories depending on the business model and contractual cash flow characteristics applying to the asset. AASB 9 eliminates the AASB 139 categories of held to maturity, loans and receivables and available for sale.

**Reclassification of financial instruments on adoption of AASB 9**

On the date of initial application, SAFECOM's financial instruments were as follows, with any reclassifications noted.

	<u>Consolidated</u>		AASB 139 at 30 June 2018 \$'000	Carrying amount re- measurement \$'000	AASB 9 at 1 July 2018 \$'000
	Measurement category AASB 139	AASB 9			
<b><u>Current financial assets</u></b>					
Receivables	Loans and receivables	Amortised cost	2 775	84	2 859
Other financial assets	Held to maturity	Amortised cost	2 805	-	2 805
<b><u>Current financial liabilities</u></b>					
Payables	Amortised cost	Amortised cost	14 871	-	14 871

	<u>SAFECOM Entity</u>		AASB 139 at 30 June 2018 \$'000	Carrying amount re- measurement \$'000	AASB 9 at 1 July 2018 \$'000
	Measurement category AASB 139	AASB 9			
<b><u>Current financial assets</u></b>					
Receivables	Loans and receivables	Amortised cost	14	-	14
<b><u>Current financial liabilities</u></b>					
Payables	Amortised cost	Amortised cost	2 260	-	2 260



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**9.2. AASB 9 Financial Instruments (continued)**

***Impairment of financial assets***

AASB 9 replaces the 'incurred loss' model in AASB 139 with an 'expected credit loss' model. The following financial assets of the department are subject to AASB 9's new expected credit loss model:

- trade receivables from provision of services

This model generally results in earlier recognition of credit losses than the previous one.

***Trade receivables***

New impairment requirements result in a provision being applied to all receivables rather than only on those receivables that are credit impaired. SAFECOM has adopted the simplified approach under AASB 9 Financial Instruments and measured lifetime expected credit losses on all trade receivables using a provision matrix approach as a practical expedient to measure the impairment provision. This resulted in an increase of the loss allowance on 1 July 2018 of \$84 000 for trade receivables external to Government.

There are no additional impairment provisions for State, Territory, or Commonwealth Government receivables due to the Government's high quality credit risk.

Trade and other receivables that were classified as loans and receivables under AASB 139 are now classified at amortised cost as they meet the appropriate criteria under AASB 9.

***Equity investments***

Equity investments that would previously have been classified as available-for-sale are have been designated as fair value through other comprehensive income because these investments were donated for the SAFECOM to hold for the long-term to be used to support public education campaigns on a range of government initiatives.

As a result, equity investments with a fair value of \$105 000 were reclassified from available-for-sale financial assets to financial assets at fair value through other comprehensive income upon recognition. A new reserve has not been established, however the nature and purpose of the reserve has changed as described in note 8.1. This change did not affect retained earnings at 1 July 2018.

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**10. Outlook**

**10.1. Unrecognised contractual commitments**

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

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

**Operating lease commitments**

Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities are payable as follows:

	<b>Consolidated</b>		<b>SAFECOM Entity</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Within one year	3 875	3 388	490	451
Later than one year but not later than five years	5 526	2 893	233	193
Later than five years	1 904	93	-	-
<b>Total operating lease commitments</b>	<b>11 305</b>	<b>6 374</b>	<b>723</b>	<b>644</b>

These non-cancellable leases relate to vehicle and property leases, with rental payable monthly. Contingent rental provisions within the property lease agreements require the minimum monthly lease payments to be increased annually or based on a Consumer Price Index movement.

**Capital commitments**

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

	<b>Consolidated</b>		<b>SAFECOM Entity</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Within one year	12 606	2 805	-	336
<b>Total capital commitments</b>	<b>12 606</b>	<b>2 805</b>	<b>-</b>	<b>336</b>

These capital commitments are for property and vehicles and PABX system.

**Expenditure commitments**

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

	<b>Consolidated</b>		<b>SAFECOM Entity</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Within one year	7 075	3 968	1 049	1 157
Later than one year but not later than five years	4 740	1 274	255	76
<b>Total expenditure commitments</b>	<b>11 815</b>	<b>5 242</b>	<b>1 304</b>	<b>1 233</b>

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

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**10.2. 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 Entity*

SAFECOM entity has sought damages from a supplier for an alleged breach of contract. The outcome of the claim cannot be reliably determined at this stage.

**Contingent liabilities**

*SAFECOM Entity*

A supplier has taken legal action against SAFECOM entity for an intellectual property claim. The outcome of the claim cannot be reliably determined at this stage.

**10.3. Impact of Standards and Statements not yet implemented**

SAFECOM has assessed the impact of new and changed Australian Accounting Standards Board Standards and Interpretations not yet effective.

*Treasurer's Instructions (Accounting Policy Statements) 2019* issued by the Treasurer on 22 March 2019 are effective for 2018-19 reporting period and are addressed below in relation to Standards not yet effective and in note 9.1. There are no Accounting Policy Statements that are not yet effective.

**AASB 15 – Revenue from Contracts with Customers and AASB 1058 – Income of Not for Profit Entities**

SAFECOM will adopt AASB 15 – Revenue from Contracts with Customers and AASB 1058 – Income of Not for Profit Entities from 1 July 2019.

**Objective**

AASB 15 introduces a 5-step approach to revenue recognition. The objective of AASB 15 is that recognition of revenue depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. It provides extensive guidance as to how to apply this revenue recognition approach to a range of scenarios. AASB 15 – Revenue from Contracts replaces AASB 111 – Construction Contracts and AASB 118 – Revenue.

AASB 1058 introduces consistent requirements for the accounting of non-reciprocal transactions by not-for-profit entities, in conjunction with AASB 15. These requirements closely reflect the economic reality of not-for-profit entity transactions that are not contracts with customers. AASB 1058 replaces parts of AASB 1004 – Contributions.



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**10.3. Impact of standards and statements not yet effective (continued)**

***Impact on 2019-20 financial statements***

Adopting AASB 15 and AASB 1058 will not have an impact on the timing of recognition of revenue by SAFECOM.

***Related accounting policies***

The *Treasurer's Instructions (Accounting Policy Statements) 2019* also sets out requirements for on-going application. These requirements include that SAFECOM will:

- apply, where permitted, the short-term licences recognition exemption.
- adopt \$15,000 as the threshold to determine whether a licence is a licence for which the transaction price is of low value and will apply the low value licence recognition exemption for all low value licences.
- not recognise volunteer services when the services would not have been purchased if they had not been donated.

**AASB 16 – Leases**

SAFECOM will adopt AASB 16 – Leases from 1 July 2019.

***Objective***

AASB 16 sets out a comprehensive model for lease accounting that addresses recognition, measurement, presentation and disclosure of leases. The outcome will be that lease information disclosed will give users of financial statements a basis to assess the effect that leases have on the financial position, financial performance and cash flows of an entity. AASB 16 Leases replaces AASB 117 Leases and *Interpretation 4 Determining whether an Arrangement contains a Lease*, *Interpretation 115 Operating Leases – Incentives and Interpretation*, and *Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

***Impact on 2019-20 financial statements***

SAFECOM has assessed the estimated impact on the Statement of Financial Position of adopting AASB 16 with the transition requirements mandated by the *Treasurer's Instructions (Accounting Policy Statements)*.

AASB 16 requires lessees to recognise assets and liabilities for all leases, not subject to a recognition exemption or scoped out of the application of AASB 16. Applying AASB 16 will result in leases previously classified as operating leases having right-of-use assets and related lease liabilities being recognised in the Statement of Financial Position for the first time. Lease incentive liabilities previously recognised will be written off against the right-of-use assets or retained earnings depending on the nature of the incentive.

AASB 16 is expected to have a material impact on the Statement of Financial Position. SAFECOM has estimated the impact of this change and the results as at 1 July 2019.

The estimated impact is based on applying AASB 16's transition approach to those leases identified as leases by SAFECOM prior to 1 July 2019. The incremental borrowing rates applied to estimate the lease liability were SAFA's interest rates for principal and interest loans to SA Government agencies.

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**10.3. Impact of standards and statements not yet effective (continued)**

	Consolidated	SAFECOM
	as at 1 July 2019	Entity
	\$'000	as at 1 July 2019
		\$'000
<b>Assets</b>		
Right-of-use assets	9 625	696
<b>Liabilities</b>		
Lease liabilities	9 625	696
<b>Net impact on equity</b>	-	-

AASB 16 will also impact on the Statement of Comprehensive Income. The operating lease expense previously included in supplies and services will mostly be replaced with:

- a depreciation expense that represents the use of the right-of-use asset; and
- borrowing costs that represent the cost associated with financing the right-of-use asset.

The estimated impact on 2019-20 Statement of Comprehensive Income is set out below.

	Consolidated	SAFECOM
	2020	Entity
	\$'000	2020
		\$'000
Depreciation and amortisation	3 209	472
Supplies and services	(3 256)	(476)
Borrowing costs	147	7
<b>Net impact on net cost of providing services</b>	<b>100</b>	<b>3</b>

The amounts disclosed are current estimates only. SAFECOM is continuing to refine its calculations of lease assets and liabilities for 2019-20 financial reporting purposes and expects that these figures will change. This includes accounting for non-lease components and clarifying lease terms and treatment of contractual rent increases.

**Related accounting policies**

The *Treasurer's Instructions (Accounting Policy Statements) 2019* sets out key requirements that SAFECOM must adopt for the transition from AASB 117 Leases to AASB 16 Leases. These requirements include that SAFECOM will:

- apply AASB 16 retrospectively. The cumulative effect of initially applying the Standard will be recognised at 1 July 2019. Comparatives will not be restated.
- only apply AASB 16 to contracts that were previously identified as containing a lease applying AASB 117 and related interpretations.
- not transition operating leases for which the lease term ends before 30 June 2020.



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**10.3. Impact of standards and statements not yet effective (continued)**

The *Treasurer's Instructions (Accounting Policy Statements) 2019* also sets out requirements for on-going application. These requirements include that SAFECOM will:

- not apply AASB 16 to leases of intangible assets.
- adopt \$15,000 as the threshold to determine whether an underlying asset is a low value asset and must apply the low value asset recognition exemption to all low value assets.
- apply the short-term leases recognition exemption for all classes of underlying asset.
- separate non-lease components from lease components.
- adopt the revaluation model, where permitted.
- where required, apply the relevant lessee's incremental borrowing rate published by the Department of Treasury and Finance.
- on initial recognition not record at fair-value leases that have significantly below-market terms and conditions principally to enable SAFECOM to further its objectives, unless they have already been recorded at fair-value prior to 1 July 2019.

**10.4. Trust funds**

	Consolidated		SAFECOM Entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Cash at bank	189	156	-	-
<b>Total trust funds</b>	<b>189</b>	<b>156</b>	<b>-</b>	<b>-</b>

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 2018-19, total income earned by the Council was \$42 000 (2018: \$42 000) and expenses incurred totalled \$1 000 (2018: \$42 000).

**10.5. Events after the reporting period**

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

**South Australian Fire and Emergency Services Commission**  
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**11. Measurement and risk**

**11.1. 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 Employee Benefits* 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 decreased from 2018 (2.75%) to 2019 (1.25%).

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

The net financial effect of the changes in the current financial year is not material. 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 4% for long service leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

The unconditional portion of the long service leave provision is classified as current as SAFECOM does not have an unconditional right to defer settlement of the liability for at least 12 months after reporting date. The unconditional portion of long service leave relates to an unconditional legal entitlement to payment arising after 10 years of service.

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**11.2. 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 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, the asset is revalued regardless of when the last valuation took place.

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

***Fair value hierarchy***

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.

During 2019 and 2018, 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.

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**11.2. Fair value (continued)**

Fair value classification – non-financial assets at 30 June 2019

	Note	Consolidated			SAFECOM Entity	
		Level 2	Level 3	Total	Level 3	Total
		\$'000	\$'000	\$'000	\$'000	\$'000
<b>Recurring fair value measurements</b>						
Land	5.1	14 046	51 845	65 891	-	-
Buildings	5.1	22 728	88 849	111 577	12	12
Vehicles	5.1	-	128 842	128 842	-	-
Communication (Comms.) equipment	5.1	-	12 732	12 732	123	123
Computer equipment	5.1	-	742	742	325	325
Plant and equipment	5.1	-	6 982	6 982	39	39
<b>Total recurring fair value measurements</b>		<b>36 774</b>	<b>289 992</b>	<b>326 766</b>	<b>499</b>	<b>499</b>
<b>Non-recurring fair value measurements</b>						
Land held for sale	6.4	742	-	742	-	-
<b>Total non-recurring fair value measurements</b>		<b>742</b>	<b>-</b>	<b>742</b>	<b>-</b>	<b>-</b>
<b>Total fair value measurements</b>		<b>37 516</b>	<b>289 992</b>	<b>327 508</b>	<b>499</b>	<b>499</b>



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**11.2. Fair value (continued)**

**Fair value classification – non-financial assets at 30 June 2018**

	Note	Consolidated			SAFEKOM Entity	
		Level 2	Level 3	Total	Level 3	Total
		\$'000	\$'000	\$'000	\$'000	\$'000
<b>Recurring fair value measurements</b>						
Land	5.1	13 357	51 692	65 049	-	-
Buildings	5.1	20 665	92 741	113 406	15	15
Vehicles	5.1	-	129 172	129 172	-	-
Communication (Comms.) equipment	5.1	-	14 072	14 072	-	-
Computer equipment	5.1	-	1 127	1 127	358	358
Plant and equipment	5.1	-	6 655	6 655	59	59
<b>Total recurring fair value measurements</b>		<b>34 022</b>	<b>295 459</b>	<b>329 481</b>	<b>432</b>	<b>432</b>
<b>Non-recurring fair value measurements</b>						
Land held for sale	6.4	742	-	742	-	-
<b>Total non-recurring fair value measurements</b>		<b>742</b>	<b>-</b>	<b>742</b>	<b>-</b>	<b>-</b>
<b>Total fair value measurements</b>		<b>34 764</b>	<b>295 459</b>	<b>330 223</b>	<b>432</b>	<b>432</b>

**Land and Buildings**

An independent valuation of land and buildings was performed by a Certified Practising Valuer from Liquid Pacific, as at 1 January 2014.

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, adjustments were applied 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 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. Plant and equipment has not been revalued in accordance with APS 116.D. The carrying value of these items are deemed to approximate fair value.



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**11.2. Fair value (continued)**

**Reconciliation of level 3 recurring fair value measurement at 30 June 2019**

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

<b>Consolidated</b>	<b>Land</b>	<b>Buildings</b>	<b>Vehicles</b>	<b>Comms. equipment</b>	<b>Computer equipment</b>	<b>Plant &amp; equipment</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Opening balance at the beginning of the period	51 692	92 741	129 172	14 072	1 127	6 655	295 459
Acquisitions	-	-	-	-	-	37	37
Capitalised asset transfers	153	743	12 008	1 040	90	1 400	15 434
Disposals	-	-	(389)	-	-	-	(389)
Gains/(losses) for the period recognised in net result:							
Depreciation	-	(4 635)	(11 949)	(2 380)	(475)	(1 110)	(20 549)
Total gains/(losses) recognised in net result	-	(4 635)	(11 949)	(2 380)	(475)	(1 110)	(20 549)
<b>Closing balance at the end of the period</b>	<b>51 845</b>	<b>88 849</b>	<b>128 842</b>	<b>12 732</b>	<b>742</b>	<b>6 982</b>	<b>289 992</b>

**Reconciliation of Level 3 recurring fair value measurement at 30 June 2018**

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

<b>Consolidated</b>	<b>Land</b>	<b>Buildings</b>	<b>Vehicles</b>	<b>Comms. equipment</b>	<b>Computer equipment</b>	<b>Plant &amp; equipment</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Opening balance at the beginning of the period	51 667	95 903	125 935	14 940	1 417	6 628	296 490
Acquisitions	-	-	14	-	-	-	14
Capitalised asset transfers	-	1 432	15 758	1 408	164	1 068	19 830
Other	25	-	-	-	-	-	25
Disposals	-	-	(449)	-	-	-	(449)
Gains/(losses) for the period recognised in net result:							
Depreciation	-	(4 594)	(12 086)	(2 276)	(454)	(1 041)	(20 451)
Total gains/(losses) recognised in net result	-	(4 594)	(12 086)	(2 276)	(454)	(1 041)	(20 451)
<b>Closing balance at the end of the period</b>	<b>51 692</b>	<b>92 741</b>	<b>129 172</b>	<b>14 072</b>	<b>1 127</b>	<b>6 655</b>	<b>295 459</b>

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**11.2. Fair value (continued)**

**Reconciliation of level 3 recurring fair value measurement at 30 June 2019**

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

<b>SAFECOM Entity</b>	<b>Buildings</b>	<b>Vehicles</b>	<b>Comms. equipment</b>	<b>Computer equipment</b>	<b>Plant &amp; equipment</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Opening balance at the beginning of the period	15	-	-	358	59	432
Capitalised asset transfers	-	-	148	79	-	227
Gains/(losses) for the period recognised in net result:						
Depreciation	(3)	-	(25)	(112)	(20)	(160)
Total gains/(losses) recognised in net result	(3)	-	(25)	(112)	(20)	(160)
<b>Closing balance at the end of the period</b>	<b>12</b>	<b>-</b>	<b>123</b>	<b>325</b>	<b>39</b>	<b>499</b>

**Reconciliation of Level 3 recurring fair value measurement at 30 June 2018**

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

<b>SAFECOM Entity</b>	<b>Buildings</b>	<b>Vehicles</b>	<b>Comms. equipment</b>	<b>Computer equipment</b>	<b>Plant &amp; equipment</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Opening balance at the beginning of the period	18	23	-	320	79	440
Capitalised asset transfers	-	-	-	128	-	128
Disposals	-	(14)	-	-	-	(14)
Gains/(losses) for the period recognised in net result:						
Depreciation	(3)	(9)	-	(90)	(20)	(122)
Total gains/(losses) recognised in net result	(3)	(9)	-	(90)	(20)	(122)
<b>Closing balance at the end of the period</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>358</b>	<b>59</b>	<b>432</b>

**South Australian Fire and Emergency Services Commission**  
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**11.3. Financial instruments**

**Financial risk management**

Risk management is managed by SAFECOM corporate services section and risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer 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 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. SAFECOM 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 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 the department's historical experience and informed credit assessment, including forward-looking information.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the department 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 non-government debtors for consolidated is \$15,000. The expected credit loss for non-government debtors for SAFECOM is nil.

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

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

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

Receivables with a contractual amount of \$2 000 written off during the year are still subject to enforcement activity.



**South Australian Fire and Emergency Services Commission**  
**Notes to and forming part of the financial statements**  
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**11.3. Financial instruments (continued)**

The department 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.

In the comparative period, the impairment of receivables was assessed based on the incurred loss model. The allowance was recognised when there was objective evidence that a receivable was impaired. The allowance for impairment was recognised in other expenses for specific debtors and debtors assessed on a collective basis for which such evidence existed.

**Market risk**

SAFECOM does not trade in foreign currency, 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 notes.

**Classification applicable until 30 June 2018 under AASB 139 Financial Instruments: Recognition and Measurement**

The carrying amounts are detailed below of each of the following categories of financial assets and liabilities:

- Held-to-maturity investments
- Loan and receivables
- Financial liabilities measured at cost.

SAFECOM does not recognise any financial assets or financial liabilities at fair value.

- The carrying value less impairment provisions of receivables and payables is a reasonable approximation of their fair values due to the short-term nature of these (refer notes 6.2 and 7.1).
- Held-to-maturity investments are initially recognised at fair value, then subsequently held at amortised cost. This is the most representative of fair value in the circumstances (refer note 6.1).

**Classification applicable from 1 July 2018 under AASB 9 Financial Instruments**

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income (FVOCI) – debt instrument, FVOCI – equity instrument or fair value through profit or loss.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest only on the principal amount outstanding.

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**11.3. Financial instruments (continued)**

The department measures all financial instruments, except equity investments, at amortised cost.

**Categorisation of financial assets and liabilities**

Category of financial asset and financial liability	Note	Carrying amount / fair value \$'000	2019 Contractual maturities Consolidated		Carrying amount / fair value \$'000	2019 Contractual maturities SAFECOM Entity	
			Current \$'000	More than 5 years \$'000		Current \$'000	More than 5 years \$'000
<b>Financial assets</b>							
<b>Cash and cash equivalents</b>							
Cash and cash equivalents	6.1	34 591	34 591	-	7 598	7 598	-
<b>Financial assets at amortised cost</b>							
Receivables		4 409	4 409	-	55	55	-
<b>Financial assets classified as fair value through other comprehensive income</b>							
Other financial assets	6.3	105	105	-	-	-	-
	6.3	2 356	2 356	-	-	-	-
<b>Total financial assets</b>		<b>41 461</b>	<b>41 461</b>	<b>-</b>	<b>7 653</b>	<b>7 653</b>	<b>-</b>
<b>Financial liabilities</b>							
<b>Financial liabilities at amortised cost</b>							
Payables		16 876	16 868	8	2 469	2 469	-
<b>Total financial liabilities</b>		<b>16 876</b>	<b>16 868</b>	<b>8</b>	<b>2 469</b>	<b>2 469</b>	<b>-</b>



**South Australian Fire and Emergency Services Commission**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

**11.3. Financial instruments (continued)**

**Categorisation of financial assets and liabilities**

Category of financial asset and financial liability	Note	Carrying amount / fair value \$'000	2018 Contractual maturities Consolidated		Carrying amount / fair value \$'000	2018 Contractual maturities SAFECOM Entity	
			Current \$'000	More than 5 years \$'000		Current \$'000	More than 5 years \$'000
<b>Financial assets</b>							
<b>Cash and cash equivalents</b>							
Cash and cash equivalents	6.1	23 309	23 309	-	6 366	6 366	-
Receivables		2 775	2 775	-	14	14	-
Other financial assets	6.3	2 805	2 805	-	-	-	-
<b>Total financial assets</b>		<b>28 889</b>	<b>28 889</b>	<b>-</b>	<b>6 380</b>	<b>6 380</b>	<b>-</b>
<b>Financial liabilities</b>							
Payables		14 871	14 863	8	2 260	2 260	-
<b>Total financial liabilities</b>		<b>14 871</b>	<b>14 863</b>	<b>8</b>	<b>2 260</b>	<b>2 260</b>	<b>-</b>

**Receivables and payables**

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. Commonwealth, State and Local Government taxes, fees and charges; Auditor-General's Department audit fees). In government, certain rights to receive or pay cash may not be contractual and therefore, in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents, they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).

The receivables amount disclosed here excludes prepayments as they are not financial assets. Prepayments are presented in note 6.2

# **Community Emergency Services Fund**

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## **Financial Statements**

For the year ended 30 June 2019



**Community Emergency Services Fund**  
**Statement of Administered Comprehensive Income**  
*for the year ended 30 June 2019*

		2019	2018
	Note	\$'000	\$'000
<b>Administered expenses</b>			
Contributions to SA Government administrative units	A2.1	308 957	278 842
Grants and subsidies	A2.2	6 231	5 664
Other	A2.3	7 976	8 347
<b>Total administered expenses</b>		<b>323 164</b>	<b>292 853</b>
<b>Administered income</b>			
Levy sources	A3.1	319 784	299 682
Fees and charges	A3.2	457	452
Interest	A3.3	1 425	1 343
Other	A3.4	30	-
<b>Total administered income</b>		<b>321 696</b>	<b>301 477</b>
<b>Net result</b>		<b>(1 468)</b>	<b>8 624</b>
<b>Total comprehensive result</b>		<b>(1 468)</b>	<b>8 624</b>

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

**Community Emergency Services Fund**  
**Statement of Administered Financial Position**  
*as at 30 June 2019*

	Note	2019 \$'000	2018 \$'000
<b>Administered current assets</b>			
Cash and cash equivalents	A4.1	32 053	30 796
Receivables	A4.2	1 707	1 530
<b>Total current assets</b>		<b>33 760</b>	<b>32 326</b>
<b>Administered current liabilities</b>			
Payables	A5.1	3 635	733
<b>Total current liabilities</b>		<b>3 635</b>	<b>733</b>
<b>Net assets</b>		<b>30 125</b>	<b>31 593</b>
<b>Administered equity</b>			
Retained earnings		30 125	31 593
<b>Total equity</b>		<b>30 125</b>	<b>31 593</b>

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 2019*

		2019	2018
		(Outflows)	(Outflows)
		Inflows	Inflows
	Note	\$'000	\$'000
<b>Cash flows from operating activities</b>			
<b>Cash outflows</b>			
Payments to SA Government administrative units		(305 417)	(279 512)
Payments of grants and subsidies		(6 865)	(5 092)
Other payments		(7 980)	(8 350)
<b>Cash used in operations</b>		<b>(320 262)</b>	<b>(292 954)</b>
<b>Cash inflows</b>			
Receipts from levy sources		319 548	299 681
Fees and charges		456	452
Interest received		1 485	1 282
Other receipts		30	-
<b>Cash generated from operations</b>		<b>321 519</b>	<b>301 415</b>
<b>Net cash provided by / (used in) operating activities</b>	A6.1	<b>1 257</b>	<b>8 461</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>1 257</b>	<b>8 461</b>
Cash and cash equivalents at the beginning of the reporting period		30 796	22 335
<b>Cash and cash equivalents at the end of the reporting period</b>	A4.1	<b>32 053</b>	<b>30 796</b>

The accompanying notes form part of these financial statements.

**Community Emergency Services Fund**  
**Notes to the administered financial statements**  
*for the year ended 30 June 2019*

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**NOTES TO THE FINANCIAL STATEMENTS**

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**Community Emergency Services Fund**  
**Notes to the administered financial statements**  
*for the year ended 30 June 2019*

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**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 its 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 falls within the portfolio responsibilities of the Treasurer.

**Community Emergency Services Fund**  
**Notes to the administered financial statements**  
*for the year ended 30 June 2019*

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**A1.3. Budget performance**

The budget performance table compares the fund outcomes against budget information presented to Parliament (2018-19 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 2019 \$'000	Actual 2019 \$'000	Variance \$'000
<b>Statement of Comprehensive Income</b>			
<b>Expenses</b>			
Contributions to SA Government administrative units	304 021	308 957	4 936
Grants and subsidies	6 853	6 231	(622)
Other	9 369	7 976	(1 393)
<b>Total administered expenses</b>	<b>320 243</b>	<b>323 164</b>	<b>2 921</b>
<b>Income</b>			
Levy sources	315 027	319 784	4 757
Fees and charges	433	457	24
Interest	1 500	1 425	(75)
Other	-	30	30
<b>Total administered income</b>	<b>316 960</b>	<b>321 696</b>	<b>4 736</b>
<b>Net result</b>	<b>(3 283)</b>	<b>(1 468)</b>	<b>1 815</b>
<b>Total comprehensive result</b>	<b>(3 283)</b>	<b>(1 468)</b>	<b>1 815</b>

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 2018-19 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 the administered financial statements**  
*for the year ended 30 June 2019*

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**A2. Expenses**

**A2.1. Contributions to SA Government administrative units**

	2019	2018
	\$'000	\$'000
South Australian Metropolitan Fire Service	148 348	139 225
South Australian Country Fire Service	93 151	77 330
South Australian Police	22 142	21 603
South Australian State Emergency Service	21 084	19 655
South Australian Fire and Emergency Services Commission	17 811	14 759
Department for Environment and Water	3 540	3 459
South Australian Ambulance Service	1 189	1 160
South Australian Police - Government radio network	758	740
Attorney-General's Department - State Rescue Helicopter Service	704	687
South Australian Ambulance Service - Government radio network	230	224
<b>Total contributions to SA Government administrative units</b>	<b>308 957</b>	<b>278 842</b>

**A2.2. Grants and subsidies**

	2019	2018
	\$'000	\$'000
Surf Life Saving South Australia	4 316	4 049
Volunteer Marine Rescue	1 532	1 202
Shark Beach Patrol	383	413
<b>Total grants and subsidies</b>	<b>6 231</b>	<b>5 664</b>

**A2.3. Other expenses**

	2019	2018
	\$'000	\$'000
Revenue SA - collection costs	6 262	6 664
Department of Planning, Transport and Infrastructure - collection costs	1 061	1 048
Administration costs	653	635
<b>Total other expenses</b>	<b>7 976</b>	<b>8 347</b>



**Community Emergency Services Fund**  
**Notes to the administered financial statements**  
*for the year ended 30 June 2019*

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**A3. Income**

**A3.1. Revenues from levy sources**

	2019	2018
	\$'000	\$'000
Fixed property collections	146 209	221 249
Fixed property remissions	119 484	24 909
Mobile collections	44 225	43 678
Government concessions	6 336	6 480
Mobile remissions	3 530	3 366
<b>Total revenues from levy sources</b>	<b>319 784</b>	<b>299 682</b>

**A3.2. Revenues from fees and charges**

	2019	2018
	\$'000	\$'000
Certificate sales and from other entities within the SA Government	457	452
<b>Total revenue from fees and charges</b>	<b>457</b>	<b>452</b>

Income from fees and charges is derived from the provision of goods and services to other SA Government agencies and to the public. This revenue is recognised upon delivery of the service to the client or by reference to the stage of completion.

**A3.3. Interest revenues**

	2019	2018
	\$'000	\$'000
Interest on deposit accounts - from entities within the SA Government	1 425	1 343
<b>Total interest revenues</b>	<b>1 425</b>	<b>1 343</b>

**A3.4. Other income**

	2019	2018
	\$'000	\$'000
Other sundry revenue	30	-
<b>Total other income</b>	<b>30</b>	<b>-</b>

**Community Emergency Services Fund**  
**Notes to the administered financial statements**  
*for the year ended 30 June 2019*

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**A4. Financial assets**

**A4.1. Cash and cash equivalents**

	2019	2018
	\$'000	\$'000
Deposits with the Treasurer	32 053	30 796
<b>Total cash and cash equivalents</b>	<b>32 053</b>	<b>30 796</b>

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. The carrying amount of cash and cash equivalents approximates fair value.

**A4.2. Receivables**

	2019	2018
	\$'000	\$'000
<b>Current</b>		
Receivables from entities within the SA Government	1 707	1 530
<b>Total current receivables</b>	<b>1 707</b>	<b>1 530</b>
<b>Total receivables</b>	<b>1 707</b>	<b>1 530</b>

All receivable amounts disclosed above are expected to be recovered within 12 months after reporting date.

**Interest rate and credit risk**

Receivables are raised for all goods and services provided for which payment has not been received. Receivables are normally settled within 30 days. Receivables and accrued revenues are non-interest bearing.

**Community Emergency Services Fund**  
**Notes to the administered financial statements**  
*for the year ended 30 June 2019*

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**A5. Liabilities**

**A5.1. Payables**

	2019 \$'000	2018 \$'000
<b>Current</b>		
Creditors	3 635	733
<b>Total current payables</b>	<b>3 635</b>	<b>733</b>
<b>Total payables</b>	<b>3 635</b>	<b>733</b>

**Interest rate and credit risk**

Creditors and accruals are raised for all amounts billed but unpaid. Sundry 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.

**Community Emergency Services Fund**  
**Notes to the administered financial statements**  
*for the year ended 30 June 2019*

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**A6. Other disclosures**

**A6.1. Cash flow reconciliation**

	2019 \$'000	2018 \$'000
<b>Reconciliation of cash and cash equivalents at the end of the reporting period</b>		
Cash and cash equivalents disclosed in the Statement of Administered Financial Position	32 053	30 796
Balance as per the Statement of Administered Cash Flows	32 053	30 796
<b>Reconciliation of net cash provided by / (used in) operating activities to net cost of providing services</b>		
Net cash provided by/(used in) operating activities	1 257	8 461
<b>Movement in assets and liabilities</b>		
Increase/(decrease) in receivables	177	62
(Increase)/decrease in payables	(2 902)	101
<b>Net result</b>	<u>(1 468)</u>	<u>8 624</u>



# **Community Emergency Services Fund**

## **Notes to the administered financial statements**

*for the year ended 30 June 2019*

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### **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 *Risk Management Policy Statement* issued by the Premier and Treasurer 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.

##### **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.

Refer to table A7.1 for the carrying amounts of each of the following categories of financial assets and liabilities: receivables and payables held at cost.

CESF does not recognise any financial assets or financial liabilities at fair value. The carrying value of receivables and payables is a reasonable approximation of their fair values due to the short-term nature of these (refer notes A4.2 and A5.1). Refer to note 9.2 of SAFECOM's financial statements for further information on adoption of AASB 9 in the current year.

##### **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.

##### **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.

In the comparative period, there was no impairment recognised under the incurred loss model due to the nature of CESF's debtors being government debtors.

Refer to note 11.3 in SAFECOM's financial statements for further information on impairment of financial instruments.

##### **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.

##### **Market risk**

CESF has non-interest bearing assets (receivables) and liabilities (payables) and interest bearing assets (cash at bank and investments). 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 TI 23 *Management of Foreign Currency Exposures*.



**Community Emergency Services Fund**  
**Notes to the administered financial statements**  
for the year ended 30 June 2019

**A7.1. Financial instruments (continued)**

**Table A7.1 Categorisation and maturity analysis of financial assets and liabilities**

Category of financial asset and financial liability	Note	Carrying amount / fair value \$'000	2019 Contractual maturities			
			Current \$'000	Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
<b>Financial assets</b>						
Cash and cash equivalents	A4.1	32 053	32 053	-	-	-
Receivables <sup>(1)(2)</sup>		57	57	-	-	-
<b>Total financial assets</b>		<b>32 110</b>	<b>32 110</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>						
Payables <sup>(1)</sup>		3 548	3 548	-	-	-
<b>Total financial liabilities</b>		<b>3 548</b>	<b>3 548</b>	<b>-</b>	<b>-</b>	<b>-</b>

Category of financial asset and financial liability	Note	Carrying amount / fair value \$'000	2018 Contractual maturities			
			Current \$'000	Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
<b>Financial assets</b>						
Cash and cash equivalents	A4.1	30 796	30 796	-	-	-
Receivables <sup>(1)(2)</sup>		1 530	1 530	-	-	-
<b>Total financial assets</b>		<b>32 326</b>	<b>32 326</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>						
Payables <sup>(1)</sup>		733	733	-	-	-
<b>Total financial liabilities</b>		<b>733</b>	<b>733</b>	<b>-</b>	<b>-</b>	<b>-</b>

(1) Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (for example, Commonwealth, State and Local Government taxes, fees and charges; AGD audit fees).

(2) Receivables amount disclosed here excludes prepayments. Prepayments are presented in A4.2 as trade and other receivables in accordance with paragraph 78(b) of AASB 101 *Presentation of Financial Statements*. However, prepayments are not financial assets as defined in AASB 132 *Financial Instruments: Presentation* as the future economic benefit of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.