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**Government
of South Australia**

SOUTH AUSTRALIAN COUNTRY FIRE SERVICE

2021-22 Annual Report

SOUTH AUSTRALIAN COUNTRY FIRE SERVICE

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To: The South Australian Fire and Emergency Services Commission (SAFECOM)

This annual report is presented to SAFECOM to meet the statutory reporting requirements of section 101(1) of the Fire and Emergency Services Act 2005 and the requirement within the Premier and Cabinet Circular PC013 Annual Reporting.

This report is verified to be accurate for the purposes of annual reporting to the SAFECOM Board.

Submitted on behalf of the South Australian Country Fire Service (SACFS) by:

A handwritten signature in blue ink, appearing to read 'Brett Loughlin', is positioned above the printed name and title.

Brett Loughlin
Chief Officer
SA Country Fire Service

26 October 2022

From the Chief Executive

The thorough planning of the South Australian Country Fire Service (SACFS) and the exemplary performance of both staff and volunteers during 2021-22 has ensured that our response capability was rarely restricted because of COVID-19 and, punching well above its weight, the Service has maintained momentum, masterfully protected the public of South Australia and initiated some new actions.

The SACFS responded to nearly 9,500 incidents across the state, including several major large bushfires fires in Coles, Wrattenbully, and Kangaroo Island.

In doing so, our crews totalled over 650,000 volunteer hours and dealt with nearly 300 structure fires and over 2,000 vehicle related incidents. We also attended a growing proportion of SA Ambulance calls and a large numbers of SES callouts. Our Service sent five deployments of personnel, totalling 28 volunteers and 12 staff, with the State Emergency Services to support flood response in New South Wales and Queensland.

At the same time, volunteers have contributed immeasurable administrative hours through their attendance and contribution to state and regional level advisory committees and their participation in a myriad of programs to support the improvement of the organisation.

This year the SACFS also endured the tragic death of one of our firefighters during active duty in January 2022 at the Coles Fire. Louise Hincks is greatly missed and will always be commemorated.

The SACFS has also been active in delivering national priorities, with the Australian Fire Danger Rating System (AFDRS) project team undertaking the initial stakeholder and community engagement program ahead of the 2022-23 fire season.

The Bushfire Management Planning Unit has significantly enhanced the work of the State Bushfire Coordination Committee and has successfully reported to parliament for the second time. Our aviation team have done a great job of modernising and improving our fleet and methods of attack.

All in, the SA Country Fire Service has continued to improve and serve South Australians in the face of all challenges. It has been my honour to lead this great Fire and Rescue Service and the outcomes achieved by its staff and volunteer crews greatly outweigh the inputs. I am proud to have overseen a growing professionalisation of our service leadership. With a commitment to continue the investment in managerial skills for existing managers and a team of new senior managers have joined us bringing fresh eyes and highly professional skills. I am assured that progress will be maintained.

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We still have significant challenges ahead:

Our Service will need significant and continued investment if it is to meet the now certain challenges of climate change. Costs are rapidly inflating, and our financial resources will need to match these demands.

Volunteerism is under threat across the globe. In order to maintain the fantastic ethic of SACFS volunteers, new staffing arrangement will be required. It my sincere hope that, at some future time, the SACFS will be permitted to match agencies such as the SES in terms of its staff-to-volunteer ratio.

Mark Jones QFSM
Chief Officer and Chief Executive
SA Country Fire Service

Contents

Overview: about the agency	7
Our strategic focus.....	8
SA Country Fire Service.....	9
Changes to the agency	9
Our Minister	10
Our Executive team	10
Legislation administered by the agency	12
Other related agencies (within the Minister's area/s of responsibility).....	12
The agency's performance	13
Performance at a glance	13
Agency response to COVID-19.....	15
Agency contribution to whole of Government objectives.....	16
Agency specific objectives and performance	18
Corporate performance summary	24
Employment opportunity programs	27
Agency performance management and development systems.....	28
Work health, safety and return to work programs	29
Executive employment in the agency.....	32
Financial performance	33
Consultants' disclosure	33
Contractors disclosure	34
Risk management	36
Risk and audit at a glance.....	36
Fraud detected in the agency.....	36
Strategies implemented to control and prevent fraud.....	36
Public interest disclosure	36
Reporting required under any other act or regulation	38
Public complaints	39
Number of public complaints reported	39
Additional Metrics.....	40
Service Improvements	41
Compliance Statement.....	41

Appendix: Audited financial statements 2021-22	42
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Overview: about the agency

The SACFS is South Australia's largest volunteer-based organisation, providing an emergency service dedicated to protecting life, property, and environmental assets in outer metropolitan, semi-urban, regional, and rural areas of South Australia.

The SACFS is not defined by bushfire alone, with a third of our work responding to vehicle related incidents, another third is structural fire, and a small but critical portion of our response work involves hazardous material threats. On average, the SACFS attends in excess of 10,000 emergency incidents per year.

Our Agency works with other government and private sector agencies, industry, and the community to reduce risks, control hazards, and assist in recovery programmes.

The SACFS consists of approximately 190 full-time equivalent employees, and approximately 13,500 volunteers (firefighters, cadets, operational support) providing a range of fire and emergency services to communities across South Australia. The extraordinary contribution of our volunteers is vital in ensuring the sustainability and delivery of fire and emergency services to the communities.

In addition, we perform an important role with local government and other government agencies in fuel reduction prescribed burning activities, bushfire prevention, and community bushfire and fire safety education. The SACFS also undertakes fire safety advisory and enforcement activities, similar to the South Australian Metropolitan Fire Service (SAMFS).

Our business is predicated on risk management principles (of which safety is a key priority), and these risks are incorporated into our planning, policy, governance, and decision making.

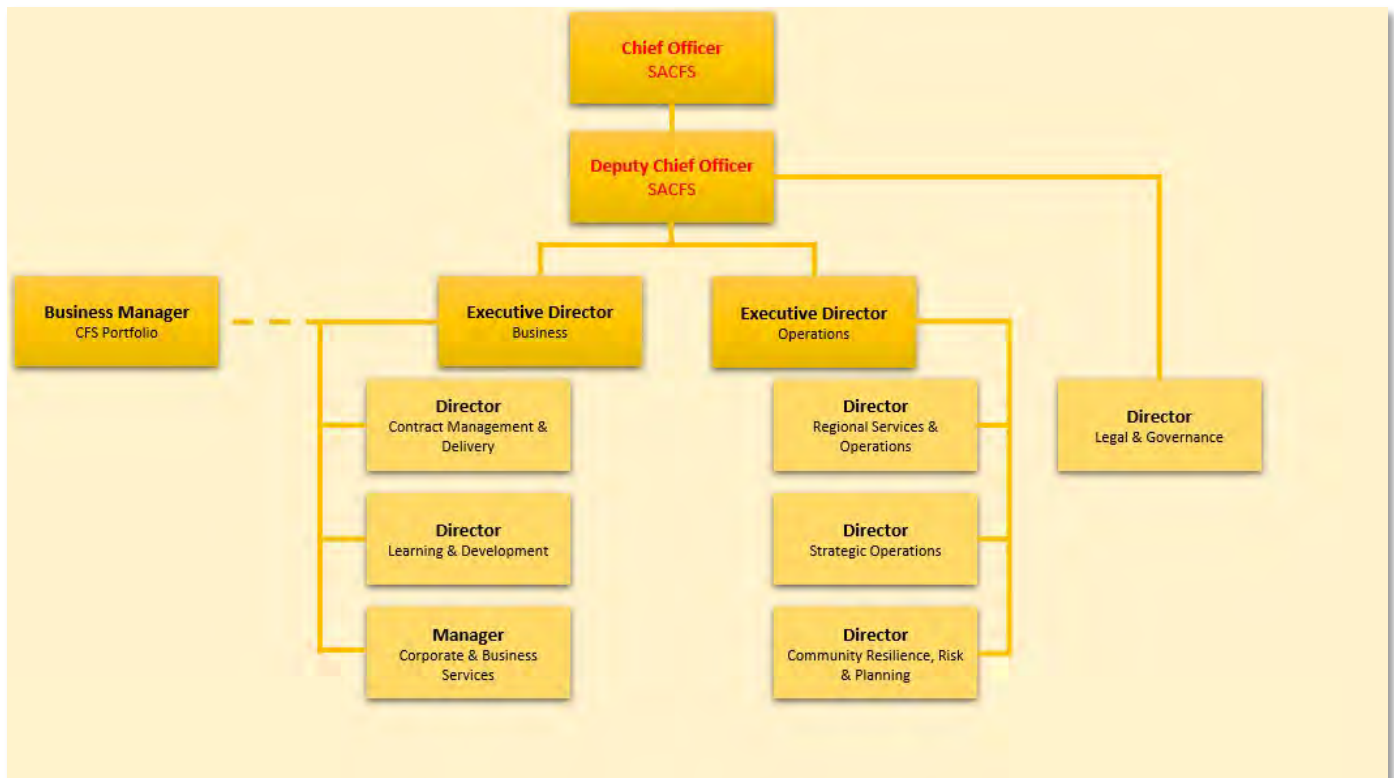
The SACFS has a strong focus on service delivery to the community and supports communities through the delivery of community programmes, public information and raising awareness of bushfire risk and behaviour. Increasingly the thirst for immediate and accurate public information is a priority, which the SACFS delivers through new media and improved channels of communication. In addition, we focus on the risk and capability planning, and delivery of state-of-the-art equipment, qualified training, operational improvement, and the large suite of business activities to support an evidence based and best practice approach to service delivery.

Our strategic focus

Our Purpose	The SACFS is an all-hazards agency providing response and prevention services to bushfire and structure fires and response services to motor vehicle fires, road crash rescue and hazardous material spills.
Our Vision	The South Australian Country Fire Service is the best volunteer fire and rescue service in the world.
Our Values	<p>The community of South Australia expects the SACFS to conduct its business with professionalism, accountability, integrity, and respect. The actions, decisions, and interactions of SACFS members must:</p> <ul style="list-style-type: none"> • Be consistent with legislation and policy • Be transparent and open to public scrutiny • Be soundly based on SACFS values and their guiding principles, and • Consider individual, group and community safety as their highest priority. <p>Our core values are all of equal importance:</p> <ul style="list-style-type: none"> • Mutual Respect • Integrity and Trust • Adaptability and Resourcefulness • Teamwork: One Team, Many Players, One Purpose • Support, Friendship and Camaraderie • Community and Our Environment • Safety and Welfare • Knowledge and Ongoing Learning
Our functions, objectives, and deliverables	<p>The SACFS serves communities through dedicated volunteers delivering professional fire and rescue services to outer metropolitan, regional and rural South Australia.</p> <p>Our strategic objectives are to:</p> <ul style="list-style-type: none"> • Enable safer communities through empowerment • Enable and deliver a safer, inclusive and sustainable workforce. • Improve governance. • Focus and drive continuous improvement. • Strengthen our relationships with our key partners.

SA Country Fire Service

Functional Grouping as of 30 June 2022



Changes to the agency

During 2021-22, there were the following changes to the agency's structure to strengthen our alignment to the agencies statutory obligations and to align functions to key deliverables, such as:

- Creation and appointment to the Executive Director Operations, Assistant Fire Chief Officer.
- Review and implementation of the suite of key leadership roles at the Director level.
- Corporate and Business Services was established, acknowledging the importance of and need for best practice administrative and business support functions, and to provide a team environment for existing roles.
- Incident Management was and continues to be a priority focus area for the agency, as per recommendations for various reviews.

The agency has and continues to work collaboratively with the Public Sector Association and SACFS Volunteer Association to support all personnel in the management and outcomes of change.

Our Minister



Joe Szakacs MP

- Minister for Police, Emergency Services and Correctional Services



Our Executive team

SACFS Chief Officer - Mark Jones QFSM

- The Chief Officer has legislative responsibility for SACFS
- Chair of the State Bushfire Coordination Committee
- He fulfils his statutory appointments on the South Australian Fire and Emergency Services Commission Board and the State Emergency Management Committee.
- Performs a representational function for the State on a range of intergovernmental and national committees and boards.



Deputy Chief Officer - Georgie Cornish

Responsible for:

- Ensuring SACFS operational readiness for its statutory functions and preparedness, response, and recovery.
- Emergency Management
- Strategic Projects
- WHS and Injury Management
- Legal and Governance



Executive Director - Operations – Brett Loughlin

Responsible for:

- Regional Services & Operations
- Strategic Operations, and
- Community Resilience, Risk and Planning



Executive Director - Business – Tammy Moffat

Responsible for:

- Contract Management & Delivery
- Asset Management & Planning
- Learning and Development, and
- Corporate and Business Services

Legislation administered by the agency

- *Fire and Emergency Services Act 2005*

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

- South Australian Fire and Emergency Services Commission
- South Australian Metropolitan Fire Service
- South Australian State Emergency Service

The agency's performance

Performance at a glance

The SACFS made substantial inroads to increase its aviation and technical operations capability and capacity in the 2021-22 financial year. The agency simultaneously maintained its strong operational tempo as a hazard leader and supported our partner agencies such as the SA State Emergency Service (SASES), SA Metropolitan Fire Service (SAMFS), SA Ambulance Service (SAAS), Department of Primary Industries and Regions South Australia (PIRSA) and SA Health in responding and managing incidents of importance.

Successful negotiation of two Black Hawk helicopters, improvements in aviation training to align with newly released units of competency, facilities improvements and a new suppressant loading system will continue to improve the expertise, safety, and effectiveness of the agency's fire response.

Significant work was undertaken in the technical space with upgrades of the HazMat detection equipment, training delivery and multi-agency exercises all of which will continue to enhance the agency's ability to provide specialised responses in peri-urban, remote and rural areas to the highest quality.

While the SACFS saw a decrease in overall incident responses this year comparative to the previous year, rural fires and special service incidents increased. Even in a La Nina year we have had some significant fires, made more difficult by the impact of COVID-19, and, tragically, we lost one of our own at the Coles Fire in the south-east of the state. The fire in Coles was a well-coordinated response with support from SASES, SAMFS and the Department for Environment and Water (DEW). The incident was closely followed by the Mt Gambier fire wherein already wearied crews provided support to the SAMFS.

During the fire season, five deployments totalling 28 volunteer and 12 staff were sent to support the State Emergency Services with the flood response in New South Wales and Queensland. With both regions impacted by multiple rounds of devastating floods, personnel supported with incident management, and community engagement to those impacted by the events and evacuations.

For the year SACFS members attended approximately 9,500 incidents and provided support responses to more than 7,114 incidents. A collective total of 370,167 hours were provided by our members to support emergency incidents that threatened our community. Of the total incidents attended in 2021-22 the majority related to:

- 32% special services,
- 23% vehicle response, and
- 17% for rural fires.

The SACFS has been actively engaged in planning for the implementation of the new Australian Fire Danger Rating System (AFDRS). Working with other government agencies, local council, and community leaders to ensure that the state is prepared

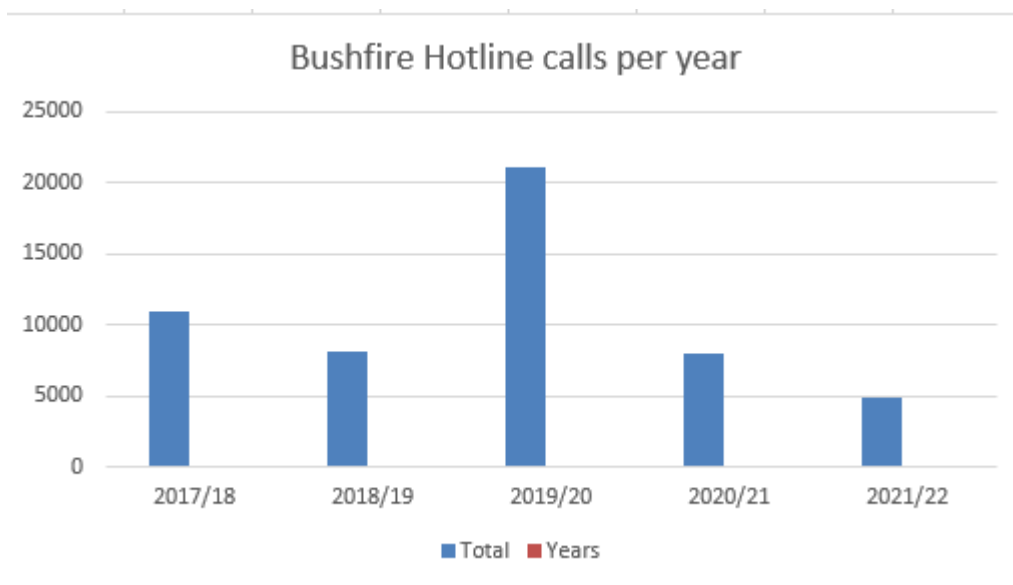
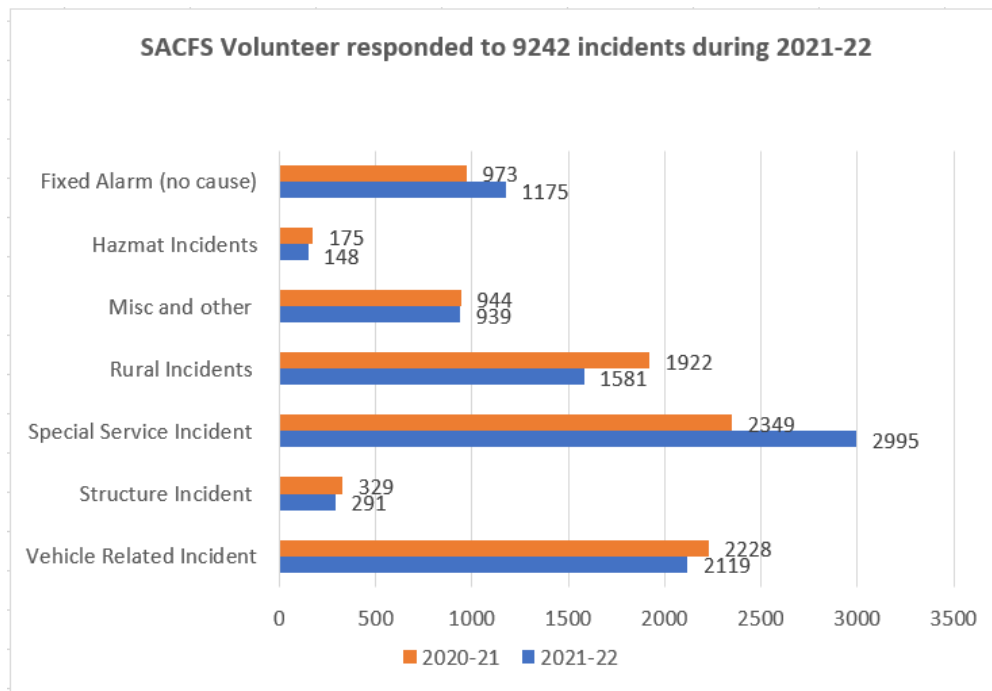
for the upcoming 2022-23 fire season and the go-live of the system. The agency has been proactive in ensuring that changes to doctrine, process, and procedures in delivering community messaging, undertaking fire calculations and working across borders has been proactively implemented to enable members to develop expertise in the new system, prior to fire season.

Community engagement has made significant achievements during the year in building the resilience of the community. Delivering distinct programs targeting business and organisations with the redevelopment of the Bushfire Survival Guide for Business and Organisations, design and development of Child and Youth emergency preparedness workshops and upgrading the Bushfire Ready for Carers program to support at-risk people with bushfire preparedness.

SACFS maintained its COVID-19 taskforce to oversee changes in operational and business work arrangements in line with government directions. SACFS was able to maintain its ability to respond to emergencies and continue our business activities, while maintaining the safety of our personnel and the community thanks to the ongoing monitoring and actions by the taskforce.

The SACFS pushed forward with substantial improvements to facilities, transitioning to the new Emergency Services Headquarters at Keswick, with state-of-the-art facilities for the State Command Centre and co-located with peers in the SASES and SAMFS. At the same time, the Facilities Renew Program maintained delivery despite COVID-19 impacts to the building industry to create better operational facilities for volunteers. Works were progressed to increase the agencies sustainability regionally, with efforts coordinated with other agencies for solar panels and batteries to roll-out in the next financial year for some locations across the state. The GRN Terminal Replacement Project progressed with the installation across the regions; this major project will see substantial improvements in command and control communications at incidents.

Our volunteers and staff have shown phenomenal spirit in the face of tragedy and continuously strived to deliver the highest standard of service to the community while maintaining as a staff/volunteer ratio of a little over 11% - a remarkably low statistic given the challenges faced and the outputs that are delivered.



Agency response to COVID-19

Operational Response

- The SACFS continued to provide fire and emergency response during the pandemic, without loss to capacity.
- The SACFS COVID-19 Taskforce was maintained throughout the year to provide central coordination of advice internally to all members, and for initiating and monitoring COVID-19 specific actions.
- Specific COVID-19 protocols were developed for SACFS Aviation Operations, State/Regional Command Centres and Incident Management Teams for the fire

danger season, and applies to staff, local and international crews. These protocols include creation of capability bubbles to provide redundancy, and specific hygiene rules for operating locations, catering, and rest and accommodation areas.

- The SACFS implemented mandatory vaccinations for Staff and Volunteers involved in Aviation, Regional/Staff Command Centre and Incident Management Teams.
- Policy was also established during the 2021-2022 fire season regarding the use of Rapid Antigen Testing for operationally active personnel in SACFS Aviation Operations, State/Regional Command Centres, Incident Management Teams and deployed firefighters to major incidents.
- The SACFS supported the development of national resource support plans, specifically for the COVID-19 environment. Each year nationally, fire agencies prepare to provide interstate support as required.
- The SACFS Taskforce continued to work collaboratively with SAAS, SA Health, SAPOL, SASES and SAMFS to share intelligence and develop joint operational work practices.
- The SACFS undertook a review of its Business Continuity Plan to ensure impacts to service delivery as a result of COVID-19 were minimised and mitigation controls put in place.

Agency contribution to whole of Government objectives

- Appointment of a Contract Manager dedicated to the effective monitoring, reporting, management of SACFS Contracts.
- Additional one full time equivalent (FTE) was established to support the three full time equivalent positions to continue to support the South Australian implementation of the new AFDRS and better inform the community during extreme fire weather.
- Conversion of contracted personnel to paid staff directly aligned to the provision of State Operating Centre functions.
- The SACFS casual administrative pool added access to approximately 10 people from its administrative resource pool supporting SACFS, and the Emergency Services sector.
- Appointments made directly related to ensuring SACFS compliance with legislative responsibilities and commitment to the recommendations from reviews including Professional Standards Officer, Safety Coordinator, Industry Brigade Project Manager.
- The SACFS continues to align its procurement undertakings with government protocols to achieve best value for money.
- The SACFS continues to progress the solar panels and Sonnen batteries initiative, to equip 36 operational facilities, through the Government Building Energy Fund (in conjunction with the Department for Energy & Mining).

- The SACFS continued to provide significant response and incident management services to the State of South Australia during times of major crisis, as experienced in the Coles Fire Response in the states southeast, COVID-19, Fruit Fly response and planning for Foot and Mouth.
- The new Emergency Services State Command Centre, located at Keswick, was full operational and active during the year.
- The SACFS has undertaken a comprehensive internal and external stakeholder engagement process in readiness for the implementation of the AFDRS in 2022-23.

Agency specific objectives and performance

Agency objectives	Indicators	Performance
Equip and support our members to enable a safe, functional and effective response	<p>Facility planning with 5 year outlook.</p> <p>Standardised Facility designs, meeting industry and WHS standards.</p> <p>Delivery against 21-22 programs (operational facilities and project renew).</p> <p>Brigade location planning, forwarding looking.</p> <p>Heavy and Light vehicle plans, reflecting investment for outer years.</p> <p>Delivery against 21-22 programs.</p>	<p>Work continues.</p> <p>Drafted designs completed.</p> <p>Two operational facilities were completed, despite the complications of COVID-19 restrictions and lockdowns, as funded through the SACFS Capital Program.</p> <p>Upgrades to 3x Airbase crew welfare facilities.</p> <p>Land was secured for a future facility development at Lenswood.</p> <p>Work continues, heavy fleet review finalised and integrated in 22-23 planning.</p> <p>63 new vehicles were procured and are in various stages of delivery of build. 33 were actioned for refurbishment.</p>
Equip and support our members to enable a safe, functional and effective response.	Retrofit of Heavy Tankers for cabin deluge, in-cab breathing system and other safety upgrades.	<p>27 trucks were retrofitted, with a further 119 having additional safety upgrades.</p> <p>Carry over of the program required to ensure full delivery due to COVID.</p>

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Equip and support our members to enable a safe, functional and effective response.	Complete tender for rotary winged aircraft firefighting and SACFS, via National Aerial Firefighting Centre (NAFC) tendered Aerotech to supply 2 x Black Hawk helicopters.	Completed, providing SACFS with significant increase in capacity in terms of speed, reliability and volume of water delivered. The contract is with a SA company in comparison to previous interstate and international suppliers.
Equip and support our members to enable a safe, functional and effective response.	Continued the rollout replacement of SAGRN mobile, fixed, and portable radios, critical to the safety and effectiveness of our response to the community.	Installation and supply of new SAGRN radios continued throughout the year.
Educate, inform and support communities, by empowering them to become active participants in disaster risk reduction and mitigation.	<p>Improved recording and reporting on community engagement activities and outcomes.</p> <p>Child and Youth Project</p> <ul style="list-style-type: none"> Develop and pilot phase 1 	<p>Delivery of specific reporting for key areas of output including delivery of risk reduction activities contained in Bushfire Management Area Plans (BMAP), and the State Bushfire Coordination Committee (SBCC).</p> <p>Completed.</p>

<p>Educate, inform and support communities, by empowering them to become active participants in disaster risk reduction and mitigation.</p>	<p>Review SACFS Bushfire Survival Guide for Businesses and Organisations.</p> <p>Support At-risk people with bushfire preparedness (bushfire ready for carers program upgrade).</p>	<p>Released - Includes a new framework to promote learning and reflection by businesses and organisations, and community collaboration to increase the resilience of the business community.</p> <p>Workshops conducted with revised program aligned to the Person Centred Emergency Preparedness framework and offers a more contemporary approach to inclusive emergency preparedness and the empowerment of carers to improve the bushfire preparedness of the at-risk people they care for.</p>
<p>Embrace innovation and research to drive performance improvement.</p>	<p>Commissioning and implementation of the Large Air Tankers automated mixing loading plant at Edinburgh.</p>	<p>The Retardant And Suppressant Computerised Automated Loading (RASCAL) system enhances the capability of the SACFS to support Large Air Tankers when deployed to incidents in SA. SACFS is the first agency to use this system and this facility is considered to be the most technically advanced of its kind in Australia.</p>

Implement research-led, best practice corporate policies and procedures.	SACFS suite of SAPs to be developed and released, in a staged approach based on priority and risk assessment.	<p>SACFS Code of Conduct and Respectful Behaviours Standard Administrative Procedures (SAPs) released, directly aligned to the expectations and standards of behaviour and performance SACFS requires of its members.</p> <p>SACFS Progressive Discipline SAP released for consultation, directly aligned to the processes, expectations and responsibilities when applying discipline to events.</p>
Work with our partner agencies to deliver best practice response services.	Transition to new Emergency Services Sector command centre.	Joint ESS functional Command Centre, activated throughout 21-22 with increased opportunity for interagency liaison, public information, and improved working conditions for staff.
Continuously improve our processes, performance and outcomes delivered.	<p>Upgrade operational personnel rostering system, including collating agencies rostered into single program.</p> <p>Continual review and proposed upgrades to operational programs – CRIIMSON Mobile Proof of Concept.</p>	<p>Production commenced with program utilised during the Fire Danger Season for staff.</p> <p>Released, provides the ability to view information from CRIIMSON and to have a mapping capacity.</p>

<p>Equip and support our members to enable a safe, functional and effective response.</p>	<p>Undertake upgrades to provision of HazMat functions within SACFS.</p> <p>Facilitation of multiagency response to radiological incident exercising.</p> <p>Review and implement Hazmat course for members.</p>	<p>SACFS completed the rollout of the current generation of gas detectors, enhances SACFS' capacity to monitor smoke and other hazardous gases.</p> <p>Enable improved capacity and capability in responding to and awareness of multiagency incidents.</p> <p>63 volunteers trained as HazMat combatants.</p>
<p>Targeted, tailored, timely and accurate messaging prepares communities to act ahead of and during emergencies.</p>	<p>Develop and implement public awareness campaign for the new Australian Warning System.</p>	<p>The Australian Warnings system was fully implemented within SACFS.</p>
<p>Educate, inform and support communities by empowering them to become active participants in disaster risk reduction and mitigation.</p>	<p>Creation of effective communication strategy for key stakeholders and community of responsibilities under the State Bushfire Management Plan.</p>	<p>Completion and launch of the SBCC website.</p>
<p>Educate, inform and support communities by empowering them to become active participants in disaster risk reduction and mitigation. Assessment of development applications</p>	<p>Provision of development assessments across SA.</p> <p>Native Vegetation Clearances.</p>	<p>SACFS processed 891 residential and 456 commercial applications. 95% completed within legislative timeframes.</p> <p>SACFS processed 40 Native Vegetation applications. 100% completed within 10 days.</p>

Continuously improve our processes, performance and outcomes delivered.	Improve governance and delivery of effective Bushfire Management Committees (BMC).	The SACFS Bushfire Management Planning Unit supported all nine BMC through the development of governance documents and the provision of advice and guidance to fulfill the objectives of the BMC Agency Report – Post Season Review in April.
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Corporate performance summary

Program name	Performance
SACFS Strategic Plan 2021-25	The 2021-25 SACFS Strategic Plan was released in late 2021.
National Emergency Medal	The 19/20 Bushfire season will forever serve as a stark reminder of the significant risk, complexity, and importance of our members. Early 2022 saw the official recognition of the service to our members, with various presentations across the state. Noting the Governor-General, his Excellency General the Honourable David Hurley AC DSC (Retd) was involved in several presentations.
Fire Truck Safety Systems (Regional employment program)	This project relies on the regional businesses to support the retrofit of safety systems to many appliances in the SACFS heavy fleet and includes other repair work identified being undertaken. The program has experienced impacts to supply chain and staffing capacity due to COVID-19. However implementation has progressed during 2021-22 with a total completion of 64 fit outs completed.
Other response actions	<p>The SACFS continues to support the State response to the COVID-19 pandemic, both in terms of providing incident management capability to SA Health, but also other agency requirements for assistance, such as SAAS. The SACFS maintained a Business Continuity Taskforce, to ensure synchronisation with other sector agencies, and to maintain focus on the needed changes in work and response practices, including working from home requirements for staff and deployment considerations in the lead up to the 2021-22 fire danger season. Risk mitigation plans have been maintained during the emergency, including:</p> <ul style="list-style-type: none"> • Preplanning for cross-border movements. • Supply chain management, cleaning protocols for both vehicles and facilities, crew safety when responding, and changes to training, and preseason preparations. • As requested by PIRSA, SACFS deployed incident management personnel to support their fruit fly response and have provided support to the planning for Foot and Mouth. SACFS have also provided incident management personnel to support flood operations to New South Wales State Emergency Service.

Natural Disasters Royal Commission	The SACFS is actively participating in the Department of the Premier and Cabinet's (DPC) led Royal Commission Working Group and undertaking those actions assigned to the agency.
Review consolidation	The SACFS commenced working on the consolidation of various reviews, commissions, and internal audits recommendations, to enable prioritisation and allocation of actions within the remit of SACFS and to identify actions that require additional investment of resources to enable the outcomes to be achieved.
Pacific Islands Emergency Management Alliance – Federal Initiative	<p>Under the twinning arrangement with the Kiribati Office of the President, SACFS continues to provide training and resources to develop the Kiribati response capability for fire and emergency management. SACFS delivered several initiatives, including:</p> <ul style="list-style-type: none"> • Identify additional fire trucks for Tarawa and Kiritimati Island, 2 x fire trucks to be delivered to Tarawa in late 2022. • Parts supplied for fire truck maintenance programme to prolong the life of delivered trucks. • Provision of expert advice and support to the Kiribati Government on emergency management legislation and policy. • Reviewed school-based evacuation plans. • Assisted Pacific Island Emergency Management Alliance (PIEMA) with development of online learner packages for Pacific Island Incident Management System (PacIMS) and Emergency Operations Centre (EOC) and delivered these to Kiribati and other Pacific Islands. • Develop a proposal to send an assistance mission for four SACFS officers to Tarawa in early October 2022. The mission has been approved and will be funded by PIEMA.
Bushfire Safer Places (BSP) and Last Resort Refuges (LRR)	A review of the policy and processes for the establishment, management and amendment of BSP and LRR was proposed for 2021-22. The review has been delayed pending identification of resources to support this process.
Hospital and Residential Aged Care Fire Safety Inspections	27 triennial building fire safety inspections of commonwealth funded health facilities were conducted, to ensure that such sites remain compliant with Commonwealth funding arrangements. This was down from an unusually high 50 the previous year due to high demands from the health industry for re-inspections, as well as a backlog of work during the COVID-19 lockdown. 100% of inspections were completed within the 3 year timeframe.

Regional Headquarters relocation	<p>The SACFS commissioned the new Region 4 Headquarters in Port Augusta.</p> <p>The new facility provides for significant improvement in professional working environment for emergency management – both internally and with partner agencies.</p>
Asset Management	<p>The SACFS Asset and Fleet Management System (AFMS) is now recording, managing, and reporting on the Agency's material capital investment vehicles, facilities, and equipment.</p> <p>The AFMS supports better asset renewal investment planning by the Agency, storing asset condition audits and insurance claims records to inform funding prioritisation.</p> <p>Work on the SACFS Strategic Asset Management Framework continues, with several asset management plans in final draft. These documents will standardise and regulate the Agency's asset planning approach, which continues to develop in line with best asset management principles, as embodied in the ISO 55001 international standard.</p>
Improve systems and ways of working to enhance service delivery and governance.	<p>SACFS retained its committed to improvement in recruitment processes, specially engaging in the OCPSE led project to implement an electronic recruitment system, to enhance recruitment activities undertaken and improve turnaround time for request to fill a position to appointment and improve governance and effectively embed appropriate delegations and authorities.</p> <p>SACFS undertook a review into existing workflows and released a Request for Information seeking opportunities for electronic workflows and electronic approvals, improving governance, communication and embracing innovation across the agency.</p>
Automatic Vehicle Location (AVL) System	<p>As part of the 2021-22 State Budget, the ESS was allocated \$7.7M over four years to deliver AVL. The SACFS formed part of the pilot project for roll out across the ESS and has continued to progressively roll out AVL in preparation for the 2022 fire season. A total of 420 vehicles in the SACFS fleet have been fitted as of September 2022 with the tablet and app, with training available on the Online Learning Hub for volunteers and staff and regular agency specific information sheets distributed to all.</p>

Farm Firefighting Units	Across South Australia there are hundreds (if not thousands) of farm fire units (FFUs). To help better support FFU owners, the SACFS is developing a state-wide program to register units and provide them with consistent support and resources. A total of 1782 FFUs were registered with the agency during 2021-22, each provided a vehicle sticker to identify them to SACFS fire crews on the fireground and access SAPOL Traffic Management Points, insurance coverage for owner/operators and their equipment in support of SACFS for fires, fireground safety awareness materials and online resources and to support logistics during fires (including means and water re-supply).
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Employment opportunity programs

Program name	Performance
Skilling SA Government Apprenticeship and Traineeship	<p>The program links to the Skilling South Australia initiative and policy to help more people to obtain qualifications to build lasting careers and meet the needs of industry.</p> <p>Each year, SACFS attracts new volunteers and provides them with the training, education and skills required to provide emergency response services to the community, while building life skills and qualifications.</p>
SACFS Youth Advisory Council	SACFS also supports its Youth Advisory Council (YAC) whereby young volunteers can develop skills and capabilities such as leadership, teamwork, for future careers while providing advice on optimising our business from a youth perspective.
Fire Truck Safety Systems (Regional employment program)	This project relies on regional businesses to support the retrofit of safety systems to many dual cab appliances in the SACFS heavy fleet and includes other repair work identified being undertaken.
Facilities Renew Program	Project deliverables relies on the regional businesses to make use of various trades and civil contractors.
SACFS Casual Admin Pool	SACFS casual administrative pool continue to function and offer flexible employment opportunities across metro and regional locations within the state.

Agency performance management and development systems

Performance management and development system	Performance
<p>Enabling and delivering a safer, inclusive and sustainable workforce</p>	<p><u>Learning & Development</u></p> <p>SACFS continues to review learning materials and tools to promote adult learning and engagement.</p> <p>Online courses available on the SACFS online learning hub include operational pre-coursework, awareness courses and corporate courses.</p> <p>Total number of online courses completed by personnel during 2021-2022 was 4,112:</p> <ul style="list-style-type: none"> - Staff: 486 - Volunteers: 3926. <p><u>Incident Management Training</u></p> <p>Incident Management Review conducted, recommendations being used to form the basis of required works to assist with policy and procedural development throughout the organisation.</p> <p><u>Capability Development Program</u></p> <p>SACFS initiated a capability development program, identifying key areas of capability improvement requirements, specifically targeted personnel were provided capability development in:</p> <ul style="list-style-type: none"> - Risk Management - Asset Management - Procurement - Financial Management (delayed to July 22 due to COVID).
<p>DAIP</p> <p>Merger of Disability Action and Inclusion Plan/Diversity and Inclusion Plan</p>	<p>SACFS remains committed to the DAIP reporting requirements to DHS and undertaking key actions to deliver on the sector wide DAIP</p> <p>SACFS are active contributors to the DAIP Community of Practice.</p> <p>Partnering with Deaf Can Do to support brigade awareness and educating on how to communicate with deaf and hard of hearing people when attending incidences.</p>

Work health, safety and return to work programs

Program name	Performance
Improving monitoring and reporting.	Successful implementation of the SA Government's new WHS system (GovSafety) and relevant changes to internal processes to support staff and volunteers.
Improve awareness and education of WHS legislative requirements and priorities	<p>Due diligence training was conducted, targeted to incumbents in roles identified as having key responsibilities under the WHS Act.</p> <p>Release of suite of Standard Administrative Procedures aligned to WHS responsibilities and expectations for SACFS members.</p> <p>SACFS committed to undertaking the risk based audit – led by OCPSE into Leadership Commitment to Health and Safety – final report and recommendations to be released in 2022-23.</p>
Embrace opportunities and research development in the area of WHS, inclusive of Mental Health and Wellbeing.	SACFS committed to the <i>Protecting Emergency Responders with Evidence-Based Interventions</i> . (PEREI) research project led by Prof Reg Nixon, Flinders University. Focusing on improving the mental health, wellbeing and prevention of suicide of veterans, first responders and their families.

Improve awareness and education on the importance of Mental Health and Wellbeing	SACFS participated in the pilot program – Head4Work lead by OCPSE, focused on the creating awareness and training for members on how they can reduce workplace mental health risks and support themselves and their co-workers when concerns about mental health arise.
Improvement and/or enhancement of mental health and wellbeing services provided to members	<p>Major campaign deployment and follow up welfare check for volunteers and staff.</p> <p>All SACFS staff and volunteers who attended a deployment received a welfare check from volunteer peer support officers and/or external mental health professionals.</p> <p>Staff welfare checks and counselling support continues to be provided by SAFECOM Health and Wellbeing.</p> <ul style="list-style-type: none"> - A total of 279 volunteers and staff engaged in the support provided by the Employee Assistance program. - 35 Critical Incident Stress Response group sessions were conducted following a potentially traumatic event. <p>Stress, trauma and suicide prevention sessions developed and available to volunteers and their partners, inclusive of discussion on suicide prevention.</p> <ul style="list-style-type: none"> - 6 sessions delivered in 21-22. <p>Mental Health First Aid Workshops delivered to members across the state</p> <ul style="list-style-type: none"> - 4 delivered in 21-22. <p>Stress Prevention and Management (SPAM) 24/7 rostered helpline for volunteers and staff.</p> <ul style="list-style-type: none"> - SPAM helpline received 396 calls. <p>Volunteer Peer Support Officers</p> <ul style="list-style-type: none"> - 18 SACFS Volunteer peer support officers engaged - Continue to provide dedicated telephone welfare checks to volunteers during fire season.

OFFICIAL

Workplace injury claims	Current year 2021-22	Past year 2020-21	% Change (+ / -)
Total new workplace injury claims	38	46	-17.39%
Fatalities	0	0	
Seriously injured workers*	0	0	
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	5.59	35.93	-84.44

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

Work health and safety regulations	Current year 2021-22	Past year 2020-21	% Change (+ / -)
Number of notifiable incidents (<i>Work Health and Safety Act 2012, Part 3</i>)	6	3*	50%
Number of provisional improvement, improvement and prohibition notices (<i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i>)	0	0	0%

*After investigation of an incident post the publication of the 2020-2021 Annual report one incident was deemed to be a non-notifiable incident so has been removed from these figures.

Return to work costs**	Current year 2021-22	Past year 2020-21	% Change (+ / -)
Total gross workers compensation expenditure (\$)	\$851,898	\$1,780,724	-52.16%
Income support payments – gross (\$)	\$292,988	\$330,898	-11.46%

**before third party recovery

Data for previous years is available at: [Dataset - data.sa.gov.au](https://data.sa.gov.au)

Executive employment in the agency

Executive classification	Number of executives
Chief Officer	1
Deputy Chief Officer	1
Executive Director	2

Data for previous years is available at: [Dataset - data.sa.gov.au](https://data.sa.gov.au/dataset)

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

Financial performance

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2021-2022 are attached to this report.

Statement of Comprehensive Income	2021-22 Budget \$000s	2021-22 Actual \$000s	Variation \$000s	2020-21 Actual \$000s
Total Income	97 335	107 626	10 291	94 192
Total Expenses	90 124	101 212	11 088	93 650
Net Result	7 211	6 414	797	542

Statement of Financial Position	2021-22 Budget \$000s	2021-22 Actual \$000s	Variation \$000s	2020-21 Actual \$000s
Current assets	23 943	20 586	3 357	33 514
Non-current assets	238 627	229 207	9 420	222 106
Total assets	262 570	249 793	12 777	255 620
Current liabilities	12 370	8 992	3 378	17 227
Non-current liabilities	64 528	20 179	44 349	24 185
Total liabilities	76 898	29 171	47 727	41 412
Net assets	185 672	220 622	34 950	214 208
Equity	185 672	220 622	34 950	214 208

Consultants' disclosure

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

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

Consultancies	Purpose	\$ Actual payment
All consultancies below \$10,000 each - combined	Various	3 524

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

Consultancies	Purpose	\$ Actual payment
GHD P/L	PFAS contamination testing	586 024
C3 Resilience	Debrief and post event report for Coles fire incident	58 500
FYFE Pty Ltd	Site contamination audit	38 405
KPMG	Financial audit	25 424
Henderson Horrocks Risk Services	Risk investigation	15 043
PricewaterhouseCoopers	Operational Systems Review	13 849
Bee Squared	Service Review	10,000
	Total	747 244

Data for previous years is available at the [SACFS Financial Summaries - data.sa.gov.au](https://data.sa.gov.au).

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

Contractors disclosure

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

Contractors with a contract value below \$10,000

Contractors	Purpose	\$ Actual payment
All contractors below \$10,000 each - combined	Various	102 716

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

Contractors	Purpose	\$ Actual payment
Bureau of Meteorology	Fire weather briefing and support services	115 242
AAA Asphalt	Airstrip works	83 157
Vuca	Recruitment activities	89 701
Unified Solutions Group	IT deployment	41 537
Operational Support Services	Operational contractor support	77 566
Protexion Consulting	Air Operations Activity for Fire Danger Season	35 578
Phil Richards	Air operations	35 275
James William Blackmore	Air operations	33 194
Donerite Plumbing	Airstrip plumbing works	27 297
Neil Ackland	Air operations	22 880
InSync Solutions	IT system security testing	18 000
Country Fire Authority Victoria	Interstate deployment	17 023
Fine Mountain Consulting	Database review	15 186
Fireflight Technologies	Aviation services	13 134
Taylor & Taylor Holdings	Policy review	10 000
	Total	627 151

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

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

Risk management

Risk and audit at a glance

SACFS provides representation on the sector wide SAFECOM Finance Committee and SAFECOM Risk and Performance Committee pursuant to section 19(1) of the *Fire and Emergency Services Act 2005*, providing independent assurance and assistance to the SAFECOM Board on the Emergency Sector's risk, control and compliance framework and its external accountability responsibilities.

Fraud detected in the agency

Category/nature of fraud	Number of instances
Nil	Nil

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

Strategies implemented to control and prevent fraud

- An established control framework in place that includes internal controls, policies, procedures and practices to minimise the risk of fraud and dishonesty. Oversight is via a structure of meetings and committees, by SACFS Executive, SACFS Regional Operations Leadership Group and various advisory committees and forums including SAFECOM Risk and Performance Committee to consider risks, the control environment, and matters of potential fraud.
- SACFS uphold disciplinary processes as set out in the Fire and Emergency Services Regulations 2005 and where appropriate, are reported to the Office for Public Integrity as per the 'Directions and Guidelines for Inquiry Agencies, Public Authorities and Public Officers' issued by the ICAC.
- Maintenance of an asset register along with annual stock takes against this register.
- Volunteer annual returns process of Brigade and Group bank account balances.
- Local Funds Reporting System (LFRS) managed for transparency of local funds held by Groups and Brigades.
- All staff issued with and are bound by the Code of Ethics for the South Australian Public Sector.
- ESS Purchase card policy, and procedures including regular audits of card purchases made by both staff and volunteers.
- Targeted online training: ANZ Purchase Card Online Course and Code of Ethics Awareness Program

Data for previous years is available at: [Dataset - data.sa.gov.au](https://data.sa.gov.au)

Public interest disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Public Interest Disclosure Act 2018*: 1

Data for previous years is available at: [Dataset - data.sa.gov.au](https://data.sa.gov.au)

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

Reporting required under any other act or regulation

Act or Regulation	Requirement
<i>Fire and Emergency Services Act 2005</i> (SA) – s.71E	Production of Annual Report for the State Bushfire Coordination Committee.

Public complaints

Number of public complaints reported

Reporting on the number of complaints received is mandated. If your agency does not have an approved set of complaint categories in place, please use the complaint categories in the table below.

Complaint categories	Sub-categories	Example	Number of Complaints 2021-22
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; cultural competency	
Professional behaviour	Staff competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	
Professional behaviour	Staff knowledge	Lack of service specific knowledge; incomplete or out-of-date knowledge	
Communication	Communication quality	Inadequate, delayed or absent communication with customer	2
Communication	Confidentiality	Customer's confidentiality or privacy not respected; information shared incorrectly	
Service delivery	Systems/technology	System offline; inaccessible to customer; incorrect result/information provided; poor system design	
Service delivery	Access to services	Service difficult to find; location poor; facilities/ environment poor standard; not accessible to customers with disabilities	
Service delivery	Process	Processing error; incorrect process used; delay in processing application; process not customer responsive	
Policy	Policy application	Incorrect policy interpretation; incorrect policy applied; conflicting policy advice given	

OFFICIAL

Complaint categories	Sub-categories	Example	Number of Complaints 2021-22
Policy	Policy content	Policy content difficult to understand; policy unreasonable or disadvantages customer	
Service quality	Information	Incorrect, incomplete, out dated or inadequate information; not fit for purpose	
Service quality	Access to information	Information difficult to understand, hard to find or difficult to use; not plain English	
Service quality	Timeliness	Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met	
Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness	
Service quality	Service responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	
No case to answer	No case to answer	Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate	
		Total	2

Additional Metrics	Total
Number of positive feedback comments	0
Number of negative feedback comments	2
Total number of feedback comments	2
% complaints resolved within policy timeframes	100%

Data for previous years is available at: [insert hyperlink to specific data.sa page and ensure data sources are referenced.](#)

Service Improvements

Development, release and Implementation of Standard Administrative Procedures for:

- Code of Conduct
- Respectful Behaviours
- Policy & Procedure Governance Framework
- Performance Development & Planning
- WHS - Workstation Ergonomics
- WHS – Health and Safety Representative Nomination, Election and Training
- Facilities Renew Program.

Development of Standard Administrative Procedures for:

- Progressive Discipline
- Interstate, Intrastate & Overseas Travel
- Complaints Management (External)
- Gifts & Benefits.

Review of the SACFS Style Guides and Templates to support communications for staff and volunteers.

Compliance Statement

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

Appendix: Audited financial statements 2021-22

INDEPENDENT AUDITOR'S REPORT



Government of South Australia
Auditor-General's Department

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**To the Chief Officer
South Australian Country Fire Service**

Opinion

I have audited the financial report of the South Australian Country Fire Service for the financial year ended 30 June 2022.

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 2022, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2022
- a Statement of Financial Position as at 30 June 2022
- a Statement of Changes in Equity for the year ended 30 June 2022
- a Statement of Cash Flows for the year ended 30 June 2022
- 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* (including Independence Standards) have been met.

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

Responsibilities of the Chief Officer for the financial report

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

In preparing the financial report, the Chief Officer is responsible for assessing the South Australian Country Fire Service's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Chief Officer is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 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 2022.

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the South Australian Country Fire Service's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Officer

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

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

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



Daniel O'Donohue
Assistant Auditor-General (Financial Audit)

19 September 2022

South Australian Country Fire Service

Financial Statements

For the year ended 30 June 2022

**South Australian Country Fire Service
Certification of the Financial Statements**

We certify that the:

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



Mark Jones
Chief Officer
South Australian Country Fire Service
16 September 2022



Alanda Davis
Business Manager
South Australian Country Fire Service
16 September 2022

South Australian Country Fire Service
Statement of Comprehensive Income
for the year ended 30 June 2022

		2022	2021
	Note	\$'000	\$'000
Income			
Contributions from the Community Emergency Services Fund	2.1	93 363	88 174
Grants and contributions	2.2	5 359	2 545
SA Government grants, subsidies and transfers	2.3	6 828	1 485
Fees and charges	2.4	1 173	1 038
Interest		-	9
Net gain/(loss) from disposal of property plant and equipment	4.2	573	-
Other income	2.5	330	941
Total income		107 626	94 192
Expenses			
Supplies and services	4.1	63 697	58 752
Employee benefits	3.3	21 760	18 755
Depreciation and amortisation	5.1, 5.4	14 943	14 697
Grants and subsidies		633	657
Borrowing costs		152	154
Net gain/(loss) from disposal of property plant and equipment	4.2	-	325
Other expenses	4.3	27	310
Total expenses		101 212	93 650
Net result		6 414	542
Total comprehensive result		6 414	542

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

South Australian Country Fire Service
Statement of Financial Position
as at 30 June 2022

	Note	2022 \$'000	2021 \$'000
Current assets			
Cash and cash equivalents	6.1	16 533	26 932
Receivables	6.2	2 168	4 232
Other financial assets	6.3	1 885	1 850
Non-current assets classified as held for sale	6.4	-	500
Total current assets		20 586	33 514
Non-current assets			
Property, plant and equipment	5.1	188 762	193 782
Intangible assets	5.4	-	84
Capital works in progress	5.5	40 445	28 240
Total non-current assets		229 207	222 106
Total assets		249 793	255 620
Current liabilities			
Payables	7.1	3 728	11 064
Financial liabilities	7.2	1 258	1 597
Employee benefits	3.4	2 944	3 257
Provisions	7.3	1 062	1 309
Total current liabilities		8 992	17 227
Non-current liabilities			
Payables	7.1	298	381
Financial liabilities	7.2	7 654	9 511
Employee benefits	3.4	3 044	3 951
Provisions	7.3	9 183	10 342
Total non-current liabilities		20 179	24 185
Total liabilities		29 171	41 412
Net assets		220 622	214 208
Equity			
Asset revaluation surplus	8.1	63 968	63 997
Retained earnings	8.1	156 654	150 211
Total equity		220 622	214 208

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

South Australian Country Fire Service
Statement of Changes in Equity
for the year ended 30 June 2022

	Note	Asset revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2020		64 019	149 647	213 666
Net result for 2020-21		-	542	542
Total comprehensive result for 2020-21		-	542	542
Transfer between equity components		(22)	22	-
Balance at 30 June 2021		63 997	150 211	214 208
Net result for 2021-22			6 414	6 414
Total comprehensive result for 2021-22		-	6 414	6 414
Transfer between equity components		(29)	29	-
Balance at 30 June 2022	8.1	63 968	156 654	220 622

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

South Australian Country Fire Service
Statement of Cash Flows
for the year ended 30 June 2022

		2022	2021
	Note	\$'000	\$'000
Cash flows from operating activities			
Cash inflows			
Contributions from the Community Emergency Services Fund		93 363	88 174
SA Government grants, subsidies and transfers		9 016	6 419
Fees and charges		1 138	1 038
Receipts from grants and contributions		5 359	2 545
Interest received		-	9
GST recovered from the Australian Taxation Office		8 716	6 954
Receipts for paid Parental Leave Scheme		25	11
Other receipts		404	1 474
Cash generated from operations		118 021	106 624
Cash outflows			
Employee benefits payments		(24 486)	(23 270)
Supplies and services payments		(74 434)	(66 727)
Grants and subsidies payments		(633)	(657)
Payments for paid Parental Leave Scheme		(33)	-
Interest paid		(152)	(154)
Cash used in operations		(99 738)	(90 808)
Net cash provided by operating activities	8.2	18 283	15 816
Cash flows from investing activities			
Cash inflows			
Proceeds from the sale of property, plant and equipment		1 482	741
Proceeds from the sale of investments		-	205
Cash generated from investing activities		1 482	946
Cash outflows			
Purchase of property, plant and equipment		(28 699)	(14 484)
Payments for disposal of property		(17)	(52)
Purchase of investments		(35)	-
Cash used in investing activities		(28 751)	(14 536)
Net cash used in investing activities		(27 269)	(13 590)
Cash flows from financing activities			
Cash outflows			
Repayment of principal portion of lease liabilities		(1 413)	(1 374)
Cash used by financing activities		(1 413)	(1 374)
Net cash provided by financing activities		(1 413)	(1 374)
Net (decrease) / increase in cash and cash equivalents		(10 399)	852
Cash and cash equivalents at the beginning of the period		26 932	26 080
Cash and cash equivalents at the end of the period	6.1	16 533	26 932

The accompanying notes form part of these financial statements.

South Australian Country Fire Service
Notes to and forming part of the financial statements
for the year ended 30 June 2022

NOTES TO THE FINANCIAL STATEMENTS

1.	About the South Australian Country Fire Service.....	6
1.1.	Basis of preparation.....	6
1.2.	New and amended standards adopted by the CFS.....	6
1.3.	Objectives and programs.....	7
1.4.	Impact of COVID-19 pandemic on the CFS.....	7
1.5.	Budget performance.....	8
1.6.	Significant transactions with government related entities.....	9
2.	Income.....	9
2.1.	Contributions from Community Emergency Services Fund.....	9
2.2.	Grants and contributions.....	9
2.3.	SA Government grants, subsidies and transfers.....	10
2.4.	Revenue from fees and charges.....	10
2.5.	Other income.....	11
3.	Board, committees and employees.....	12
3.1.	Key management personnel.....	12
3.2.	Remuneration of board and committee members.....	12
3.3.	Employee benefits expenses.....	13
3.4.	Employee benefits liability.....	15
4.	Expenses.....	16
4.1.	Supplies and services.....	16
4.2.	Net gain / (loss) from disposal of non-current assets.....	17
4.3.	Other expenses.....	17
5.	Non-financial assets.....	18
5.1.	Property, plant and equipment.....	18
5.2.	Property, plant and equipment owned by the CFS.....	20
5.3.	Property, plant and equipment leased by the CFS.....	21
5.4.	Intangible assets.....	21
6.	Financial assets.....	22
6.1.	Cash and cash equivalents.....	22
6.2.	Receivables.....	23
6.3.	Other financial assets.....	23
6.4.	Non-current assets classified as held for sale.....	24
7.	Liabilities.....	25
7.1.	Payables.....	25
7.2.	Financial liabilities.....	26
7.3.	Provisions.....	27
8.	Other disclosures.....	28
8.1.	Equity.....	28
8.2.	Cash flow reconciliation.....	29
9.	Outlook.....	30
9.1.	Unrecognised contractual commitments.....	30
9.2.	Contingent assets and liabilities.....	30
9.3.	Impact of standards not yet implemented.....	31
9.4.	COVID-19 pandemic outlook for the CFS.....	31
9.5.	Events after the reporting period.....	31
10.	Measurement and risk.....	31
10.1.	Fair value.....	31
10.2.	Financial instruments.....	32

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2022

1. About the South Australian Country Fire Service

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

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

1.1. Basis of preparation

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

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

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

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

Significant accounting policies are set out throughout these notes.

The 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, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

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

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

1.2. New and amended standards adopted by the CFS

The CFS has early adopted *AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates* which clarifies the requirements for disclosure of material accounting policy information and clarifies the distinction between accounting policies and accounting estimates. There has been no impact on the CFS's financial statements.

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2022

1.3. Objectives and programs

Objectives

The CFS is volunteer based and is responsible under the Act for the following functions:

- to provide frontline services with the aim of preventing the outbreak of fires, reducing the impact of fires and preparing communities through comprehensive community engagement programs
- to provide efficient and responsive frontline services for the purpose of fighting fires, dealing with other emergencies or undertaking any rescue
- to protect life, property and environmental assets from fire and other emergencies
- to develop and maintain plans to cope with the effects of fires and other emergencies
- to provide services or support to assist with recovery in the event of a fire or other emergency.

Funding of the 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 fundraising activities are held by the respective Group/Brigade for expenditure on the CFS's activities in the local community. These funds are recognised in the CFS's financial statements.

Programs

In achieving its objectives, the 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'. These services are predominantly delivered by volunteers.

1.4. Impact of COVID-19 pandemic on the CFS

The COVID-19 pandemic has impacted the operations of the CFS and the impacts are included under the relevant disclosure notes. The key impacts in 2021-22 were:

- Additional expenditure of \$256 000 to keep the CFS personnel and volunteers safe while maintaining service delivery to the community.
- Reduced capital expenditure and delays in the delivery of capital and ICT programs due to supplier business restrictions and demand.

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

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2022

1.5. Budget performance

The budget performance table compares the CFS's outcomes against budget information presented to Parliament (2021-22 Budget Paper 4). The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

	Note	Original budget 2022 \$'000	Actual 2022 \$'000	Variance \$'000
Statement of Comprehensive Income				
Income				
Contribution from the Community Emergency Services Fund		92 722	93 363	641
Fees and charges		1 705	1 173	(532)
Grants and contributions		2 024	5 359	3 335
Net gain from the disposal of non-current and other assets		-	573	573
SA Government grants, subsidies and transfers	a	-	6 828	6 828
Other income		903	330	(573)
Total Income		97 354	107 626	10 272
Expenses				
Supplies and services	b	53 838	83 697	9 859
Employee benefits		20 515	21 760	1 245
Depreciation and amortisation		14 523	14 943	420
Grants and subsidies		450	633	183
Borrowing costs		187	152	(35)
Net loss from the disposal of non-current and other assets		19	-	(19)
Other expenses		611	27	(584)
Total Expenses		90 143	101 212	11 069
Net result		7 211	6 414	(797)
Total comprehensive result		7 211	6 414	(797)

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

- a Funding from the South Australian Government in 2021-22 includes \$6.0 million transfer from Department of Treasury and Finance (DTF) for out of scale incidents that occurred in 2021-22, and \$0.7 million from the Government Building Energy Fund for the Sonnen Battery Project.
- b Actual supplies and services were higher than the original budget predominantly due to extraordinary bushfire costs and the extension of aviation contracts to provide suitable coverage over the 2021-22 bushfire season.

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2022

1.5. Budget performance (continued)

	Note	Original budget 2022 \$'000	Actual 2022 \$'000	Variance \$'000
Investing expenditure summary				
Total new projects	c	-	13 513	(13 513)
Total Annual Programs	d	28 501	9 725	18 776
Total Leases		682	414	268
Total investing expenditure		29 183	23 652	5 531

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

- c New projects include the movement of the vehicle acquisitions program from annual programs to a discrete capital project (\$12.9 million), as well as the Edinburgh Large Air Tanker project (\$0.6 million).
- d Original budget is higher than total expenditure due to delays in supplier delivery timeframes.

1.6. Significant transactions with government related entities

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

- Payment to the Attorney-General's Department for the government radio network of \$13.6 million (refer note 4.1);
- Contributions from the Fund (refer note 2.1);
- Transfer of \$6.0 million from the Department of Treasury and Finance to fund extraordinary bushfire costs incurred in 2021-22 (refer note 2.3).

2. Income

2.1. Contributions from Community Emergency Services Fund

Contributions from the Fund amount to \$93.363 million (2021: \$88.174 million) and are recognised as revenues when the CFS obtains control over the funding. Control over contributions is normally obtained upon receipt.

2.2. Grants and contributions

Grants and Contributions of \$5.4 million (2021: \$2.5 million) are recognised as an asset and income when the CFS obtains control of the contributions or obtains the right to receive the contributions and the income recognition criteria are met, this is generally on receipt.

Private industry funding includes contributions received from the National Aerial Firefighting Centre Ltd. These funds 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.

Commonwealth Government revenue includes once-off project grants which are subject to specific funding agreements.

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2022

2.3. SA Government grants, subsidies and transfers

	2022	2021
	\$'000	\$'000
Intra government transfers	6 046	1 400
Embed BOM Meteorologist	86	85
Government Building Energy Fund	696	-
Total SA Government grants, subsidies and transfers	6 828	1 485

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

2.4. Fees and charges

	2022	2021
	\$'000	\$'000
Fire alarm attendance fees	388	383
Fire alarm monitoring fees	289	275
Fire safety fees	332	267
Facilities hire fees	147	113
Incident cost recoveries	17	-
Other recoveries	-	-
Total fees and charges	1 173	1 038

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

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

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

Fire alarm attendance and fire safety fees

The CFS provide a range of fire alarm attendance and fire safety services to customers and charge prescribed fees for these services as regulated under the *Fire and Emergency Services Act 2005*. The CFS recognises revenue for these services in arrears once the relevant deliverables have been provided to the customer in line with the CFS's legislated responsibilities and internal policies.

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

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

Fire alarm monitoring fees

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

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2022

2.4. Revenue from fees and charges (continued)

Facilities hire fees

The CFS receives revenue from the short term hire of the State Training Centre facilities at Brukunga from government and non-government customers. The terms of hire are outlined in a hire agreement that stipulate obligations regarding facilities, accommodation and catering to be provided. Customers are invoiced and payment is received in arrears once all performance obligations have been met.

Incident cost recoveries

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

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

2.5. Other income

	2022	2021
	\$'000	\$'000
Group/Brigade Fundraising	39	406
Sundry revenues	85	149
Donations	17	10
Insurance recoveries	92	118
Salary recoveries	11	4
Other recoveries	22	103
Donated asset	4	-
Other	60	151
Total other income	330	941

Recoveries include employee benefits recoveries (i.e. where employees are seconded to other agencies or Commonwealth programs and the CFS continues to provide the ongoing salary for the employees) and goods and services (that is, where the CFS incurs expenditure on goods and services and later recovers the expenditure).

Although not recognised in the CFS's financial statements, the CFS receives volunteer services from numerous volunteers who provide frontline emergency response services to the community and in other support roles.

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2022

3. Board, committees and employees

3.1. Key management personnel

Key management personnel of the CFS include the Minister, the Chief Officer, the Deputy Chief Officer and Executive Directors of the CFS, who have responsibility for the strategic direction and management of the CFS.

The compensation detailed below excludes salaries and other benefits received by the Minister. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via DTF) under section 6 of the *Parliamentary Remuneration Act 1990*.

	2022	2021
Compensation	\$'000	\$'000
Salaries and other short term employee benefits	731	647
Post-employment benefits	103	61
Total compensation	834	708

Transactions with key management personnel and other related parties

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

3.2. Remuneration of board and committee members

Members of boards and committees during 2022 were:

State Bushfire Coordination Committee

A Allen* (term expired 10 December 2021)	D S Gilbertson
N G Bamford*	H L Greaves
J S Crocker	D Leblond* (term expired 18 October 2021)
F J Gill*	J D Lindner
W R McIntosh	M R Sutton*
M S Jones* (ex officio)	E G Petrenas*
P R White	B A Swaffer
A Walsh	D Ezis*
B Loughlin*	D Kowalski*
G V Brown*	G Venditto* (term expired 24 May 2022)
J Moyle	M Anolak*
M Ashley	M S Martin* (appointed 26 August 2021)
M J Blason	P Merry
P Button*	T Moffat*
R A Cadd	F Crisci* (term expired 4 February 2022)
K M Egan	G P Benham*
J B Drew*	T N B Roberts (appointed 26 August 2021)
M J Garrod* (appointed 26 August 2021)	J L Clark* (appointed 26 August 2021)
S Reachill* (appointed 26 August 2021)	R K Hardy* (appointed 23 December 2021)
T A Fountain* (appointed 23 December 2021)	L M Brooks (appointed 10 February 2022)

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

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2022

Board and committee remuneration

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

The number of members whose remuneration received or receivable falls within the following bands:	2022	2021
\$0 - \$19 999	40	54
Total number of members	40	54

The total remuneration received or receivable by members was \$2 000 (2021: \$3 000). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any related fringe benefits tax paid.

3.3. Employee benefits expenses

	2022	2021
	\$'000	\$'000
Salaries and wages	17 285	16 480
Workers compensation	(437)	(1 988)
Employment on-costs - superannuation	1 780	1 652
Annual leave	1 570	1 407
Long service leave	(130)	439
Payroll tax	1 032	991
Skills and experience retention leave	92	94
Other employment related expenses	42	67
Board fees	2	3
Targeted voluntary separation payments	408	-
Additional compensation	116	(390)
Total employee benefits expenses	21 760	18 755

Employment on-costs – superannuation

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

Workers compensation and Additional Compensation

The movement in the workers compensation and additional compensation liabilities is lesser in 2021-22 compared to 2020-21, resulting in a reduction in the workers compensation expense recorded.

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2022

3.3. Employee benefits expenses (continued)

Employee remuneration

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

	Employees	
	2022	2021
	Number	Number
\$154 001 - \$157 000*	N/A	1
\$157 001 - \$177 000	4	2
\$177 001 - \$197 000	3	-
\$217 001 - \$237 000	1	-
\$257 001 - \$277 000	-	1
\$277 001 - \$297 000	-	2
\$337 001 - \$357 000	1	-
Total	9	6

*This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration for 2020-21.

The total remuneration received by these employees for the year was \$1.78 million (2021: \$1.32 million).

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and any related fringe benefits tax paid.

Targeted voluntary separation packages (TVSP)

The number of employees who received a TVSP during the reporting period was 10 (2021: nil).

	2022	2021
	\$'000	\$'000
Amount paid to separated employees:		
Public Sector Workforce Rejuvenation Scheme payments	408	-
Leave paid to those employees	269	-
Net cost of TVSPs	677	-

TVSPs include payments made under the Public Sector Workforce Rejuvenation Scheme

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2022

3.4. Employee benefits liability

	2022	2021
	\$'000	\$'000
Current		
Annual leave	2 371	2 224
Accrued salaries and wages	–	582
Skills and experience retention leave	125	131
Long service leave	448	320
Total current employee benefits	2 944	3 257
Non-current		
Long service leave	3 044	3 951
Total non-current employee benefits	3 044	3 951
Total employee benefits	5 988	7 208

Employee 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 (SERL) and sick leave

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

The annual leave liability and the SERL liability in full is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

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 for 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.

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

The actuarial assessment performed by DTF has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over the police and emergency services sector.

AASB 119 requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has increased from 2021 (1.50%) to 3.75% in 2022. This change 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 to actuarial assumptions in the current financial year is a decrease in both the long service leave liability and employee benefits expense of \$745 000. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions - including the long-term discount rate.

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

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

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2022

4. Expenses

4.1. Supplies and services

	2022	2021
	\$'000	\$'000
Aerial firefighting	14 552	11 992
Government radio network	13 619	13 287
Vehicles	9 311	8 710
Operational costs	4 950	4 320
Property costs	4 094	3 353
Travel and training	2 475	2 306
Consultancy, contractor and legal fees	2 518	3 124
Uniforms and protective clothing	2 101	2 377
Communications	2 584	2 579
Computing costs	1 823	1 990
Accommodation	1 500	891
Insurance premiums	433	350
Short term leases	346	392
Other expenses	3 391	3 081
Total supplies and services	63 697	58 752

Accommodation

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

Other

Includes audit fees paid/payable to the Auditor-General's Department relating to work performed under the Public Finance and Audit Act were \$33 000 (2021: \$32 000). No other services were provided by the Auditor-General's Department.

Leases

The CFS recognises lease payments associated with short-term leases (12 months or less) and low value leases (less than \$10 000) as an expense on a straight-line basis over the lease term. Lease commitments for short term leases is similar to short term lease expenses disclosed.

Consultants

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

	2022	2022	2021	2021
	No.	\$'000	No.	\$'000
Below \$10 000	1	4	-	-
\$10 000 or above	7	747	6	615
Total paid / payable to the consultants	8	751	6	615

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2022

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

	2022 \$'000	2021 \$'000
Assets held for sale		
Proceeds from disposal	500	-
Costs of disposal	(14)	-
Less net book value of assets disposed	(500)	-
Net gain / (loss) from disposal of assets held for sale	(14)	-
Land and buildings		
Costs of disposal	(3)	(4)
Less net book value of assets disposed	(3)	-
Net gain / (loss) from disposal of land and buildings	(6)	(4)
Vehicles		
Proceeds from disposal	982	741
Less net book value of assets disposed	(388)	(1 017)
Net gain / (loss) from disposal of vehicles	594	(276)
Plant and equipment		
Costs of disposal	-	(48)
Less net book value of assets disposed	(1)	-
Net gain / (loss) from disposal of plant and equipment	(1)	(48)
Total assets:		
Proceeds from disposal of non-current assets	1 482	741
Costs of disposal	(17)	(52)
Net book value of assets disposed	(892)	(1 017)
Net gain/(loss) on disposal of owned assets	573	(328)
Gain/ (loss) on modification of right-of-use assets	-	3
Net gain / (loss) from disposal of non-current assets	573	(325)

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

Gains/losses on modification of right-of-use (ROU) assets include the derecognition of the ROU assets (note 5.1) and associated lease liabilities (note 7.2) where the lease terms and conditions were modified during the current year.

4.3. Other expenses

	2022 \$'000	2021 \$'000
CWIP write off	-	68
Impairment loss	-	242
Donated assets	27	-
Total other expenses	27	310

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2022

5. Non-financial assets

5.1. Property, plant and equipment

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

Reconciliation of property, plant and equipment during 2021-22

	Land \$'000	Buildings \$'000	Vehicles \$'000	Plant & equipment \$'000	ROU Land \$'000	ROU Buildings \$'000	ROU Vehicles \$'000	ROU Plant and equipment \$'000	Total \$'000
Carrying amount at the beginning of the period	15 640	42 868	111 441	12 805	65	1 338	775	8 850	193 782
Acquisitions	-	-	-	-	-	-	414	-	414
Transfers from capital WIP ⁽¹⁾	-	4 163	6 322	556	-	-	-	-	11 041
Disposals	-	(3)	(388)	(1)	-	-	(5)	-	(398)
Donated assets	-	-	(27)	-	-	-	-	-	(27)
Remeasurement	-	-	-	-	-	17	-	(1 208)	(1 191)
Subtotal:	15 640	47 028	117 348	13 350	65	1 355	1 183	7 642	203 621
Gains/(losses) for the period recognised in net result:									
Depreciation	-	(2 712)	(8 514)	(2 106)	(1)	(409)	(560)	(557)	(14 859)
Subtotal:	-	(2 712)	(8 514)	(2 106)	(1)	(409)	(560)	(557)	(14 859)
Carrying amount at the end of the period	15 640	44 316	108 834	11 254	64	946	623	7 085	188 762
Gross carrying amount									
Gross carrying amount	15 640	51 426	130 677	17 064	67	2 170	2 025	8 112	227 181
Accumulated depreciation	-	(7 110)	(21 843)	(5 810)	(3)	(1 224)	(1 402)	(1 027)	(38 419)
Carrying amount at the end of the period	15 640	44 316	108 834	11 254	64	946	623	7 085	188 762

*All property, plant and equipment are classified in the level 3 fair value hierarchy except for land valued at \$882 000. Refer to note 7.2 for details about the lease liability for right-of-use assets.

⁽¹⁾ Refer to note 5.5.

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2022

5.1 Property, plant and equipment (continued)

Reconciliation of property, plant and equipment during 2020-21

	Land \$'000	Buildings \$'000	Vehicles \$'000	Plant & equipment \$'000	ROU Land \$'000	ROU Buildings \$'000	ROU Vehicles \$'000	ROU Plant and equipment \$'000	Total \$'000
Carrying amount at the beginning of the period	15 640	43 818	102 527	13 852	66	2 147	1 054	-	179 104
Acquisitions	-	-	-	41	-	-	323	9 320	9 684
Transfers from capital WIP ⁽¹⁾	-	1 732	18 144	1 124	-	-	-	-	21 000
Disposals	-	-	(1 017)	-	-	(261)	(6)	-	(1 284)
Remeasurement	-	-	-	-	-	(110)	-	-	(110)
Subtotal:	15 640	45 550	119 654	15 017	66	1 776	1 371	9 320	208 394
Gains/(losses) for the period recognised in net result:									
Depreciation	-	(2 682)	(8 213)	(2 212)	(1)	(438)	(595)	(470)	(14 612)
Subtotal:	-	(2 682)	(8 213)	(2 212)	(1)	(438)	(595)	(470)	(14 612)
Carrying amount at the end of the period	15 640	42 868	111 441	12 805	65	1 338	775	8 850	193 782
Gross carrying amount									
Gross carrying amount	15 640	47 267	124 804	16 510	67	2 152	1 870	9 320	217 630
Accumulated depreciation	-	(4 399)	(13 363)	(3 705)	(2)	(814)	(1 095)	(470)	(23 848)
Carrying amount at the end of the period	15 640	42 868	111 441	12 805	65	1 338	775	8 850	193 782

* All property, plant and equipment are classified in the level 3 fair value hierarchy except for land valued at \$882 000 and land held for sale at \$500 000. Refer to note 7.2 for details about the lease liability for right-of-use assets.

⁽¹⁾ Refer to note 5.5.

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2022

5.1 Property, plant and equipment (continued)

Depreciation

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

Useful life

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

Class of asset	Useful life (years)
Buildings	1-40
Vehicles	1-30
Plant and equipment	1-20
ROU Land	77
ROU Buildings	4-77
ROU Vehicles	3-5
ROU Plant and equipment	16

Review of accounting estimates

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

5.2. Property, plant and equipment owned by the CFS

Property, plant and equipment owned by the CFS with a value equal to or in excess of \$10 000 is capitalised. However, the CFS can control large quantities of similar assets that individually fall under the capitalisation threshold but, when grouped together, comprise a large proportion of a particular asset class. In these circumstances, CFS groups these asset types for the purpose of capitalisation in the financial statements.

Property, plant and equipment owned by CFS is recorded at fair value. Detail about the agencies approach to fair value is set out in note 10.1.

Impairment

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

Revaluation of property, plant and equipment is undertaken on a regular cycle as detailed in Note 10.1. If at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2022

5.3. Property, plant and equipment leased by the CFS

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

Short-term leases of 12 months or less and low value leases where the underlying asset value is less than \$10,000 are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and are disclosed in note 4.1.

The CFS has a limited number of leases:

- 115 motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Motor vehicle lease terms can range from 3 years (60,000km) up to 5 years (100,000km).
- the CFS has 6 commercial leases for land and buildings used for the purpose of CFS brigade and group operational and administrative activities.
- The CFS holds a commercial lease over plant used for PFAS remediation purposes.

The lease liabilities and interest expense related to the ROU assets are disclosed in note 7.2. The CFS's maturity analysis of lease liabilities is disclosed in note 7.2. Cash outflows related to ROU assets are disclosed in note 8.2. The CFS has not committed to any lease arrangements that have not commenced from 1 July.

5.4. Intangible assets

Computer software	2022	2021
	\$'000	\$'000
Carrying amount at the beginning of the period	84	169
Subtotal:	84	169
 Gains/(losses) for the period recognised in net result:		
Amortisation	(84)	(85)
Subtotal:	(84)	(85)
Carrying amount at the end of the period	-	84
 Gross carrying amount		
Gross carrying amount	277	277
Accumulated amortisation	(277)	(193)
Carrying amount at the end of the period	-	84

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting period. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation of the CFS's computer software is calculated on a straight line basis over the estimated useful of five years.

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

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

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

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2022

5.5. Capital works in progress

	2022	2021
	\$'000	\$'000
Carrying amount at the beginning of the period	28 240	28 782
Acquisitions	23 238	20 526
Transfers to property, plant and equipment	(11 041)	(21 000)
CWIP write off	8	(68)
Carrying amount at the end of the period	<u>40 445</u>	<u>28 240</u>

Capital works in progress are recognised as the cumulative costs of capital projects to balance date. Projects completed during the year have been recognised as property, plant and equipment (refer note 5.1) or intangible assets (refer note 5.4) and are valued at cost.

6. Financial assets

6.1. Cash and cash equivalents

	2022	2021
	\$'000	\$'000
Deposits with the Treasurer	9 917	20 320
Cash at bank - Groups/Brigades	5 316	5 377
Short-term deposits - Groups/Brigades	1 288	1 223
Cash at bank	8	8
Cash on hand	4	4
Total cash and cash equivalents	<u>18 533</u>	<u>26 932</u>

Cash is measured at nominal amounts.

Deposits with the Treasurer

Special deposit accounts are established under section 8 of the *Public Finance and Audit Act 1987*. Special deposit accounts must be used in accordance with their approved purpose. One operating account held with the Treasurer is interest bearing. In November 2020, Treasury advised public authorities that, given interest rates were approximately 0%, no interest would be paid on any interest bearing accounts held with the Treasurer. Therefore, no interest was earned during 2022. This position may change in the future.

Cash at bank – Groups/Brigades

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

Short term deposits – Groups/Brigades

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

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2022

6.2. Receivables

	2022	2021
	\$'000	\$'000
Current		
Receivables	732	2 452
Less impairment loss on receivables	(4)	(4)
GST input tax recoverable	1 001	1 469
Accrued Revenue	26	12
Prepayments	413	303
Total current receivables	2 168	4 232
Total receivables	2 168	4 232

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

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

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

Refer to note 10.2 for further information on risk management.

6.2. Receivables (continued)

Allowance for impairment loss on receivables

	2022	2021
	\$'000	\$'000
Carrying amount at the beginning of the period	4	1
Amounts written off	(3)	(17)
Increase/(decrease) in the allowance	3	20
Carrying amount at the end of the period	4	4

All of the above impairment losses are from receivables arising from contracts with customers.

Refer to note 10.2 for details regarding credit risk and the methodology for determining impairment.

6.3. Other financial assets

Medium-term deposits of \$1.885 million (\$1.850 million) are held by the CFS for varying periods of between three months and twelve months. The deposits are lodged with various financial institutions at their respective medium-term deposit rates. Other financial assets are measured at fair value.

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2022

6.4. Non-current assets classified as held for sale

Land at Port Lincoln (2021: \$500 000) was sold on 11 February 2022.

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

Detail about the CFS's approach to fair value is set out in note 10.1.

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2022

7. Liabilities

7.1. Payables

	2022	2021
	\$'000	\$'000
Current		
Creditors	235	74
Accrued expenses	2 928	10 414
Paid Parental Leave Scheme payable	3	11
Employment on-costs	562	565
Total current financial liabilities	3 728	11 064
Non-current		
Creditors	2	6
Employment on-costs	296	375
Total non-current financial liabilities	298	381
Total payables	4 026	11 445

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

Employment on-costs

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

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

As a result of an actuarial assessment performed by DTF, the proportion of long service leave taken has remained at 42%. The average factor for the calculation of employer superannuation on-costs has changed to 10.6% from the 2021 rate (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 not material. The estimated impact on future periods is not expected to be materially different to the effect on the current period as shown above.

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2022

7.2. Financial liabilities

The CFS measures lease liabilities \$8.912 million (2021: \$11.108 million) at discounted future lease payments using either the interest rate implicit in the lease or DTFs incremental borrowing rate. There were no defaults or breaches throughout the year.

Interest expense paid on lease liabilities during 2021-22 was \$152 000 (2020-21 \$154 000). The CFS does not capitalise borrowing costs.

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

	2022	2021
	\$'000	\$'000
Lease liabilities		
within 1 year	1 416	1 575
1 to 5 years	3 197	3 674
More than 5 years	5 407	7 291
Total lease liabilities (undiscounted)	10 020	12 540

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

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2022

7.3. Provisions

	2022	2021
	\$'000	\$'000
Current		
Provision for workers compensation	1 011	1 272
Additional compensation	51	37
Total current provisions	1 062	1 309
Non-current		
Provision for workers compensation	6 567	7 799
Additional compensation	2 616	2 543
Total non-current provisions	9 183	10 342
Total provisions	10 245	11 651
Movement in provisions	2022	2021
	\$'000	\$'000
Workers compensation:		
Carrying amount at the beginning of the period	9 071	12 418
Reduction arising from payments	(1 056)	(1 359)
Changes from remeasurement	(437)	(1 988)
Carrying amount at the end of the period	7 578	9 071
Additional compensation:		
Carrying amount at the beginning of the period	2 580	2 973
Changes from remeasurement	117	(382)
Reduction resulting from payments	(30)	(11)
Carrying amount at the end of the period	2 667	2 580

Workers Compensation

The CFS is an exempt employer under the *Return to Work Act 2014*. Under a scheme arrangement, the CFS is responsible for the management of workers rehabilitation and compensation and is directly responsible for meeting the cost of workers' compensation claims and the implementation and funding of preventive programs.

Accordingly, a liability has been reported to reflect unsettled workers compensation claims (statutory and additional compensation schemes).

The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2022 provided by a consulting actuary engaged through the Office of the Commissioner for the Public Sector. The CFS is responsible for the payment of workers compensation claims.

Presumptive workers compensation coverage for firefighters for a range of cancers came into effect in 2013. The workers compensation provision includes an actuarial assessment of firefighter cancer claims. However, the actuarial assessment is sensitive to changes in assumptions and there is a significant degree of uncertainty associated with estimating future claim and expense payments.

The provision has decreased in 2022 based on observed reduction in the number of known and incurred but not reported cancer claims and a reduction in the average claim size for non-seriously injured workers cancer claims.

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2022

7.3. Provisions (continued)

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

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

The additional compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2022 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment. The provision is for the estimated cost of ongoing payments to workers as required under current arrangements. The CFS is responsible for the payment of additional compensation claims.

There is a significant degree of uncertainty associated with estimating future claim and expense payments and also around the timing of future payments due to the variety of factors involved. The liability is impacted by agency claim experience relative to other agencies, average claim sizes and other economic and actuarial assumptions.

In addition to these uncertainties, the additional compensation scheme is impacted by the limited claims history and the evolving nature of the interpretation of, and evidence required to meeting, eligibility criteria. Given these uncertainties, the actual cost of additional compensation claims may differ materially from the estimate.

8. Other disclosures

8.1. Equity

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

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2022

8.2. Cash flow reconciliation

	2022	2021
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents disclosed in the Statement of Financial Position	16 533	26 932
Balance as per the Statement of Cash Flows	16 533	26 932
Reconciliation of net cash provided by operating activities to net cost of providing services		
Net cash (used in) / provided by operating activities	18 283	15 816
Add / (less) non-cash items		
Depreciation and amortisation	(14 943)	(14 697)
Donated assets	(27)	-
Impairment loss	-	(242)
Net gain/(loss) from disposal of non-current assets	573	(325)
CWIP write off	8	-
Capital accruals	(5 461)	6 083
Movement in assets and liabilities		
Increase/(decrease) in receivables	(2 064)	(3 905)
(Increase)/decrease in payables	7 419	(5 837)
(Increase)/decrease in employee benefits	1 220	(291)
(Increase)/decrease in provisions	1 406	3 740
Net result	6 414	542

Total cash outflows for leases for the CFS was \$1.91 million (2020-21: \$1.92 million)

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2022

9. Outlook

9.1. Unrecognised contractual commitments

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

Capital commitments

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

	2022	2021
	\$'000	\$'000
Within one year	3 007	8 521
Later than one year but not later than five years	1 665	3 507
Total capital commitments	4 672	12 028

These capital commitments are the provision of new vehicles, as well as building 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:

	2022	2021
	\$'000	\$'000
No later than one year	4 575	8 121
Later than one year but not later than five years	10 584	1 857
Later than five years	20 010	1 057
Total expenditure commitments	35 169	11 035

Contractual commitments are for accommodation, maintenance contracts, personal protective clothing and information technology.

9.2. Contingent assets and liabilities

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

The CFS is not aware of any contingent assets at the reporting date.

At 30 June 2022, the CFS identified a contingent liability relating to the historical use of per-and polyfluoralkyl substances (PFAS) firefighting foams across sites in South Australia.

PFAS contamination has been identified at Brukunga, Naracoote and Cherry Gardens CFS sites, which are now subject to s83a Notices of Site Contamination under the *Environment Protection Act 1993*. It is expected that future sites may be identified as PFAS contaminated in the future.

The CFS is continuing to work through the cost implications of PFAS contamination which is expected to include costs to remediate contaminated land and dispose of contaminated materials.

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2022

9.3. Impact of standards not yet implemented

The CFS continues to assess the impact of the new and amended Australian Accounting Standards and Interpretations not yet implemented and changes to the Accounting Policy Statements issued by the Treasurer.

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

9.4. COVID-19 pandemic outlook for the CFS

The COVID-19 pandemic will continue to impact the operations of the CFS in 2022-23. The key expected impacts are:

- Further significant outbreaks of the COVID-19 pandemic in South Australia would see greater response measures with associated additional expenses
- Additional assistance to SA Health and other SA Government departments in response to the COVID-19 pandemic
- Additional expenditure to keep the CFS personnel and volunteers safe while maintaining service delivery to the community
- Additional expenditure may be incurred in response to the COVID-19 pandemic due to supplier business restrictions
- Delays in the delivery of capital and ICT programs and increased capital expenditure due to supplier business restrictions and demand.

9.5. Events after the reporting period

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

10. Measurement and risk

10.1. Fair value

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

The revaluation process is reviewed by the CFS each year.

Non-current tangible assets are valued at fair value and revaluation of non-current assets or a group of assets is only performed when the fair value at the time of acquisition is greater than \$1.0 million and estimated useful life is greater than three years.

Revaluation is undertaken on a regular cycle as detailed below. If at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

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

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

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2022

10.1. Fair value (continued)

Fair value hierarchy

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

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

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

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

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

During 2021 and 2022, the CFS had no valuations categorised into level 1; there were no transfers of assets between level 1 and 2 fair value hierarchy levels and there were no changes in valuation technique.

Land and buildings

An independent valuation of land and buildings was performed by a Certified Practising Valuer from Liquid Pty Ltd as at 1 November 2019. The CFS did not revalue land and buildings related to peppercom leased sites. These have been recognised at their carrying amounts from 30 June 2019. The land and buildings values at revaluation were considered relevant for 30 June 2022.

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

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

Plant and equipment

All items of plant and equipment that had a fair value at the time of acquisition less than \$1.0 million and had an estimated useful life that less than three years have not been revalued. The carrying value of these items is deemed to approximate fair value.

10.2. Financial instruments

Financial risk management

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

The exposure of the agencies financial risk (liquidity risk, credit risk and market risk) is low due to the nature of the financial instruments held. There have been no changes in risk exposure since the last reporting period.

Liquidity risk

The CFS is funded principally from the Fund. The CFS works with the Fund to determine the cash flows associated with its Government approved program of work and to ensure funding meets the expected cash flows.

Refer to notes 1.3 and 2.1 for further information.

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2022

10.2. Financial instruments (continued)

Credit risk

The CFS has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history.

No collateral is held as security and no credit enhancements relate to financial assets held by the CFS.

Cash

The CFS considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties and therefore the expected credit loss is nil.

Impairment of financial assets

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

To measure the expected credit losses, receivables are grouped based on shared risks characteristics and the days past due. When estimating expected credit loss, the CFS considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the CFS's historical experience and informed credit assessment, including forward-looking information.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the CFS is exposed to credit risk.

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

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

	Debtor gross carrying amount \$'000	Loss %	Lifetime expected losses \$'000
2022			
Current (not past due)	87	0.20%	-
1 - 30 days past due	440	0.27%	1
31 - 60 days past due	14	0.52%	-
61 - 90 days past due	5	2.14%	-
More than 90 days past due	83	2.80%	3
Loss allowance	629		4

Impairment losses relate to receivables arising from contracts with customers that are external to SA Government. Refer to note 10.2 for details regarding credit risk and the methodology for determining impairment.

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

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

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2022

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

10.2. Financial instruments (continued)

Impairment of financial assets (continued)

Receivables with a contractual amount of \$3 000 written off during the year are still subject to enforcement activity.

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

Impairment losses on the CFS's receivables were \$4 000 (2020-21: \$4 000). No impairment losses were recognised in relation to contract assets and accrued revenue during the year.

Cash and debt instruments

The CFS's debt investments at amortised cost are considered to have low credit risk and the consideration of expected credit loss was limited to 12 months expected losses. The expected credit loss is nil.

Market risk

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

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

There have been no changes in risk exposure since the last reporting period.

Categorisation of financial instruments

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

Classification of financial instruments

The CFS measures all financial instruments at amortised cost excluding lease liabilities which are measured at the present value of expected future cash payments. All financial assets and liabilities carrying amount equals their fair value as at 30 June 2022 and are expected to be settled within one year excluding financial liabilities. Refer to the Lease Liabilities Maturity analysis in note 7.2 for more information.