



# South Australian Country Fire Service

## 2016-17 Annual Report

South Australian Country Fire Service

Level 7, 60 Waymouth Street  
Adelaide SA 5000

GPO Box 2468  
Adelaide SA 5001

[www.cfs.sa.gov.au](http://www.cfs.sa.gov.au)

Contact phone number (08) 8463 4200

Contact email CFSHeadquarters@sa.gov.au

**ISSN** 0728-8352

**Date presented to Minister:** 5 October 2017

To:

Honourable Chris Picton MP

Minister for Police

Minister for Correctional Services

Minister for Emergency Services

Minister for Road Safety

Minister Assisting the Minister for Health

Minister Assisting the Minister for Mental Health and Substance Abuse

Member of the Executive Council

This annual report is presented to Parliament to meet the statutory reporting requirements of *section 101(1) of the Fire and Emergency Services Act 2005* and meets 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 Country Fire Service by:

Andrew Stark

Acting Chief Officer



Signature

Date

4/10/17

# Contents

<b>Contents.....</b>	<b>3</b>
<b>Section A: Reporting required under the <i>Public Sector Act 2009</i>, the <i>Public Sector Regulations 2010</i> and the <i>Public Finance and Audit Act 1987</i>.....</b>	<b>4</b>
Agency purpose or role .....	4
Objectives .....	4
Key strategies and their relationship to SA Government objectives .....	4
Agency programs and initiatives and their effectiveness and efficiency .....	5
Legislation administered by the agency .....	6
Organisation of the agency .....	6
Other agencies related to this agency (within the Minister's area/s of responsibility) .....	7
Employment opportunity programs .....	7
Agency performance management and development systems .....	7
Occupational health, safety and rehabilitation programs of the agency and their effectiveness .....	8
Fraud detected in the agency .....	9
Strategies implemented to control and prevent fraud .....	9
Whistle-blowers' disclosure .....	9
Executive employment in the agency .....	9
Consultants .....	10
Financial performance of the agency .....	10
<b>Section B: Reporting required under any other act or regulation .....</b>	<b>12</b>
Fire and Emergency Act .....	12
<b>Section C: Reporting of public complaints as requested by the Ombudsman.</b>	<b>13</b>
Summary of complaints by subject .....	13
Complaint outcomes.....	13
<b>Appendix: Audited financial statements 2016-17 .....</b>	<b>14</b>

## **Section A: Reporting required under the *Public Sector Act 2009*, the *Public Sector Regulations 2010* and the *Public Finance and Audit Act 1987***

### **Agency purpose or role**

The South Australian Country Fire Service (SACFS) provides efficient and responsive services to South Australian country areas in fighting fires and dealing with other emergencies including undertaking rescue.

Through its role of protecting life, property and environmental assets from fire and other emergencies, SACFS supports communities in country areas through the delivery of community programs and raising awareness of bushfire risk and behaviour.

SACFS develops and maintains plans to assist in the management of the effects of fire or emergencies in the country and provides services or support to assist with recovery in the event of fire or other emergency.

### **Objectives**

In 2016-17, SACFS worked to:

- support resilient communities through risk reduction,
- provide a trusted response, and
- be a source of credible and timely information.

### **Key strategies and their relationship to SA Government objectives**

#### **Key strategy**

Protect our communities, economy and environment from the effects of fire and other emergencies through the development and implementation of Bushfire Management Plans.

#### **SA Government objective**

SA Strategic Plan

Provide effective organisational governance and ensure public value.

SA Strategic Plan

Refine community warnings processes.

SA Strategic Plan

**Agency programs and initiatives and their effectiveness and efficiency**

<b>Program name</b>	<b>Indicators of performance/effectiveness/efficiency</b>	<b>Comments</b>
Fire Appliance Safety Systems	<p>This project went to open market tender with the contract awarded to local company Moore Engineering, for all associated works with works scheduled to commence on 1 July 2017.</p> <p>The project will see retrofitting of approximately 180 dual cabin tankers with heat shielding, in-cabin breathing systems, cabin and tyre deluge systems and in-cabin pump controls.</p>	Initial delays were encountered due to third party supplier's inability to provide componentry.
Bushfire Awareness Campaign	<p>The 2016-17 Bushfire Awareness Campaign focussed on at risk residents and 18-39 year olds living in bushfire risk areas. The campaign strategy sought to promote simply key messaging, provide practical information and acknowledge and reach the highest risk audience as a priority.</p> <p>Campaign research a notable increase in the amount of households that were prepared for bushfire in the 2016-17 season when compared to the previous year.</p>	The 2016-17 campaign was well received by local people in areas where bushfire had impacted in 2015-16.
Bushfire Management Plans	In 2016-17, SACFS undertook implementation and reporting on Bushfire Management Plans for all nine districts.	With the identification of risk to people and assets, Bushfire Management Plans enable the identification of actions individuals can take to reduce bushfire risk.

Program name	Indicators of performance/effectiveness/efficiency		Comments
Response to Fire and Other Emergencies	SACFS has responded to an increased number of emergency incidents in 2016-17 in comparison to the previous financial year.		In 2016-17 SACFS provided significant levels of assistance to SASES during severe weather events (Special Service Incidents) in September and October 2016, demonstrating the capability of SACFS members to respond to a full range of emergency events.
	Incident Group	% increase (decrease)	
	Fixed Alarm (no cause)	38.3	
	Hazmat Incidents	(21.7)	
	Misc Incidents	20.2	
	Other Incidents/Attendance	2.9	
	Rural Incidents	(28.6)	
	Special Service Incidents	190.3	
	Structure Incidents	(15.6)	
	Vehicle Related Incidents	2.8	

### Legislation administered by the agency

Nil

### Organisation of the agency

Frontline Services Including:

State Operations

Regional Operations

Preparedness Operations

Frontline Services Support including:

Operational Capability Planning

Operational Infrastructure and Logistics

Operational Training and Professional Development

### Other agencies related to this agency (within the Minister's area/s of responsibility)

South Australian Police

South Australian Metropolitan Fire Service

South Australia Fire and Emergency Services Commission

South Australian State Emergency Service

### Employment opportunity programs

Program name	Result of the program
Remote Area Volunteer Recruitment Program	315 registered members
Diversity and Inclusion in Recruitment	SACFS supports the South Australian Public Sector's promotion of diversity and inclusion in recruitment.

### Agency performance management and development systems

Performance management and development system	Assessment of effectiveness and efficiency
<p>SACFS Staff Capability Framework 2017-2019</p> <p>SACFS is delivering a series of professional development courses which align with the Australasian Fire and Emergency Service Authorities Council's Leadership Capability Framework. In 2016-17, SACFS' Leadership Capabilities – Ethics and Collaboration course was delivered.</p>	93% of FTE attended

<b>Performance management and development system</b>	<b>Assessment of effectiveness and efficiency</b>
<p>Management and Leadership Development Series</p> <p>In 2016-17, SACFS commenced delivery of its Management and Leadership Development Series through the delivery of the course A Pathway to SAES to all staff employed at Manager and Supervisor levels.</p>	75% of FTE's at Supervisor and Manager levels attended
Australian Institute of Police Management (AIPM) Developing Future Leaders Program	Eight volunteers and staff attended program at Manly, New South Wales
AFAC / AIPM Strategic Command Program	Two staff attended program at Manly, New South Wales
AFAC Annual Conference	12 volunteers and staff attended this event in Brisbane, Queensland

### **Occupational health, safety and rehabilitation programs of the agency and their effectiveness**

<b>Occupational health, safety and rehabilitation programs</b>	<b>Effectiveness</b>
Workplace Health and Safety Workplace and Asbestos Inspection Program	100% scheduled inspections completed
State WHS Consultation Program	100% State Health and Safety Committee meetings completed
Officer of Person Conducting a Business or Undertaking (PCBU) Training Program	79% of those identified undertook training



## Fraud detected in the agency

Category/nature of fraud	Number of instances
Inappropriate Expenditure	1
Potential Fraudulent Activity	1

## Strategies implemented to control and prevent fraud

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

- policies, procedures and systems are in place to prevent, detect and report on fraud and dishonesty;
- SACFS participates in the SAFECOM Audit and Risk Committee pursuant to section 19(1) of the *Fire and Emergency Services Act 2005* and provides independent assurance and assistance to the SAFECOM Board on the Emergency Sector's risk, control and compliance framework and its external accountability responsibilities;
- SACFS maintains an asset register of attractive items and stock takes this register on a regular basis.
- SACFS undertakes an audit of credit card transactions annually.

Data for the past five years is available at:

[https://data.sa.gov.au/data/dataset?\\_organization\\_limit=0&organization=sa-country-fire-service](https://data.sa.gov.au/data/dataset?_organization_limit=0&organization=sa-country-fire-service)

## Whistle-blowers' disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Whistle-blowers' Protection Act 1993* 0

Data for the past five years is available at:

[https://data.sa.gov.au/data/dataset?\\_organization\\_limit=0&organization=sa-country-fire-service](https://data.sa.gov.au/data/dataset?_organization_limit=0&organization=sa-country-fire-service)

## Executive employment in the agency

Executive classification	Number of executives
EXEC0A	1
EXEC0B	1
EXEC0C	1

Data for the past five years is available at:

[https://data.sa.gov.au/data/dataset?\\_organization\\_limit=0&organization=sa-country-fire-service](https://data.sa.gov.au/data/dataset?_organization_limit=0&organization=sa-country-fire-service)

For further information, the [Office for the Public Sector](#) has a [data dashboard](#) for further information on the breakdown of executive gender, salary and tenure by agency.

## Consultants

The following is a summary of external consultants that have been engaged by the agency, the nature of work undertaken and the total cost of the work undertaken.

Consultants	Purpose	Value
All consultancies below \$10,000 each	N/A	Nil
<b>Consultancies above \$10,000 each</b>		
Rhumb Consulting	SACFS/SASES/SAFECOM Operational Facilities Study	
<b>Total all consultancies</b>		<b>\$25,000</b>

Data for the past five years is available at:

[https://data.sa.gov.au/data/dataset?\\_organization\\_limit=0&organization=sa-country-fire-service](https://data.sa.gov.au/data/dataset?_organization_limit=0&organization=sa-country-fire-service)

See also <https://www.tenders.sa.gov.au/tenders/index.do> for a list of all external consultancies, including nature of work and value. See also the Consolidated Financial Report of the Department of Treasury and Finance <http://treasury.sa.gov.au/> for total value of consultancy contracts across the SA Public Sector.

## Financial performance of the agency

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2016-17 are attached to this report.

	<b>2016-17 \$'000</b>
Total Expenses	74 831
Total Income	5 052
Revenues from SA Government	69 779
Net Result	6 076
Capital Program	13 929

## Expenses

Total expenses include depreciation, Government Radio Network charges, employee expenses, the provision of protective clothing, operational consumables, minor equipment, fuel, repairs and maintenance, travel, site rental, and other day to day costs of running SACFS.

Total expenses for SACFS were lower in 2016-17 mainly due to decreases in aerial firefighting costs and reduced bushfire incidents.

## Income and Revenues from SA Government

SACFS is primarily funded by contributions from the Community Emergency Services Fund

(revenues from SA Government). Other income sources for SACFS include Commonwealth Government grant contribution towards the cost of aerial firefighting, fees and charges, one-off project grants and fundraising by Brigades.

### **Capital**

The SACFS capital program is used to replace ageing fire appliances, fire equipment, brigade stations and other operational equipment. The 2016-17 capital program was lower due to worldwide recall on cab-chassis that the SACFS had budgeted to purchase for the construction of firefighting appliances.

### **Other financial information**

Nil to report

## Section B: Reporting required under any other act or regulation

<b>Fire and Emergency Act 2005</b>
<b>Fire and Emergency Act</b>
101—Annual reports  (2) The report must— (ab) incorporate the annual report on the activities of the State Bushfire Coordination Committee and the bushfire management committees for the relevant financial year;
Report to be issued by State Bushfire Coordination Committee following approval.

## Section C: Reporting of public complaints as requested by the Ombudsman

### Summary of complaints by subject

Public complaints received by South Australian Country Fire Service	
Category of complaints by subject	Number of instances
Service quality / delivery	4
Behaviour of staff / volunteers	11
Service / access / processes / procedures	4

Data for the past five years is available at:

[https://data.sa.gov.au/data/dataset?\\_organization\\_limit=0&organization=sa-country-fire-service](https://data.sa.gov.au/data/dataset?_organization_limit=0&organization=sa-country-fire-service)

### Complaint outcomes

Nature of complaint or suggestion	Services improved or changes as a result of complaints or consumer suggestions
Not assessed in this reporting period	Not assessed in this reporting period

## **Appendix: Audited financial statements 2016-17**

# INDEPENDENT AUDITOR'S REPORT



Government of South Australia

Auditor-General's Department

Level 9  
State Administration Centre  
200 Victoria Square  
Adelaide SA 5000  
DX 56208  
Victoria Square  
Tel +618 8226 9640  
Fax +618 8226 9688  
ABN 53 327 061 410  
audgensa@audit.sa.gov.au  
www.audit.sa.gov.au

## To the Chief Officer South Australian Country Fire Service

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 100(2) of the *Fire and Emergency Services Act 2005*, I have audited the financial report of the South Australian Country Fire Service for the financial year ended 30 June 2017.

### Opinion

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the South Australian Country Fire Service as at 30 June 2017, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2017
- a Statement of Financial Position as at 30 June 2017
- a Statement of Changes in Equity for the year ended 30 June 2017
- a Statement of Cash Flows for the year ended 30 June 2017
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Chief Officer and the Business Manager.

### Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the South Australian Country Fire Service. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants have been met.

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

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

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

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

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

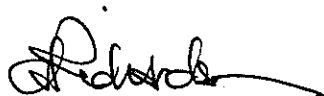
As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Officer
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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



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

A handwritten signature in black ink, appearing to read 'Richardson', with a long horizontal flourish extending to the right.

Andrew Richardson

**Auditor-General**

21 September 2017

# **South Australian Country Fire Service (CFS)**

## **Financial Statements**

For the year ended 30 June 2017

**South Australian Country Fire Service**  
**Certification of Financial Statements**  
*For the year ended 30 June 2017*

---

We certify that the attached general purpose financial statements for the South Australian Country Fire Service:

- 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 Country Fire Service; and
- present a true and fair view of the financial position of the South Australian Country Fire Service as at 30 June 2017 and the results of its operation and cash flows for the financial year.

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



Greg Nettleton  
Chief Officer  
South Australian Country Fire Service  
15 September 2017



Karen Prideaux  
Business Manager, Community Emergency Services Fund  
15 September 2017  
for Julie Best  
Business Manager  
South Australian Country Fire Service

**South Australian Country Fire Service**  
**Statement of Comprehensive Income**  
*For the year ended 30 June 2017*

---

	Note	2017 \$'000	2016 \$'000
<b>Expenses</b>			
Employee benefits	5	19 321	19 308
Supplies and services	6	44 570	46 867
Depreciation and amortisation	7	10 355	9 984
Grants and subsidies		389	389
Net gain(loss) from the disposal of non-current and other assets	8	196	57
<b>Total expenses</b>		<b>74 831</b>	<b>76 605</b>
<b>Income</b>			
Fees and charges	9	1 261	1 542
Grants and contributions	10	2 252	2 610
Interest		92	122
Resources received free of charge		62	-
Other	11	1 385	657
<b>Total Income</b>		<b>5 052</b>	<b>4 931</b>
<b>Net cost of providing services</b>		<b>69 779</b>	<b>71 674</b>
<b>Revenues from SA Government:</b>			
Revenues from SA Government	12	75 855	74 437
<b>Total revenues from SA Government</b>		<b>75 855</b>	<b>74 437</b>
<b>Net result</b>		<b>6 076</b>	<b>2 763</b>
<b>TOTAL COMPREHENSIVE RESULT</b>		<b>6 076</b>	<b>2 763</b>

The net result and total comprehensive result are attributable to the SA Government as owner.

The above statement should be read in conjunction with the accompanying notes

**South Australian Country Fire Service**  
**Statement of Financial Position**  
*As at 30 June 2017*

	Note	2017 \$'000	2016 \$'000
<b>Current assets</b>			
Cash and cash equivalents	13	18 470	13 127
Receivables	14	1 568	1 900
Other financial assets	15	2 386	2 266
Non-current assets held for sale	16	742	742
<b>Total current assets</b>		<b>23 166</b>	<b>18 035</b>
<b>Non-current assets</b>			
Property, plant and equipment	17	169 347	166 137
Intangibles	18	3	5
<b>Total non-current assets</b>		<b>169 350</b>	<b>166 142</b>
<b>Total assets</b>		<b>192 516</b>	<b>184 177</b>
<b>Current liabilities</b>			
Payables	20	6 037	5 158
Employee benefits	21	2 119	2 081
Provisions	22	1 989	2 562
<b>Total current liabilities</b>		<b>10 145</b>	<b>9 801</b>
<b>Non-current liabilities</b>			
Payables	20	337	334
Employee benefits	21	3 578	3 565
Provisions	22	4 364	2 461
<b>Total non-current liabilities</b>		<b>8 279</b>	<b>6 360</b>
<b>Total liabilities</b>		<b>18 424</b>	<b>16 161</b>
<b>Net assets</b>		<b>174 092</b>	<b>168 016</b>
<b>Equity</b>			
Asset revaluation surplus	23	45 703	45 703
Retained earnings	23	128 389	122 313
<b>Total equity</b>		<b>174 092</b>	<b>168 016</b>

The total equity is attributable to the SA Government as owner

Unrecognised contractual commitments 26

Contingent assets and liabilities 27

The above statement should be read in conjunction with the accompanying notes

**South Australian Country Fire Service**  
**Statement of Changes in Equity**  
*For the year ended 30 June 2017*

---

	Note	Revaluation Surplus \$'000	Retained Earnings \$'000	Total equity \$'000
Balance at 30 June 2015		45 703	119 550	165 253
Net result for 2015-16		-	2 763	2 763
Total comprehensive result for 2015-16		-	2 763	2 763
Balance at 30 June 2016	23	45 703	122 313	168 016
Net result for 2016-17		-	6 076	6 076
Total comprehensive result for 2016-17		-	6 076	6 076
Balance at 30 June 2017	23	45 703	128 389	174 092

All changes in equity are attributable to the SA Government as owner

The above statement should be read in conjunction with the accompanying notes

**South Australian Country Fire Service**  
**Statement of Cash Flows**  
*For the year ended 30 June 2017*

		2017	2016
	Note	\$'000	\$'000
<b>Cash flows from operating activities</b>			
<b>Cash outflows</b>			
Employee benefits payments		(17 954)	(17 499)
Supplies and services		(50 058)	(51 482)
Grants and subsidies payments		( 389)	( 389)
Payments for paid parental leave scheme		( 11)	( 34)
<b>Cash used in operations</b>		<b>(68 412)</b>	<b>(69 404)</b>
<b>Cash inflows</b>			
Fees and charges		2 208	4 823
Receipts from grants and contributions		2 252	2 980
Interest received		88	124
GST recovered from the ATO		5 094	5 664
Receipts for paid parental leave scheme		8	36
Other receipts		1 385	302
<b>Cash generated from operations</b>		<b>11 035</b>	<b>13 929</b>
<b>Cash flows from SA government</b>			
Contributions from Community Emergency Services Fund	12	75 715	74 389
Other receipts from SA Government	12	140	48
<b>Cash generated from SA government</b>		<b>75 855</b>	<b>74 437</b>
<b>Net cash provided by operating activities</b>	25	<b>18 478</b>	<b>18 962</b>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Purchase of investments		( 120)	( 58)
Purchase of property, plant and equipment		(13 248)	(15 104)
<b>Net cash (used in) investing activities</b>		<b>(13 368)</b>	<b>(15 162)</b>
<b>Cash inflows</b>			
Proceeds from sale of property, plant and equipment		233	280
<b>Cash generated from investing activities</b>		<b>233</b>	<b>280</b>
<b>Net cash used in investing activities</b>		<b>(13 135)</b>	<b>(14 882)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>5 343</b>	<b>3 992</b>
Cash and cash equivalents at the beginning of the period		13 127	9 135
<b>Cash and cash equivalents at the end of the period</b>	13	<b>18 470</b>	<b>13 127</b>

The above statement should be read in conjunction with the accompanying notes

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
For the year ended 30 June 2017

---

**1 Objectives and funding**

**Objectives**

The South Australian Country Fire Service (CFS) is established under the *Fire and Emergency Services Act 2005* (the Act) and is responsible under the Act for the following functions:

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

**Funding arrangements**

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

Funds generated by Groups and Brigades through fund raising activities are held locally for expenditure on CFS activities in the local community. These funds are recognised in CFS's financial statements.

**2 Significant accounting policies**

**(a) Statement of compliance**

These financial statements have been prepared in compliance with section 23 of the *Public Finance and Audit Act 1987*.

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*.

CFS has applied Australian Accounting Standards that are applicable to not-for-profit entities as CFS is a not-for-profit entity.

**(b) Basis of preparation**

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgement in the process of applying CFS's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements, are outlined in the applicable notes.
- accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported.
- compliance with Accounting Policy Statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the Accounting Policy Statements require the following note disclosures, which have been included in this financial report:



**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
For the year ended 30 June 2017

---

**2 Significant accounting policies (continued)**

- (a) revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature. A threshold of \$100 000 for separate identification of these items may be utilised. CFS has elected not to utilise this threshold; that is all revenue, expense, financial assets and liabilities relating to SA Government have been separately disclosed
- (b) expenses incurred as a result of engaging consultants
- (c) employees whose normal remuneration is equal to or greater than the base executive remuneration level (within \$10 000 bandwidths) and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the entity to those employees
- (d) board/committee member and remuneration information, where a board/committee member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

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.

**(c) Reporting entity**

Under the Act, CFS is a body corporate, is an agency of the Crown and part of the consolidated emergency services sector.

The financial statements include all the controlled activities of CFS.

**(d) Comparative information**

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and/or accounting policy statements have required a change.

The restated comparative amounts do not replace the original financial statements for the preceding period.

**(e) Rounding**

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

**(f) Taxation**

CFS is not subject to income tax. CFS is liable for payroll tax, fringe benefits tax (FBT) and goods and services tax (GST).

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

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office (ATO), in which case 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.

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
For the year ended 30 June 2017

---

**2 Significant accounting policies (continued)**

**(g) Events after the reporting period**

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June and which may have a material impact on the results of subsequent years.

**(h) Current and non-current classification**

Assets and liabilities are characterised as either current or non-current in nature. Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within 12 months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Where asset and liability line items combine amounts expected to be realised within 12 months and more than 12 months, CFS has separately disclosed the amounts expected to be recovered or settled after more than 12 months.

**(i) Non-current Assets**

Acquisition and recognition

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. Non-current assets are subsequently measured at fair value after allowing for accumulated depreciation.

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

All non-current tangible assets with a value equal to or in excess of \$10 000 are capitalised.

Depreciation and amortisation

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.

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.

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

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

<b>Class of asset</b>	<b>Useful life (years)</b>
Buildings	40
Vehicles	20
Communications equipment	10
Plant and equipment	10
Computer equipment	5
Intangibles	5

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
For the year ended 30 June 2017

---

**2 Significant accounting policies (continued)**

Revaluation of non-current assets

All non-current tangible assets are valued at fair value. On an ongoing basis, revaluations are made in accordance with related policies whereby independent valuations are obtained every six years and carrying amounts are adjusted accordingly.

A valuation appraisal by a Certified Practising Valuer is performed at least every six years.

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.

Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation, where they are revalued to fair value.

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.

Upon disposal or derecognition, any revaluation surplus relating to that asset is transferred to retained earnings.

Impairment

CFS holds its property, plant and equipment and intangible assets for their service potential (value in use).

All non-current tangible assets are valued at fair value. Specialised assets would rarely be sold and typically any costs of disposal would be negligible, accordingly the recoverable amount will be close to or greater than fair value.

CFS also expects for all other non-current tangible assets that any costs of disposal will be negligible, and the recoverable to be close to or greater than fair value.

*Intangible assets*

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are 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 useful lives of intangible assets are assessed to be either finite or indefinite. CFS only has intangible assets with finite lives. The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition criteria (identifiability, control and the existence of future economic benefits) and recognition criteria (probability of future economic benefits and cost can be reliably measured) and when the amount of expenditure is greater than or equal to \$10 000.

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

Subsequent expenditure on intangible assets has not been capitalised. This is because CFS has been unable to attribute this expenditure to the intangible asset rather than to CFS as a whole.

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
For the year ended 30 June 2017

---

**2 Significant accounting policies (continued)**

*Fair value measurement*

AASB 13 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.

CFS 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.

In determining fair value, CFS has taken into account the characteristic of the asset (e.g. condition and location of the asset and any restrictions on the sale or use of the asset); and the asset's highest and best use (i.e. physically possible, legally permissible, financially feasible).

CFS current use is the highest and best use of the asset unless other factors suggest an alternative use is feasible. As CFS did not identify any factors to suggest an alternative use, fair value measurement was based on current use.

Refer note 19 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

**(j) Liabilities**

*Employee benefits*

These benefits accrue for employees 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 projected unit credit method.

The estimated liability for long service leave is based on actuarial assumptions over 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.

Expected future payments are discounted using market yields at the end of the reporting period on government bonds with durations that match, as closely as possible, the estimated future cash outflows.

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
For the year ended 30 June 2017

---

**2 Significant accounting policies (continued)**

**(k) Unrecognised contractual commitments and contingent assets and liabilities**

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

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

**3 New and revised accounting standards and policies**

CFS did not voluntarily change any of its accounting policies during 2016-17.

Accounting standards

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by CFS for the period ending 30 June 2017.

AASB 16 *Leases* will apply for the first time for the year to reporting periods beginning on or after 1 Jan 2019. The amended standard introduces a single accounting model for lessees, eliminating the distinction between operating and finance leases.

The standard requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

The lease liability will be initially recognised at an amount equal to the present value of the lease payments during the lease term that are not yet paid. Current operating lease payments will no longer be expensed in the Statement of Comprehensive Income on a straight line basis. Rather, they will be apportioned between a reduction in the recognised lease liability and the implicit finance charge (the effective rate of interest) in the lease. The finance cost will be recognised as an expense.

It is anticipated that there will be a marginal impact on net result due to recognition of depreciation and interest on lease liabilities as expenses.

The classification of cash flows will be affected as operating lease payments will be split into a principal and interest portion which will be presented as financing and operating cash flows respectively. Currently, operating lease payments are presented as operating cash flows and recorded as commitments, which are not captured in the Statement of Financial Position.

CFS has not yet quantified the impact of applying AASB 16 *Leases* to its operating lease arrangements and the resulting impact on the Statement of Comprehensive Income, the Statement of Financial Position and the Commitments disclosure in the Notes to the Financial Statements.

AASB 15 *Revenue from Contracts with Customers* will replace the existing AASB 118 *Revenue* and applies to reporting periods beginning on or after 1 January 2019. AASB 15 *Revenue from Contracts with Customers* introduces a five step process for revenue recognition with the core principle being to recognise revenue 'when control of a good or service transfers to a customer'. This is effectively when performance obligations have been met, rather than the former model of 'where the risk and rewards of ownership reside'. AASB 15 *Revenue from Contracts with Customers* will generally result in increased disclosures.

The changes in revenue recognition requirements may result in changes to the timing and amount of revenue from sales of CFS's goods and services. Some revenue may need to be deferred to a later reporting period to the extent that CFS has received cash but has not yet met the associated performance obligations.

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
For the year ended 30 June 2017

---

**3 New and revised accounting standards and policies (continued)**

AASB 1058 *Income of Not-for-Profit Entities* will replace a number of income recognition requirements under AASB 1004 *Contributions* and applies to reporting periods beginning on or after 1 January 2019. The timing of income recognition depends on whether a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity. Where there is no liability to be recognised under another standard, or the liability is less than the fair value of the asset received then revenue is recognised.

CFS has not yet quantified the impact of applying AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* and the resulting impact on the statement of comprehensive income.

CFS has not assessed the impact of other new and amended standards and interpretations and therefore is not able to quantify the impact on accounting policies or the financial statements of CFS.

**4 Activities of South Australian Country Fire Service**

In achieving its objectives, CFS provides services within two areas of activity: frontline service delivery and frontline service delivery support. These services are classified under one program titled 'Country Fire Service'.

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
For the year ended 30 June 2017

**5 Employee benefits expenses**

	2017	2016
	\$'000	\$'000
Salaries and wages	12 476	12 135
Annual leave	1 131	1 124
Skills and experience retention leave	79	63
Long service leave	323	607
Employment on-costs - superannuation	1 302	1 289
Payroll tax	746	737
Workers compensation	3 081	3 163
Other employment related expenses	183	190
<b>Total employee benefits</b>	<b>19 321</b>	<b>19 308</b>

**Remuneration of employees**

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

	2017	2016
	Number	Number
\$145 000 – \$147 000*	N/A	-
\$147 001 – \$157 000	4	1
\$157 001 – \$167 000	1	2
\$197 001 – \$207 000	1	1
\$227 001 – \$237 000	1	-
\$297 001 – \$307 000	1	1
\$307 001 – \$317 000^	1	-
\$317 001 – \$327 000^^	-	1
<b>Total</b>	<b>9</b>	<b>6</b>

\* This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2015-16.

^ Includes payment of long service and annual leave for 15 months

^^ Includes payment of leave entitlements on termination

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 \$1.819 million (2016: \$1.304 million).

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
For the year ended 30 June 2017

**6 Supplies and services**

	2017	2016
	\$'000	\$'000
Accommodation	149	136
Aerial firefighting	7 092	9 074
Auditor's remuneration	30	29
Communications	1 004	1 079
Computing costs	1 573	1 523
Consultancy, contractor and legal fees	1 927	2 483
Consumables	1 555	1 720
Energy	805	796
Government radio network	11 087	10 817
Insurance premiums	257	224
Minor plant and equipment	2 108	1 513
Operating lease costs	2 426	2 492
Operational costs	988	1 696
Repairs and maintenance	6 251	6 219
Travel and training	2 210	2 508
Uniforms and protective clothing	2 823	2 232
Other expenses	2 285	2 326
<b>Total supplies and services</b>	<b>44 570</b>	<b>46 867</b>

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, as it is representative of the pattern of benefits derived from the leased assets.

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

Audit fees paid / payable to the Auditor-General's Department relating to work performed under the PFAA were \$30 000 (2016: \$29 000). No other services were provided by the Auditor-General's Department.

**Consultants**

The number and dollar amount of consultancies paid/payable (included in Consultants expense shown above) fell within the following bands:

	2017	2016	2017	2016
	Number	Number	\$'000	\$'000
Above \$10,000	1	1	25	66
<b>Total paid/payable to consultants engaged</b>	<b>1</b>	<b>1</b>	<b>25</b>	<b>66</b>



**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
For the year ended 30 June 2017

**7 Depreciation and amortisation expense**

	2017	2016
	\$'000	\$'000
<b>Depreciation</b>		
Buildings	2 222	2 204
Vehicles	6 620	6 435
Computers	32	37
Plant	510	413
Communications	969	893
<b>Total depreciation</b>	<b>10 353</b>	<b>9 982</b>
<b>Amortisation</b>		
Software	2	2
<b>Total amortisation</b>	<b>2</b>	<b>2</b>
<b>Total depreciation and amortisation</b>	<b>10 355</b>	<b>9 984</b>

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

	2017	2016
	\$'000	\$'000
<b>Land and buildings</b>		
Less: Net book value of assets disposed	( 91)	-
<b>Net gain/(loss) from disposal of land and buildings</b>	<b>( 91)</b>	<b>-</b>
<b>Vehicles</b>		
Proceeds from disposal	233	280
Less net book value of assets disposed	( 336)	( 334)
<b>Net gain (loss) from disposal of vehicles</b>	<b>( 103)</b>	<b>( 54)</b>
<b>Plant and equipment</b>		
Less net book value of assets disposed	( 2)	( 3)
<b>Net gain (loss) from disposal of plant and equipment</b>	<b>( 2)</b>	<b>( 3)</b>
<b>Total assets</b>		
Proceeds from disposal	233	280
Less net book value of assets disposed	( 429)	( 337)
<b>Total net gain (loss) from disposal of non-current assets</b>	<b>( 196)</b>	<b>( 57)</b>

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
For the year ended 30 June 2017

**9 Revenues from fees and charges**

	2017	2016
	\$'000	\$'000
Fire alarm attendance fees	410	308
Fire safety fees	130	133
Fire alarm monitoring fees	241	230
Incident cost recoveries	-	459
Training and other recoveries	478	361
Other recoveries	2	51
<b>Total fees and charges</b>	<b>1 261</b>	<b>1 542</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.

**10 Grants and contributions**

	2017	2016
	\$'000	\$'000
Commonwealth Government	2 142	2 012
State Government	110	598
<b>Total Grants and Contributions</b>	<b>2 252</b>	<b>2 610</b>

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

Generally, the department has obtained control or the right to receive:

- Contributions with unconditional stipulations – this will be when the agreement becomes enforceable i.e. the earlier of when the receiving entity has formally been advised that the contribution (e.g. grant application) has been approved; agreement/contract is executed; and/or the contribution is received.
- Contributions with conditional stipulations – this will be when the enforceable stipulations specified in the agreement occur or are satisfied; that is income would be recognised for contributions received or receivable under the agreement.

Commonwealth revenues include contributions towards aerial firefighting costs through the National Aerial Firefighting Centre Ltd, contributions towards the cost of providing fire and emergency services to Commonwealth property in CFS areas and one-off project grants.

Contributions through the National Aerial Firefighting Centre Ltd can only be applied to aircraft leasing and positioning costs and must be matched by State Government funding on at least a dollar for dollar basis. Once-off project grants are subject to specific funding agreements.

**11 Other income**

	2017	2016
	\$'000	\$'000
Rent received	73	79
Insurance recoveries	116	157
Group/Units Fundraising	300	135
Other	896	286
<b>Total other income</b>	<b>1 385</b>	<b>657</b>

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
For the year ended 30 June 2017

---

**12 Revenues from SA Government**

	2017	2016
	\$'000	\$'000
Contributions from Community Emergency Services Fund	75 715	74 389
Other revenues from SA Government	140	48
<b>Total revenues from SA Government</b>	<b>75 855</b>	<b>74 437</b>

Revenues from SA Government consist of \$60.307m (2016: \$59.734m) for operational funding and \$15.548m (2016: \$14.703m) for capital projects.

For details on the expenditure associated with the operational funding and capital funding refer notes 5, 6, 8, 17 and 18.

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

**13 Cash and cash equivalents**

	2017	2016
	\$'000	\$'000
Cash on hand	6	4
Deposits with the Treasurer	13 639	8 460
Cash at bank	424	443
Cash at bank - Groups/Brigades	3 528	3 473
Short-term deposits - Groups/Brigades	873	747
<b>Total cash and cash equivalents</b>	<b>18 470</b>	<b>13 127</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.

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
For the year ended 30 June 2017

**14 Receivables**

	2017	2016
	\$'000	\$'000
<b>Current</b>		
Receivables	271	882
Less: Allowance for doubtful debts	( 24)	( 25)
<b>Total</b>	<b>247</b>	<b>857</b>
Accrued revenue	26	34
GST input tax recoverable	1 295	1 009
<b>Total current receivables</b>	<b>1 568</b>	<b>1 900</b>

**Movements in the allowance for doubtful debts**

The allowance for doubtful debts (allowance for impairment loss) is recognised when there is objective evidence (i.e. calculated on past experience and current and expected changes in client credit rating) that a receivable is impaired.

An allowance for impairment loss has been recognised in 'other expenses' in the Statement of Comprehensive Income for specific debtors and debtors assessed on a collective basis for which such evidence exists.

	2017	2016
	\$'000	\$'000
<b>Carrying amount at the beginning of the period</b>	( 25)	( 18)
Increase in the allowance	( 1)	( 12)
Amounts written off	2	5
<b>Carrying amount at the end of the period</b>	<b>( 24)</b>	<b>( 25)</b>

**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, prepayments and accrued revenues are non-interest bearing. 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.

**15 Other financial assets**

	2017	2016
	\$'000	\$'000
Medium term deposits - Groups/Brigades	2 386	2 266
<b>Total other financial assets</b>	<b>2 386</b>	<b>2 266</b>

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
For the year ended 30 June 2017

**16 Non-current assets held for sale**

	2017	2016
	\$'000	\$'000
Land	742	742
<b>Total non-current assets held for sale</b>	<b>742</b>	<b>742</b>

Land at Port Lincoln is surplus to requirements and continues to remain on the market for sale as at 30 June 2017.

**17 Property, plant and equipment**

	2017	2016
	\$'000	\$'000
<b>Land</b>		
At valuation	12 774	12 811
At cost (deemed fair value)	342	342
<b>Total land</b>	<b>13 116</b>	<b>13 153</b>
<b>Buildings</b>		
At valuation	42 188	42 195
At cost (deemed fair value)	4 934	1 910
Less accumulated depreciation	(7 759)	(5 552)
<b>Total buildings</b>	<b>39 363</b>	<b>38 553</b>
<b>Vehicles</b>		
At valuation	79 608	79 986
At cost (deemed fair value)	29 714	19 746
Less accumulated depreciation	(22 757)	(16 180)
<b>Total vehicles</b>	<b>86 565</b>	<b>83 552</b>
<b>Communication (Comms.) equipment</b>		
At valuation	4 849	4 849
At cost (deemed fair value)	10 324	2 072
Less accumulated depreciation	(3 156)	(2 187)
<b>Total communication equipment</b>	<b>12 017</b>	<b>4 734</b>
<b>Computer equipment</b>		
At valuation	30	30
At cost (deemed fair value)	134	133
Less accumulated depreciation	( 101)	( 69)
<b>Total computer equipment</b>	<b>63</b>	<b>94</b>
<b>Plant and equipment</b>		
At valuation	1 156	1 156
At cost (deemed fair value)	3 601	3 471
Less accumulated depreciation	(1 230)	( 719)
<b>Total plant and equipment</b>	<b>3 527</b>	<b>3 908</b>
<b>Capital Work in progress</b>		
At cost (deemed fair value)	14 696	22 143
<b>Total capital work in progress</b>	<b>14 696</b>	<b>22 143</b>
<b>Total property, plant and equipment</b>	<b>169 347</b>	<b>166 137</b>

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
For the year ended 30 June 2017

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

**Valuation of Assets**

At 1 January 2014 independent valuations for land, buildings, vehicles, communication, computer, plant and equipment assets were undertaken by Liquid Pacific, Mr M Burns, MRICS, AAPI (CPV). The fair value of all vehicles, communications, computer and plant and equipment items was determined by identifying a market buying price, estimated as written down modern equivalent replacement cost. The fair value of land and buildings was based on recent market transactions for similar land and buildings in the area taking into account zoning and restricted use.

**Impairment**

There were no indications of impairment for property, plant and equipment as at 30 June 2017.

**Movement reconciliation of property, plant and equipment**

	Land	Buildings	Vehicles	Comms. equipment	Computer equipment	Plant and equipment	Capital Work in progress	Total
<u>2017</u>	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Carrying amount at the beginning of the period</b>	13 153	38 553	83 552	4 734	94	3 908	22 143	166 137
Acquisitions	-	( 1)	-	1	1	-	13 929	13 930
Transfers to/(from) capital works in progress	-	3 025	9 969	8 251	-	131	(21 376)	-
Depreciation	-	(2 222)	(6 620)	( 969)	( 32)	( 510)	-	(10 353)
Disposals	( 59)	( 32)	( 336)	-	-	( 2)	-	( 429)
Donated assets	22	40	-	-	-	-	-	62
<b>Carrying amount at the end of the period</b>	<b>13 116</b>	<b>39 363</b>	<b>86 565</b>	<b>12 017</b>	<b>63</b>	<b>3 527</b>	<b>14 696</b>	<b>169 347</b>

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
For the year ended 30 June 2017

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

	Land	Buildings	Vehicles	Comms. equipment	Computer equipment	Plant and equipment	Capital Work in progress	Total
<b>2016</b>	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	13 011	39 970	80 512	4 833	77	1 441	20 401	160 245
Acquisitions	-	-	-	-	-	-	16 211	16 211
Transfers to/(from) capital works in progress	142	787	9 773	794	54	2 883	(14 433)	-
Depreciation	-	(2 204)	(6 435)	( 893)	( 37)	( 413)	-	(9 982)
Disposals	-	-	( 298)	-	-	( 3)	( 36)	( 337)
Carrying amount at the end of the period	13 153	38 553	83 552	4 734	94	3 908	22 143	166 137

**18 Intangible Assets**

	2017 \$'000	2016 \$'000
Computer software	10	10
Less accumulated amortisation	( 7)	( 5)
<b>Total intangible assets</b>	<b>3</b>	<b>5</b>

**Movement reconciliation of intangible assets**

	2017 \$'000	2016 \$'000
Carrying amount at the beginning of the period	5	7
Amortisation expense	( 2)	( 2)
Carrying amount at the end of the period	3	5

**Asset details and amortisation**

Intangible assets detailed above relate to computer software externally acquired.

**Impairment**

There were no indications of impairment of intangible assets at 30 June 2017.

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
For the year ended 30 June 2017

**19 Fair value measurement**

**Fair Value Hierarchy**

The fair value of non-financial assets must be estimated for recognition and measurement or for disclosure purpose. CFS categorises non-financial assets measured at fair value into hierarchy bases on the level of inputs used in measurement.

Fair value measurements recognised in the balance sheet are categorised into the following levels at 30 June 2017. CFS had no valuations categorised into level 1.

**Fair value measurements at 30 June 2017**

	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Recurring fair value measurements</b>			
Land (note 17)	6 798	6 318	13 116
Buildings (note 17)	10 686	28 677	39 363
Vehicles (note 17)	-	86 565	86 565
Communication (Comms.) equipment (note 17)	-	12 017	12 017
Computer equipment (note 17)	-	63	63
Plant and equipment (note 17)	-	3 527	3 527
<b>Total recurring fair value measurements</b>	<b>17 484</b>	<b>137 167</b>	<b>154 651</b>
<b>Non- recurring fair value measurements</b>			
Land held for sale (note 16)	742	-	742
<b>Total non-recurring fair value measurements<sup>(1)</sup></b>	<b>742</b>	<b>-</b>	<b>742</b>
<b>Total</b>	<b>18 226</b>	<b>137 167</b>	<b>155 393</b>

<sup>1</sup> CFS has measured land and building held for sale at fair value less costs to sell in accordance with AASB 5.

**Fair value measurements at 30 June 2016**

	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Recurring fair value measurements</b>			
Land (note 17)	6 843	6 310	13 153
Buildings (note 17)	8 353	30 200	38 553
Vehicles (note 17)	-	83 552	83 552
Communication (Comms.) equipment (note 17)	-	4 734	4 734
Computer equipment (note 17)	-	94	94
Plant and equipment (note 17)	-	3 908	3 908
<b>Total recurring fair value measurements</b>	<b>15 196</b>	<b>128 798</b>	<b>143 994</b>
<b>Non- recurring fair value measurements</b>			
Land held for sale (note 16)	742	-	742
<b>Total non-recurring fair value measurements<sup>(1)</sup></b>	<b>742</b>	<b>-</b>	<b>742</b>
<b>Total</b>	<b>15 938</b>	<b>128 798</b>	<b>144 736</b>

There were no transfers of assets between level 1 and 2 fair value hierarchy levels in 2017. CFS's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Refer to APF III Asset Accounting Framework for guidance in determining the applicable fair value hierarchy disclosure level.



**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
For the year ended 30 June 2017

**19 Fair value measurement (continued)**

**Valuation techniques and inputs**

Valuation techniques and inputs used to derive level 2 and 3 fair values are at note 19. There were no changes in the valuation techniques during 2017.

Land subject to restricted use is considered within Input Level 3.

Buildings that are specialised are classified as Input Level 3.

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

**Reconciliation of Level 3 recurring fair value measurement at 30 June 2017**

	Land	Buildings	Vehicles	Comms. equipment	Computer equipment	Plant and equipment	Total
2017	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	6 310	30 200	83 552	4 734	94	3 908	128 798
Acquisitions	-	267	9 969	8 252	1	131	18 620
Donated assets	22	40	-	-	-	-	62
Depreciation	-	(1 798)	(6 620)	( 969)	( 32)	( 510)	(9 929)
Disposals	( 14)	( 32)	( 336)	-	-	( 2)	( 384)
Closing balance at the end of the period	6 318	28 677	86 565	12 017	63	3 527	137 167
Carrying amount at 30 June	6 318	28 677	86 565	12 017	63	3 527	137 167

**Reconciliation of Level 3 recurring fair value measurement at 30 June 2016**

	Land	Buildings	Vehicles	Comm equipment	Computer equipment	Plant and equipment	Total
2016	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	6 260	31 229	80 512	4 833	77	1 441	124 352
Capitalised subsequent expenditure	50	787	9 773	794	54	2 883	14 341
Depreciation	-	(1 816)	(6 435)	( 893)	( 37)	( 413)	(9 594)
Disposals	-	-	( 298)	-	-	( 3)	( 301)
Closing balance at the end of the period	6 310	30 200	83 552	4 734	94	3 908	128 798
Carrying amount at 30 June	6 310	30 200	83 552	4 734	94	3 908	128 798

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
For the year ended 30 June 2017

**20 Payables**

	2017	2016
	\$'000	\$'000
<b>Current payables</b>		
Accrued expenses	876	1 429
Creditors	4 819	3 367
Paid Parental Leave Scheme payable	( 1)	4
Employee on-costs	343	358
<b>Total current payables</b>	<b>6 037</b>	<b>5 158</b>
<b>Non-current payables</b>		
Creditors	5	4
Employment on-costs	332	330
<b>Total non-current payables</b>	<b>337</b>	<b>334</b>
<b>Total payables</b>	<b>6 374</b>	<b>5 492</b>

**Employment on-costs**

Employment on-costs include payroll tax, WorkCover levies and superannuation contributions. CFS 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 not yet paid to State Government and externally managed superannuation schemes.

The actuarial assessment performed by the Department of Treasury and Finance, has resulted in the percentage of the proportion of long service leave taken remain unchanged from 40%, and the average factor for the calculation of employer superannuation cost on-cost has decreased from 2016 (10.2%) to 2017 (10.1%). These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is decrease in the employment on-cost of \$0.003 million and employee benefit expense of \$0.003 million. The estimated impact on future periods is not expected to be materially different to the effect on the current period as shown above.

**Interest rate and credit risk**

Payables are measured at nominal amounts. Creditors and accruals are raised for all amounts billed but unpaid. Sundry creditors are normally settled within 30 days. Employment on-costs are settled when the respective employee benefit that they relate to is discharged. All payables are non-interest bearing. The carrying amount of payables represents fair value due to the amounts being payable on demand.

**21 Employee benefits**

	2017	2016
	\$'000	\$'000
<b>Current employee benefits</b>		
Accrued salaries and wages	277	220
Annual leave	1 623	1 595
Skills and experience retention leave	139	151
Long service leave	80	115
<b>Total current employee benefits</b>	<b>2 119</b>	<b>2 081</b>
<b>Non-current employee benefits</b>		
Long service leave	3 578	3 565
<b>Total non-current employee benefits</b>	<b>3 578</b>	<b>3 565</b>
<b>Total employee benefits</b>	<b>5 697</b>	<b>5 646</b>

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
For the year ended 30 June 2017

**21 Employee benefits (continued)**

AASB 119 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.

AASB 119 requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has increased from 2016 (2.0%) to 2017 (2.5%).

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

The net financial effect of the changes in the current financial year is decrease in the long service leave liability of \$0.126 million and employee benefits expense of \$0.126 million. 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 the Department of Treasury and Finance left the salary inflation rate at 4% for long service leave liability and 3% for annual leave and skills, experience and retention leave liability.

**22 Provisions**

	2017 \$'000	2016 \$'000
<b>Current provisions</b>		
Provision for workers compensation	1 989	2 562
<b>Total current provisions</b>	<b>1 989</b>	<b>2 562</b>
<b>Non-current provisions</b>		
Provision for workers compensation	4 364	2 461
<b>Total non-current provisions</b>	<b>4 364</b>	<b>2 461</b>
<b>Total provisions</b>	<b>6 353</b>	<b>5 023</b>
<b>Provision movement</b>		
Carrying amount at the beginning of the period	5 023	3 629
Additional provisions recognised	3 080	3 166
Reduction arising from payments	(1 750)	(1 772)
<b>Carrying amount at the end of the period</b>	<b>6 353</b>	<b>5 023</b>

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 2017 provided by a consulting actuary engaged through the Office for the Public Sector (a division of the Department of the Premier and Cabinet). The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

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 2017 includes an actuarial assessment of firefighters cancer claims. The actuary has included an estimate for injuries incurred but not reported. 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.

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
For the year ended 30 June 2017

---

**23 Equity**

	2017	2016
	\$'000	\$'000
Retained earnings	128 389	122 313
Asset revaluation surplus	45 703	45 703
<b>Total equity</b>	<b>174 092</b>	<b>168 016</b>

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

**24 Related party transactions**

CFS is a body corporate and is an agency of the Crown.

Related parties of CFS include all key management personnel and their close family members; all Cabinet Ministers and their close family members; and all public authorities that are controlled and consolidated into the whole of government financial statements and other interests of the Government.

**Significant transactions with government related entities**

CFS has no individually significant transactions with government related entities.

**Collectively, but not individually significant transactions with government related entities**

Quantitative information about transactions and balances between CFS and other SA Government controlled entities are disclosed at note 30 .

**Key management personnel**

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

The compensation detailed below 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 Department of Treasury and Finance) under section 6 the *Parliamentary Remuneration Act 1990*.

	2017
	\$'000
Salaries and other short term employee benefits	669
Post-employment benefits	72
<b>Total compensation</b>	<b>741</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 Country Fire Service**  
**Notes to and forming part of the financial statements**  
For the year ended 30 June 2017

---

**25 Cash flow reconciliation**

	2017 \$'000	2016 \$'000
<b>Reconciliation of cash and cash equivalents at the end of the reporting period</b>		
Cash and cash equivalents disclosed in the Statement of Financial Position	18 470	13 127
Balance as per Statement of Cash Flows	18 470	13 127
<b>Reconciliation of net cash provided by operating activities to net cost of providing services</b>		
Net cash provided by operating activities	18 478	18 962
Less revenues from SA Government	(75 855)	(74 437)
<b>Add/(less) non-cash Items</b>		
Depreciation and amortisation	(10 355)	(9 984)
Donated Asset	62	-
Net loss from disposal of non-current assets	( 196)	( 57)
<b>Movements in assets and liabilities</b>		
(Decrease) / increase in receivables	( 332)	(2 889)
(Increase) / decrease in payables	( 200)	(1 567)
(Increase) / decrease in employee benefits	( 51)	( 308)
(Increase) / decrease in provisions	(1 330)	(1 394)
<b>Net cost of providing services</b>	<u>(69 779)</u>	<u>(71 674)</u>

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
For the year ended 30 June 2017

---

**26 Unrecognised contractual commitments**

**Operating lease commitments**

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

	2017	2016
	\$'000	\$'000
Within one year	1 406	1 746
Later than one year but not later than five years	936	1 431
<b>Total operating lease commitments</b>	<b>2 342</b>	<b>3 177</b>

These non-cancellable leases relate to vehicle and property leases, with rental payable monthly.

**Capital commitments**

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

	2017	2016
	\$'000	\$'000
Within one year	1 618	3 870
<b>Total capital commitments</b>	<b>1 618</b>	<b>3 870</b>

These capital commitments are for building, vehicle and equipment projects.

**Expenditure commitments**

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

	2017	2016
	\$'000	\$'000
No later than one year	7 674	6 554
Later than one year but not later than five years	1 512	6 197
<b>Total expenditure commitments</b>	<b>9 186</b>	<b>12 751</b>

Contractual commitments relate to information technology, aerial firefighting, equipment supply and maintenance contracts, and supply of personal protective clothing.

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
For the year ended 30 June 2017

---

**27 Contingent assets and liabilities**

**Contingent assets**

CFS is currently in negotiation to resolve a leave dispute with a small group of CFS employees that resulted in the overpayment of leave entitlements. As at 30 June 2017, no resolution had been reached, therefore an estimate of expected repayments cannot be determined at this stage. The value of leave accrued in excess of entitlements was \$638 000.

CFS is not aware of any other contingent assets.

**Contingent liabilities**

CFS is currently investigating an issue relating to the potential underpayment of 31 CFS employees. On resolution there is a high probability that back payment of wages will be required, but as at 30 June 2017 a reliable estimate cannot be made.

CFS has several other contingent liabilities in the form of unresolved litigation. However, the outcome cannot be reliably determined at this stage. In each case the financial exposure to CFS is limited to a \$10 000 excess under insurance arrangements.

CFS is not aware of any other contingent liabilities.

**28 Remuneration of board and committee members**

Members of boards and committees during 2017 were:

**State Bushfire Coordination Committee**

Mr A Harvey * (appointed 1 Jul 2016)	Mr M Peters * (appointed 1 Jul 2016)
Mr A Grear * (appointed 1 Jul 2016)	Mr M Sutton *
Ms A De Piaz *	Mr M Winters * (appointed 1 Jul 2016)
Mr C Daniels (appointed 1 Jul 2016)	Ms M Healy * (appointed 1 Jul 2016)
Mr D Colliar * (appointed 1 Jul 2016)	Mr M Roche
Mr D Gilbertson (appointed 1 Jul 2016)	Ms N Rea (appointed 1 Jul 2016)
Ms F Dunstan *	Mr N Bamford * (appointed 1 Jul 2016)
Mr F Crisci *	Mr P White
Mr G Pelton *	Mr P Kilsby * (appointed 1 Jul 2016)
Mr G Nettleton *	Mr R Tretheway (appointed 1 Jul 2016)
Ms J Frizenchaf *	Mr S Duval * (appointed 1 Jul 2016)
Mr J Crocker *	Mr S Pascale *
Mr J O'Hehir (appointed 1 Jul 2016)	Mr S Barone (appointed 1 Jul 2016)
Mr J Wiseman *	Ms S Mickan
Mr J Nairn	Mr T Kelly
Mr J Neal (appointed 1 Jul 2016)	Mr W Thorley
Ms K Stanley-Murray	Mr W McIntosh
Ms K Egan *	

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
For the year ended 30 June 2017

---

**28 Remuneration of board and committee members (continued)**

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

	2017	2016
	\$'000	\$'000
\$nil	31	30
\$1 - \$9 999	4	3
<b>Total number of members</b>	<b>35</b>	<b>33</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 fringe benefits tax paid or payable in respect of those benefits. The total remuneration received or receivable by members was \$1 751 (2016: \$618).

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

Unless otherwise disclosed, transactions between members and CFS are on conditions no more favourable than those that it is reasonable to expect CFS would have adopted if dealing with a related party at arm's length in the same circumstances.

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

**29 Events after the reporting period**

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



**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
For the year ended 30 June 2017

**30 Transactions with SA Government**

	Note	SA Government		Non-SA Government		Total	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Expenses</b>							
Employee benefits expenses	5	4 002	4 124	15 319	15 184	19 321	19 308
Supplies and services	6						
Accommodation		-	92	149	44	149	136
Aerial firefighting		50	28	7 042	9 046	7 092	9 074
Auditor's remuneration		30	29	-	-	30	29
Communications		25	27	979	1 052	1 004	1 079
Computing costs		247	336	1 326	1 187	1 573	1 523
Consultancy, contractor and legal fees		96	125	1 831	2 358	1 927	2 483
Consumables		231	198	1 324	1 522	1 555	1 720
Energy		15	11	790	785	805	796
Government radio network		11 087	10 817	-	-	11 087	10 817
Insurance premiums		210	178	47	46	257	224
Minor plant and equipment		6	5	2 102	1 508	2 108	1 513
Operating lease costs		1 583	1 667	843	825	2 426	2 492
Operational costs		32	66	956	1 630	988	1 696
Repairs and maintenance		130	224	6 121	5 995	6 251	6 219
Travel and training		13	75	2 197	2 433	2 210	2 508
Uniforms and protective clothing		-	-	2 823	2 232	2 823	2 232
Other expenses		320	254	1 965	2 072	2 285	2 326
Depreciation and amortisation	7	-	-	10 355	9 984	10 355	9 984
Grants and subsidies		-	-	389	389	389	389
Net loss from disposal of non-current assets	8	-	-	198	57	198	57
<b>Total expenses</b>		<b>18 077</b>	<b>18 256</b>	<b>56 756</b>	<b>58 349</b>	<b>74 833</b>	<b>76 605</b>

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
For the year ended 30 June 2017

**30 Transactions with SA Government (continued)**

	Note	Non-SA					
		SA Government		Government		Total	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Income</b>							
Revenues from fees and charges	9						
Fire alarm attendance fees		132	94	278	214	410	308
Fire safety fees		4	5	126	128	130	133
Fire alarm monitoring fees		58	57	183	173	241	230
Incident cost recoveries		-	-	-	459	-	459
Training and other recoveries		325	242	153	119	478	361
Other recoveries		-	9	2	42	2	51
Grants and contributions	10						
Commonwealth Government		-	-	2 142	2 012	2 142	2 012
State Government		110	598	-	-	110	598
Interest revenues		92	122	-	-	92	122
Resources received free of charge		-	-	62	-	62	-
Other income	11						
Rent received		-	-	73	79	73	79
Insurance recoveries		116	111	-	46	116	157
Group/Units Fundraising		-	-	300	135	300	135
Other		604	192	292	94	896	286
Revenues from SA Government	12	75 855	74 437	-	-	75 855	74 437
<b>Total income</b>		<b>77 296</b>	<b>75 867</b>	<b>3 611</b>	<b>3 501</b>	<b>80 907</b>	<b>79 368</b>

	Note	SA Government		Non-SA Government		Total	
		2017	2016	2017	2016	2017	2016
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>							
Cash and cash equivalents	13	13,645	8,464	4,825	4,663	18 470	13,127
Receivables	14						
Receivables		42	121	205	736	247	857
Accrued revenue		17	16	9	18	26	34
GST input tax recoverable		-	-	1 295	1 009	1 295	1 009
Other financial assets	15	-	-	2 386	2 266	2 386	2 266
<b>Total financial assets</b>		<b>13 704</b>	<b>8 601</b>	<b>8 720</b>	<b>8 692</b>	<b>22 424</b>	<b>17 293</b>

<b>Financial liabilities</b>							
Payables	20						
Accrued expenses		68	1 204	808	225	876	1 429
Creditors		262	547	4 562	2 824	4 824	3 371
Paid Parental Leave Scheme payable		-	-	( 1)	4	( 1)	4
Employee on-costs		351	340	324	348	675	688
<b>Total financial liabilities</b>		<b>681</b>	<b>2 091</b>	<b>5 693</b>	<b>3 401</b>	<b>6 374</b>	<b>5 492</b>

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
For the year ended 30 June 2017

**31 Budgetary reporting and explanations of major variances between budget and actual amounts**

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 budget amount and 5% of original budgeted total expenses.

<b>Statement of Comprehensive Income</b>	<b>Note</b>	<b>Original Budget <sup>1</sup> 2017 \$'000</b>	<b>Actual 2017 \$'000</b>	<b>Variance \$'000</b>
<b>Expenses</b>				
Employee benefits	(a)	15 610	19 321	3,711
Supplies and services		44 339	44 570	231
Depreciation and amortisation		12 285	10 355	(1,930)
Grants and subsidies		423	389	(34)
Net gain(loss) from the disposal of non-current and other assets		-	196	196
<b>Total expenses</b>		<b>72 657</b>	<b>74 831</b>	<b>2 174</b>
<b>Income</b>				
Fees and charges		1 120	1 261	141
Grants and contributions	(b)	1 876	2 252	376
Interest		264	92	(172)
Resources received free of charge		-	62	62
Other		920	1 385	465
<b>Total income</b>		<b>4 180</b>	<b>5 052</b>	<b>872</b>
<b>Net cost of providing services</b>		<b>68 477</b>	<b>69 779</b>	<b>1 302</b>
<b>Revenues from (payments to) SA government</b>				
Revenues from SA Government		82 407	75 855	(6,552)
<b>Net revenues from SA Government</b>		<b>82 407</b>	<b>75 855</b>	<b>(6 552)</b>
<b>Net result</b>		<b>13 930</b>	<b>6 076</b>	<b>(7 854)</b>

<sup>1</sup> The budget process is not subject to audit. Budget information refers to the amounts presented to Parliament in the original budget financial statements in respect of the reporting period (2016-17 Budget Paper 4). These original budget amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets.

(a) Actual employee benefits were higher than the original budget primarily due to movement in workers compensation provision.

(b) Grants and contributions were higher than budget due to increased payments from the National Aerial Firefighting Centre Ltd and Natural Disaster Resilience Program grants.

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
For the year ended 30 June 2017

**31 Budgetary reporting and explanations of major variances between budget and actual amounts (continued)**

		Original Budget <sup>1</sup> 2017 \$'000	Actual 2017 \$'000	Variance \$'000
<b>Investing expenditure summary</b>	<b>Note</b>			
Total annual programs	(c)	16 060	13 929	(2,131)
<b>Total investing expenditure</b>		<b>16 060</b>	<b>13 929</b>	<b>(2 131)</b>

<sup>1</sup> The budget process is not subject to audit. Budget information refers to the amounts presented to Parliament in the original budget financial statements in respect of the reporting period (2016-17 Budget Paper 4). These amounts have not been adjusted to reflect revised budgets.

(c) Total annual programs were lower than budget due to issues with CFS purchase of firefighting appliances in May 2017. This was the result of a worldwide recall which limited the products available from the manufacturer.

**32 Financial risk management/financial instruments**

**32.1 Financial risk management**

Risk management is managed by CFS corporate services section and departmental 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 CFS 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.

**32.2 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 2.

Refer note 32.3 for the carrying amounts of each of the following categories of financial assets and liabilities: Held-to-maturity investments; receivables and payables measured at cost.

CFS does not recognise any financial assets or financial liabilities at fair value, but does disclose fair value in the notes. All of the resulting fair value estimates are included in level 2 as all significant inputs required are observable.

- 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 2, 14, 20).
- 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 notes 2 and 15).

**32.3 Liquidity risk**

Liquidity risk arises from the possibility that CFS is unable to meet its financial obligations as they fall due. CFS is funded principally from the Fund. CFS 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.

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
For the year ended 30 June 2017

**32 Financial risk management/financial instruments (continued)**

**Table 32.3 Categorisation and maturity analysis of financial assets and liabilities**

Category of financial asset and financial liability	Notes	2017 Carrying amount/fair value \$'000	2017 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	13	18 470	18 470	-	-	-
Receivables <sup>(1)(2)</sup>	14	251	251	-	-	-
Other financial assets	15	2 386	2 386	-	-	-
<b>Total financial assets</b>		<b>21 107</b>	<b>21 107</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>						
Payables <sup>(1)</sup>	20	5 621	5 616	-	-	5
<b>Total financial liabilities</b>		<b>5 621</b>	<b>5 616</b>	<b>-</b>	<b>-</b>	<b>5</b>

Category of financial asset and financial liability	Notes	2016 Carrying amount/fair value \$'000	2016 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	13	13 127	13 127	-	-	-
Receivables <sup>(1)(2)</sup>	14	877	877	-	-	-
Other financial assets	15	2 266	2 266	-	-	-
<b>Total financial assets</b>		<b>16 270</b>	<b>16 270</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>						
Payables <sup>(1)</sup>	20	4 464	4 460	-	-	4
<b>Total financial liabilities</b>		<b>4 464</b>	<b>4 460</b>	<b>-</b>	<b>-</b>	<b>4</b>

<sup>1</sup> 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 etc. they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost.

<sup>2</sup> Receivables amount disclosed here excludes prepayments. Prepayments are presented in note 16 as trade and other receivables in accordance with paragraph 78(b) of AASB 101. However, prepayments are not financial assets as defined in AASB 132 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.

**South Australian Country Fire Service**  
**Notes to and forming part of the financial statements**  
For the year ended 30 June 2017

---

**32 Financial risk management/financial instruments (continued)**

**32.4 Credit risk**

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

**32.5 Market risk**

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

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