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

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 21(2) of the *Fire and Emergency Services Act 2005*, I have audited the financial report of the South Australian Fire and Emergency Services Commission and the consolidated entity comprising the South Australian Fire and Emergency Services Commission and the emergency services sector for the financial year ended 30 June 2018.

Opinion

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the South Australian Fire and Emergency Services Commission as at 30 June 2018, its financial performance and its cash flows for the year then ended in accordance with the 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 2018
- a Statement of Financial Position as at 30 June 2018
- a Statement of Changes in Equity for the year ended 30 June 2018
- a Statement of Cash Flows for the year ended 30 June 2018
- notes, comprising significant accounting policies and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2018
- a Statement of Administered Financial Position as at 30 June 2018
- a Statement of Administered Changes in Equity for the year ended 30 June 2018
- a Statement of Administered Cash Flows for the year ended 30 June 2018
- notes, comprising significant accounting policies and other explanatory information for administered items
- a Certificate from the Presiding Officer, the Chief Executive and the Manager Financial Services.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my

report. I am independent of the South Australian Fire and Emergency Services Commission. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants have been met.

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

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

The Chief Executive is responsible for the preparation of the financial report that gives a true and fair view in accordance with the 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.

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

Auditor's responsibilities for the audit of the financial report

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

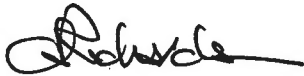
As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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



Andrew Richardson

Auditor-General

21 September 2018

South Australian Fire and Emergency Services Commission
Certification of Financial Statements
for the year ended 30 June 2018

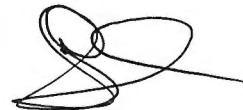
We certify that the attached general purpose financial statements for the South Australian Fire and Emergency Services Commission:

- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards
- are in accordance with the accounts and records of the South Australian Fire and Emergency Services Commission
- present a true and fair view of the financial position of the South Australian Fire and Emergency Services Commission as at 30 June 2018 and the results of its operations and cash flows for the financial year.

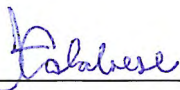
We certify that the internal controls employed by the South Australian Fire and Emergency Services Commission for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



Malcolm Jackman
Presiding Officer
South Australian Fire and Emergency Services
Commission Board
13 September 2018



Malcolm Jackman
Chief Executive
13 September 2018



Iolanda Calabrese
Manager Financial Services
13 September 2018

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

Financial Statements

For the year ended 30 June 2018

South Australian Fire and Emergency Services Commission
Statement of Comprehensive Income
for the year ended 30 June 2018

	Note	Consolidated		SAFECOM Entity	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Expenses					
Employee benefits	3	224 516	154 869	8 414	7 468
Supplies and services	5	82 955	73 510	6 798	5 348
Depreciation and amortisation	6	21 669	20 877	443	890
Grants and subsidies	7	3 794	2 769	3 393	2 243
Net loss from disposal of non-current assets	8	9	-	-	-
Other	9	922	-	922	-
Total expenses		333 865	252 025	19 970	15 949
Income					
Fees and charges	10	7 185	6 746	633	624
Grants and contributions	11	5 851	5 829	2 385	2 200
Interest	12	249	229	59	67
Resources received free of charge	13	-	62	-	-
Net gain from disposal of non-current assets	8	-	10	-	-
Other	14	1 112	2 154	28	33
Total income		14 397	15 030	3 105	2 924
Net cost of providing services		319 468	236 995	16 865	13 025
Revenues from / (payments to) SA Government					
Revenues from SA Government	15	253 788	246 985	14 781	14 629
Total net revenues from SA Government		253 788	246 985	14 781	14 629
Net result		(65 680)	9 990	(2 084)	1 604
Total comprehensive result		(65 680)	9 990	(2 084)	1 604

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

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

South Australian Fire and Emergency Services Commission
Statement of Financial Position
as at 30 June 2018

		Consolidated		SAFECOM Entity	
	Note	2018	2017	2018	2017
		\$'000	\$'000	\$'000	\$'000
Current assets					
Cash and cash equivalents	16	23 309	29 358	6 366	5 379
Receivables	17	5 596	4 218	559	1 524
Other financial assets	18	2 805	2 772	-	-
Non-current assets classified as held for sale	19	742	742	-	-
Total current assets		32 452	37 090	6 925	6 903
Non-current assets					
Property, plant and equipment	21	359 899	352 471	1 604	665
Intangible assets	22	385	1 274	109	1 052
Total non-current assets		360 284	353 745	1 713	1 717
Total assets		392 736	390 835	8 638	8 620
Current liabilities					
Payables	24	19 373	13 700	2 559	1 212
Employee benefits	25	21 282	19 905	1 084	1 044
Provisions	26	11 950	8 613	59	21
Total current liabilities		52 605	42 218	3 702	2 277
Non-current liabilities					
Payables	24	4 756	2 662	191	161
Employee benefits	25	30 749	28 829	2 077	1 739
Provisions	26	63 494	10 314	330	21
Total non-current liabilities		98 999	41 805	2 598	1 921
Total liabilities		151 604	84 023	6 300	4 198
Net assets		241 132	306 812	2 338	4 422
Equity					
Retained earnings		176 286	241 966	2 338	4 422
Revaluation surplus		64 846	64 846	-	-
Total equity		241 132	306 812	2 338	4 422

Total equity is attributable to the SA Government as owner.

Unrecognised contractual commitments	27
Contingent assets and liabilities	28

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

South Australian Fire and Emergency Services Commission
Statement of Changes in Equity
for the year ended 30 June 2018

	Consolidated		
	Revaluation surplus	Retained earnings	Total equity
	\$'000	\$'000	\$'000
Balance at 30 June 2016	64 846	231 976	296 822
Net result for 2016-17	-	9 989	9 989
Total comprehensive result for 2016-17	-	9 989	9 989
Balance at 30 June 2017	64 846	241 965	306 811
Net result for 2017-18	-	(65 680)	(65 680)
Total comprehensive result for 2017-18	-	(65 680)	(65 680)
Balance at 30 June 2018	64 846	176 285	241 131

	SAFECOM Entity		
	Revaluation surplus	Retained earnings	Total equity
	\$'000	\$'000	\$'000
Balance at 30 June 2016	-	2 818	2 818
Net result for 2016-17	-	1 604	1 604
Total comprehensive result for 2016-17	-	1 604	1 604
Balance at 30 June 2017	-	4 422	4 422
Net result for 2017-18	-	(2 084)	(2 084)
Total comprehensive result for 2017-18	-	(2 084)	(2 084)
Balance at 30 June 2018	-	2 338	2 338

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

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

South Australian Fire and Emergency Services Commission
Statement of Cash Flows
for the year ended 30 June 2018

	Note	Consolidated		SAFECOM Entity	
		2018 (Outflows) Inflows \$'000	2017 (Outflows) Inflows \$'000	2018 (Outflows) Inflows \$'000	2017 (Outflows) Inflows \$'000
Cash flows from operating activities					
Cash outflows					
Employee benefit payments		(161 737)	(152 718)	(7 646)	(7 515)
Payments for supplies and services		(89 852)	(84 091)	(8 183)	(7 332)
Payments of grants and subsidies		(3 794)	(2 970)	(3 393)	(2 444)
Payments for paid parental leave scheme		(74)	(131)	(27)	(9)
Cash used in operations		(255 457)	(239 910)	(19 249)	(17 300)
Cash inflows					
Receipts from fees and charges		7 790	7 955	1 683	657
Receipts from grants and contributions		4 807	4 487	2 385	1 044
Interest received		249	229	59	68
GST recovered from the ATO		10 833	9 811	2 638	2 097
Receipts for paid parental leave scheme		68	134	24	12
Other receipts		1 073	2 379	26	20
Cash generated from operations		24 820	24 995	6 815	3 898
Cash flows from SA Government					
Contributions from Community Emergency Services Fund		250 969	244 539	14 759	12 250
Other receipts from SA Government		2 819	2 744	22	2 491
Cash generated from SA Government		253 788	247 283	14 781	14 741
Net cash provided by / (used in) operating activities	30	23 151	32 368	2 347	1 339
Cash flows from investing activities					
Cash outflows					
Purchase of property, plant and equipment		(29 607)	(26 480)	(1374)	(452)
Purchase of investments		(33)	(115)	-	-
Payments for the disposal of property		-	(7)	-	-
Cash used in investing activities		(29 640)	(26 602)	(1 374)	(452)
Cash inflows					
Proceeds from the sale of property, plant and equipment		440	887	14	-
Cash generated from investing activities		440	887	14	-
Net cash provided by / (used in) investing activities		(29 200)	(25 715)	(1 360)	(452)
Net increase / (decrease) in cash and cash equivalents		(6 049)	6 653	987	887
Cash and cash equivalents at the beginning of the reporting period		29 358	22 705	5 379	4 492
Cash and cash equivalents at the end of the reporting period	16	23 309	29 358	6 366	5 379

South Australian Fire and Emergency Services Commission

Notes to and forming part of the financial statements

for the year ended 30 June 2018

1 Basis of Financial Statements

a) Reporting entity

The South Australian Fire and Emergency Services Commission (SAFECOM) is established under the *Fire and Emergency Services Act 2005* (the Act). SAFECOM is a body corporate and agency of the Crown, established under the Act.

The Act also defines the emergency services sector as consisting of the:

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

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

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

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

Transactions and balances relating to the trust assets are not recognised as SASES's income, expenses, assets and liabilities, but are disclosed in note 36 as 'Trust Funds'.

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

The financial statements incorporate the assets and liabilities of all entities comprising the emergency services sector as at 30 June 2018 and the results of these entities for the year then ended. The effects of all transactions between entities in the consolidated entity are eliminated in full.

b) Statement of compliance

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

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

SAFECOM has applied Australian Accounting Standards that are applicable to not-for-profit entities as SAFECOM is a not-for-profit entity. Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the SAFECOM for the period ending 30 June 2018.

c) Basis of preparation

The financial statements have been prepared based on a 12 month period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

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

Significant accounting policies are set out in the notes.

South Australian Fire and Emergency Services Commission

Notes to and forming part of the financial statements

for the year ended 30 June 2018

1 Basis of Financial Statements (continued)

d) Principles of consolidation

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

The financial statements incorporate the assets and liabilities of all entities comprising the emergency services sector as at 30 June 2018 and the results of these entities for the year then ended. The effects of all transactions between entities in the consolidated entity are eliminated in full.

e) Taxation

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

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

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

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

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

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

2 Objectives and Activities

Objectives

SAFECOM has the following objectives:

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

Activities

In achieving its objectives, SAFECOM provides strategic and corporate support services to the SACFS, SAMFS and SASES. These services are classified under one program titled "Fire and Emergency Services Strategic Services and Business Support".

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2018

3 Employee benefits

	Consolidated		SAFECOM Entity	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Salaries and wages	114 674	107 818	5 528	5 363
Workers compensation	44 518	3 038	103	10
Employment on-costs - superannuation ⁽¹⁾	18 373	15 217	986	927
Additional compensation ⁽²⁾	18 365	-	286	-
Annual leave	13 527	13 259	545	480
Payroll tax	7 547	7 060	348	320
Long service leave	5 763	6 637	443	188
Skills and experience retention leave	1 028	1 021	58	36
Board fees	106	125	97	118
Other employment related expenses	615	694	20	26
Total employee benefits expenses	224 516	154 869	8 414	7 468

⁽¹⁾ The superannuation employment on-cost charge represents SAFECOM's contributions to superannuation plans in respect of current services of current employees.

⁽²⁾ Additional compensation was introduced in 2018, refer to note 26

Key Management Personnel

The Consolidated key management personnel includes the Minister, the Chief Executive of SAFECOM, the Chief Officers of MFS, CFS and SES, and four members of the Executive Teams, who have responsibility for the strategic direction and management of the agencies.

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

The compensation detailed below for Consolidated includes salaries and other benefits for all executive personnel and non-government Board members paid by SAFECOM, MFS, CFS and SES. The compensation detailed below for SAFECOM includes salaries and other benefits for the Chief Executive of SAFECOM and non-government Board members paid by SAFECOM.

Total compensation for key management personnel was \$2.305 million in 2017-18 and \$2.269 million in 2016-17.

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

	Consolidated		SAFECOM Entity	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Compensation				
Salaries and other short term employee benefits	2 076	1 734	454	163
Post-employment benefits	229	535	43	346
Total compensation	2 305	2 269	497	509

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2018

3 Employee benefits (continued)

Remuneration of employees

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

	Consolidated		SAFECOM Entity	
	2018	2017	2018	2017
	Number	Number	Number	Number
\$147 000 – \$149 000*	n/a	12	-	-
\$149 001 – \$159 000	72	36	-	-
\$159 001 – \$169 000	36	15	-	-
\$169 001 – \$179 000	8	11	-	-
\$179 001 – \$189 000	9	8	-	-
\$189 001 – \$199 000	1	7	-	-
\$199 001 – \$209 000	-	1	-	-
\$209 001 – \$219 000	2	1	-	-
\$229 001 – \$239 000	-	1	-	-
\$239 001 – \$249 000	1	1	-	-
\$249 001 – \$259 000	1	-	-	-
\$259 001 – \$269 000	-	1	-	-
\$279 001 – \$289 000	1	-	-	-
\$289 001 – \$299 000	-	1	-	-
\$299 001 – \$309 000	2	1	-	-
\$309 001 – \$319 000	-	1	-	-
\$379 001 – \$389 000	-	1	-	1
\$389 001 – \$399 000	1	-	1	-
Total number of executives / employees	134	98	1	1

* This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration 2016-17.

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any FBT paid or payable in respect of those benefits. The total remuneration received by these employees for the year was SAFECOM entity \$0.4 million (2017: \$0.4 million) and Consolidated \$22.36 million (2017: \$16.9 million).

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2018

4 Remuneration of board and committee members

Members of boards and committees during 2017-18 were:

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

C Beattie *
G Crossman AFSM *
G Nettleton *
C Adlam (appointed 31 October 2017)
S Caracoussis (appointed 5 December 2017)
M Jackman *
C King (appointed 5 December 2017)
S St Alban (appointed 31 October 2017)
J Tucker (appointed 5 December 2017)
V Hickey (term expired 30 November 2017)
H Chalmers (term expired 30 November 2017) *
D F Barry* (appointed 31 October 2017)
A De Piaz* (appointed 31 October 2017)
J D Lindner (appointed 31 October 2017)
M J Morgan* (appointed 31 October 2017)
G B Northcott (appointed 31 October 2017)
W Hicks ESM (appointed 5 December 2017)

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

A Chia
C King (appointed 5 December 2017)
H Chalmers (term expired 30 November 2017) *
J Tucker (appointed 5 December 2017)
V Hickey (term expired 30 November 2017)

**South Australian Metropolitan Fire Service
Disciplinary Committee**

L D P Holland
M Vander-Jeugd *
P L Kilsby *
S J Smithson *

State Bushfire Coordination Committee

A Allen (appointed 14 November 2017)
A De Piaz *
C Gibson (appointed 14 November 2017)
C B Daniels
C W Patterson (appointed 14 November 2017)
D Colliar *
D S Gilbertson
D Leblond (appointed 14 November 2017)
E Petrenas (appointed 14 November 2017)
E M Sommerville (appointed 14 November 2017)
F Crisci *
F Dunstan *
F J Gill (appointed 14 November 2017)
G Nettleton *
H L Greaves (appointed 14 November 2017)
I Tanner (appointed 14 November 2017)
J Crampton (appointed 14 November 2017)
J Frizenschaf *
J Nairn *
J Psyridis (appointed 14 November 2017)
J Slocombe (appointed 14 November 2017)
J B Drew (appointed 14 November 2017)
J D Lindner (appointed 14 November 2017)
J S Crocker *
K Egan *
M C Roche
M A Healy *
M R Sutton *
N G Bamford *
N Rea
P L Kilsby *
P R White
S Barone
S A Reardon (appointed 14 November 2017)
T M W Kelly
W B Thorley
W R McIntosh

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

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2018

4 Remuneration of board and committee members (continued)

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

	Consolidated		SAFECOM Entity	
	2018	2017	2018	2017
\$nil	48	45	11	12
\$1 - \$9 999	5	5	1	-
\$10 000 - \$19 999	5	-	5	-
\$20 000 - \$29 999	1	4	1	4
\$30 000 - \$39 999	-	1	-	1
Total	59	55	18	17

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any FBT paid or payable in respect of those benefits. The total remuneration received or receivable by members was Consolidated \$116 000 (2017: \$136 000) and SAFECOM \$106 000 (2017: \$129 000).

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

5 Supplies and services

	Consolidated		SAFECOM Entity	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Government radio network	16 355	15 015	-	-
Aerial support costs	9 915	7 092	-	-
Vehicles	8 889	6 888	1	11
Uniforms and protective clothing	7 640	4 703	-	4
Property Costs	7 029	7 147	97	142
Operational costs	5 085	5 934	52	135
Computing costs	4 517	3 956	1 109	775
Operating lease costs	4 333	4 220	453	417
Consultancy, contractor and legal fees	4 185	3 552	1 149	285
Communications	3 711	3 926	1 393	1 055
Travel and training	3 596	3 987	136	172
Shared Services SA fees	1 763	1 708	1 747	1 708
Insurance premiums	611	392	9	10
Other expenses	5 326	4 990	652	634
Total supplies and services	82 955	73 510	6 798	5 348

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

Audit fees paid/payable to the Auditor-General's Department (AGD) relating to work performed under the PFAA were \$198 000 (2017: \$202 000). These costs are recognised in 'other expenses' above. No other services were provided by the Auditor-General's Department.

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2018

5 Supplies and services (continued)

Operating Leases

Operating lease payments (less any lease incentives) are recognised on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of benefits derived from the leased assets.

Consultants

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

	Consolidated				SAFECOM Entity			
	2018 No.	2018 \$'000	2017 No.	2017 \$'000	2018 No.	2018 \$'000	2017 No.	2017 \$'000
Below \$10 000	11	34			4	17	-	-
Above \$10 000	6	251	4	169	4	223	1	31
Total paid / payable to the consultants engaged	17	285	4	169	8	240	1	31

6 Depreciation and amortisation expense

	Consolidated		SAFECOM Entity	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Depreciation				
Vehicles	12 086	11 802	9	3
Buildings	5 435	5 442	3	3
Communications	2 276	1 426	-	-
Plant and equipment	1 041	968	20	34
Computers	454	413	90	50
Total depreciation	21 292	20 051	122	90
Amortisation				
Computer software	377	826	321	800
Total amortisation	377	826	321	800
Total depreciation and amortisation	21 669	20 877	443	890

All non-current assets, having a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. Land and non-current assets held for sale are not depreciated.

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6 Depreciation and amortisation expense (continued)

Useful life

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

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

The useful lives of intangible assets are assessed to be either finite or indefinite. SAFECOM only has intangible assets with finite lives. The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

Revision of Accounting Estimates

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted if appropriate, on an annual basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate, which is a change in accounting estimate.

7 Grants and subsidies

	Consolidated		SAFECOM Entity	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Recurrent grant	3 794	2 769	3 393	2 243
Total grants and subsidies	3 794	2 769	3 393	2 243

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8 Net gain / loss from disposal of non-current assets

	Consolidated		SAFECOM Entity	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Land and buildings				
Proceeds from disposal	-	527	-	-
Less net book value of assets disposed	-	(409)	-	-
Less costs of disposal	-	(3)	-	-
Net gain / (loss) from disposal of land and buildings	-	115	-	-
Vehicles				
Proceeds from disposal	440	360	14	-
Less net book value of assets disposed	(449)	(454)	(14)	-
Net gain / (loss) from disposal of vehicles	(9)	(94)	-	-
Communication equipment				
Proceeds from disposal	-	-	-	-
Less net book value of assets disposed	-	(7)	-	-
Net gain / (loss) from disposal of communication equipment	-	(7)	-	-
Plant and equipment				
Proceeds from disposal	-	-	-	-
Less net book value of assets disposed	-	(4)	-	-
Net gain / (loss) from disposal of plant and equipment	-	(4)	-	-
Total assets				
Total proceeds from disposal	440	887	14	-
Less net book value of assets disposed	(449)	(874)	(14)	-
Less costs of disposal	-	(3)	-	-
Total net gain / (loss) from disposal of non-current assets	(9)	10	-	-

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.

9 Other expenses

	Consolidated		SAFECOM Entity	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Intangible write off	922	-	922	-
Total other expenses	922	-	922	-

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10 Revenues from fees and charges

	Consolidated		SAFECOM Entity	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Fire alarm attendance fees	2 609	2 659	-	-
Fire alarm monitoring fees	2 439	2 374	-	-
Salary recovery	634	619	633	619
Fire safety fees	498	380	-	-
Rent of premises	630	382	-	-
Incident cost recoveries	243	-	-	-
Training and other recoveries	1	318	-	-
Other recoveries	131	14	-	5
Total revenues from fees and charges	7 185	6 746	633	624

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

11 Grants and contributions

	Consolidated		SAFECOM Entity	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Commonwealth Government	5 318	5 246	2 088	2 088
State Government	511	577	281	112
Private industry and local government	22	6	16	-
Total grants and contributions	5 851	5 829	2 385	2 200

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

Commonwealth grant funding for SAFECOM relates to the Natural Disaster Resilience Program (NDRP). Commonwealth grant funding for Consolidated mainly relates to the provision of fire and emergency services to Commonwealth properties, contributions towards aerial firefighting costs and Natural Disaster Resilience Program funding for emergency management projects

12 Interest revenues

	Consolidated		SAFECOM Entity	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Interest on deposit accounts	249	229	59	67
Total interest revenues	249	229	59	67

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13 Resources received free of charge

	Consolidated		SAFECOM Entity	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Asset received free of charge	-	62	-	-
Total resources received free of charge	-	62	-	-

14 Other income

	Consolidated		SAFECOM Entity	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Sundry revenues	583	741	27	16
Salary recoveries	255	188	-	13
Rent received	75	76	-	-
Insurance recoveries	43	159	-	-
Donations	4	6	-	-
Groups/Brigades/Units fundraising	7	321	-	-
Other	145	663	1	4
Total other income	1 112	2 154	28	33

15 Revenues from / payments to SA Government

	Consolidated		SAFECOM Entity	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Revenues from SA Government				
Contributions from Community Emergency Services Fund	250 969	244 554	14 759	12 250
Other revenues from SA Government	2 819	2 431	22	2 379
Total revenues from SA Government	253 788	246 985	14 781	14 629
Net revenues from SA Government	253 788	246 985	14 781	14 629

Revenues from SA Government for SAFECOM entity consist of \$13.461 million (2017: \$14.400 million) for operational funding and \$1.320 million (2017: \$0.229 million) for capital projects.

Revenues from SA Government for the consolidated sector comprised \$227.667 million (2017: \$218.078 million) for operational funding and \$26.121 million (2017: \$28.907 million) for capital projects.

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

For details on the expenditure associated with the operational funding and capital funding refer notes 3, 5, 7, 9, 21 and 22.

South Australian Fire and Emergency Services Commission
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16 Cash and cash equivalents

	Consolidated		SAFECOM Entity	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Cash on hand	11	10	-	-
Deposits with the Treasurer	17 595	23 566	6 366	5 379
Cash at bank	560	564	-	-
Cash at bank - Groups/Brigades/Units	4 379	4 278	-	-
Short-term deposits - Groups/Brigades/Units	704	886	-	-
Short-term deposits	60	54	-	-
Total cash and cash equivalents	23 309	29 358	6 366	5 379

Cash is measured at nominal amounts.

Deposits with the Treasurer

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

Short term deposits

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

Interest rate risk

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

South Australian Fire and Emergency Services Commission
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17 Receivables

	Consolidated		SAFECOM Entity	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Current				
Receivables	2 697	1 741	11	1 053
Less allowance for doubtful debts	(99)	(92)	-	-
Prepayments	364	101	1	2
Accrued revenues	79	99	3	6
GST input tax recoverable	2 555	2 369	544	463
Total current receivables	5 596	4 218	559	1 524
Total receivables	5 596	4 218	559	1 524

Movement in the allowance for doubtful debts

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

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

	Consolidated		SAFECOM Entity	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Carrying amount at beginning of the period	92	102	-	-
Increase/(decrease) in the allowance	76	6	-	-
Amounts written off	(23)	(16)	-	-
Amounts recovered during the year	(46)	-	-	-
Carrying amount at the end of the period	99	92	-	-

Interest rate and credit risk

Receivables arise in the ordinary course of providing 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 when the goods/services have been provided under a contractual arrangement. Receivables, prepayments and accrued revenues are non-interest bearing.

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that SAFECOM will not be able to collect the debt. Other than as recognised in the allowance for doubtful debts, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk. Refer to note 32 for further information on risk management.

South Australian Fire and Emergency Services Commission
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18 Other financial assets

	Consolidated		SAFECOM Entity	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Current				
Medium Term Deposits - Groups/Brigades/Units	2 805	2 772	-	-
Total current other financial assets	2 805	2 772	-	-
Total other financial assets	2 805	2 772	-	-

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

19 Non-current assets classified as held for sale

	Consolidated		SAFECOM Entity	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Land	742	742	-	-
Total non-current assets classified as held for sale	742	742	-	-

A tender to sell surplus SACFS land at Port Lincoln during 2011 failed to be realised, and as at 30 June 2018 the property continues to remain on the market for sale.

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

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

An independent site valuation was provided by a Certified Practising Valuer for the property upon its classification as held for sale. The valuation was based on recent market transactions for similar unrestricted land and buildings in the area and includes adjustment for factors specific to the land and building such as size and location. This valuation was in accordance with the valuation principles and technique outlined in note 23 (i.e. there was no change to valuation technique).

20 Non-current assets

Revaluation

All 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 million and estimated useful life is greater than three years. Carrying amounts are adjusted accordingly.

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

If at any time management considers that the carrying amount of an asset materially differs from its fair value, the asset is revalued regardless of when the last valuation took place.

South Australian Fire and Emergency Services Commission
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20 Non-current assets (continued)

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

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

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

21 Property, plant and equipment

	Consolidated		SAFECOM Entity	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Land				
Land at fair value	65 049	65 027	-	-
Total land	65 049	65 027	-	-
Buildings				
Buildings at fair value	137 585	134 247	29	29
Accumulated depreciation	(24 179)	(18 801)	(14)	(11)
Total buildings	113 406	115 446	15	18
Vehicles				
Vehicles at fair value	181 549	166 519	-	26
Accumulated depreciation	(52 377)	(40 584)	-	(3)
Total vehicles	129 172	125 935	-	23
Communication (Comms.) equipment				
Communication equipment at fair value	20 798	19 389	-	-
Accumulated depreciation	(6 726)	(4 449)	-	-
Total communication equipment	14 072	14 940	-	-
Computer equipment				
Computer equipment at fair value	2 452	2 288	594	466
Accumulated depreciation	(1 325)	(871)	(236)	(146)
Total computer equipment	1 127	1 417	358	320
Plant and equipment				
Plant and equipment at fair value	10 347	9 280	228	228
Accumulated depreciation	(3 692)	(2 652)	(169)	(149)
Total plant and equipment	6 655	6 628	59	79
Capital work in progress				
Capital work in progress at cost	30 418	23 078	1 172	225
Total capital work in progress	30 418	23 078	1 172	225
Total property, plant and equipment	359 899	352 471	1 604	665

South Australian Fire and Emergency Services Commission
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21 Property, plant and equipment (continued)

Acquisition and recognition

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

Where assets are acquired at no value, or minimal value, they are recorded at their fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal value as part of a restructure of administrative arrangements, then the assets are recognised at book value (i.e. the amount recorded by the transferor public authority immediately prior to the restructure).

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

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

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

Valuation of assets

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

Impairment

There were no indications of impairment for property, plant and equipment as at 30 June 2018.

Reconciliation of property, plant and equipment during 2017-18

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

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21 Property, plant and equipment (continued)

Reconciliation of property, plant and equipment during 2016-17

	Land	Buildings	Vehicles	Comms. equipment	Computer equipment	Plant & equipment	Capital work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2017: Consolidated								
Carrying amount at the beginning of the period	63 382	114 286	122 582	6 978	1 622	6 731	30 485	346 066
Additions	1 747	(1)	1	-	(1)	-	25 499	27 245
Disposals	(123)	(32)	(454)	(7)	-	(4)	-	(620)
Transfers from/(to) capital WIP	21	6 635	15 628	9 395	209	869	(32 906)	(149)
Assets received free of charge	-	-	(20)	-	-	-	-	(20)
Depreciation	-	(5 442)	(11 802)	(1 426)	(413)	(968)	-	(20 051)
Carrying amount at the end of the period	65 027	115 446	125 935	14 940	1 417	6 628	23 078	352 471

Reconciliation of property, plant and equipment during 2017-18

	Buildings	Vehicles	Computer equipment	Plant & equipment	Capital work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2018: SAFECOM						
Carrying amount at the beginning of the period	18	23	320	79	225	665
Acquisitions	-	-	-	-	1 374	1 374
Disposals	-	(14)	-	-	-	(14)
Transfers from/(to) capital WIP	-	-	128	-	(427)	(299)
Depreciation	(3)	(9)	(90)	(20)	-	(122)
Carrying amount at the end of the period	15	-	358	59	1 172	1 604

Reconciliation of property, plant and equipment during 2016-17

	Buildings	Vehicles	Computer equipment	Plant & equipment	Capital work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2017: SAFECOM						
Carrying amount at the beginning of the period	21	26	162	113	-	322
Acquisitions	-	-	-	-	433	433
Transfers from/(to) capital WIP	-	-	208	-	(208)	-
Depreciation	(3)	(3)	(50)	(34)	-	(90)
Carrying amount at the end of the period	18	23	320	79	225	665

South Australian Fire and Emergency Services Commission
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22 Intangible assets

	Consolidated		SAFECOM Entity	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Computer software				
Computer software at cost	3 096	4 918	2 072	4 004
Accumulated amortisation	(2 711)	(3 644)	(1 963)	(2 952)
Total computer software	385	1 274	109	1 052
Total intangible assets	385	1 274	109	1 052

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are measured at cost and are tested for indications of impairment at each reporting period. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. SAFECOM and the consolidated sector has intangible assets with finite lives. The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

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

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

Impairment

There were no indications of impairment of intangible assets at 30 June 2018.

Reconciliation of intangible assets

	Consolidated		SAFECOM Entity	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	1 274	1 951	1 052	1 852
Additions	-	-	-	-
Write off	(922)	-	(922)	-
Transfers from capital WIP	410	149	300	-
Amortisation	(377)	(826)	(321)	(800)
Carrying amount at the end of the period	385	1 274	109	1 052

Asset details and amortisation

Intangible assets detailed above relate to computer software externally acquired.

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23 Fair value measurement

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.

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

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

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

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

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

SAFECOM's current use is the highest and best use of the asset unless other factors suggest an alternative use is feasible within the next five years. As SAFECOM did not identify any factors to suggest an alternative use, fair value measurement was based on current use.

Fair value hierarchy

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

Fair value measurements recognised in the balance sheet are categorised into the following levels at 30 June 2018.

SAFECOM had no valuations categorized into level 1.

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23 Fair value measurement (continued)

Fair value measurements at 30 June 2018

	Note	Consolidated			SAFECOM Entity	
		Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements						
Land	21	15 102	49 947	65 049	-	-
Buildings	21	19 886	93 520	113 406	15	15
Vehicles	21	-	129 172	129 172	-	-
Communication (Comms.) equipment	21	-	14 072	14 072	-	-
Computer equipment	21	-	1 127	1 127	358	358
Plant and equipment	21	-	6 655	6 655	59	59
Total recurring fair value measurements		34 988	294 493	329 481	432	432
Non-recurring fair value measurements						
Land held for sale	19	742	-	742	-	-
Total non-recurring fair value measurements		742	-	742	-	-
Total fair value measurements		35 730	294 493	330 223	432	432

Fair value measurements at 30 June 2017

	Note	Consolidated			SAFECOM Entity	
		Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements						
Land	21	15 080	49 947	65 027	-	-
Buildings	21	19 545	95 901	115 446	18	18
Vehicles	21	-	125 935	125 935	23	23
Communication (Comms.) equipment	21	-	14 940	14 940	-	-
Computer equipment	21	-	1 417	1 417	320	320
Plant and equipment	21	-	6 628	6 628	79	79
Total recurring fair value measurements		34 625	294 768	329 393	440	440
Non-recurring fair value measurements						
Land held for sale	19	742	-	742	-	-
Total non-recurring fair value measurements		742	-	742	-	-
Total fair value measurements		35 367	294 768	330 135	440	440

There were no transfers of assets between level 1 and 2 fair value hierarchy levels in 2018. SAFECOM's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

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

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23 Fair value measurement (continued)

Valuation techniques and inputs

Valuation techniques and inputs used to derive level 2 and 3 fair values are at note 21 . There were no changes in the valuation techniques during 2018.

Land subject to restricted use is considered within input level 3.

Buildings that are specialised are classified as input level 3.

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

Reconciliation of level 3 recurring fair value measurement at 30 June 2018

2018: Consolidated	Land	Buildings	Vehicles	Comms. equipment	Computer equipment	Plant & equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	49 947	95 901	125 935	14 940	1 417	6 628	294 768
Acquisitions	-	-	14	-	-	-	14
Capitalised asset transfers	-	3 054	15 758	1 435	164	1 068	21 479
Disposals	-	-	(449)	-	-	-	(449)
Gains/(losses) for the period recognised in net result:							
Depreciation	-	(5 435)	(12 086)	(2 303)	(454)	(1041)	(21 319)
Total gains/(losses) recognised in net result	-	(5 435)	(12 086)	(2 303)	(454)	(1 041)	(21 319)
Closing balance at the end of the period	49 947	93 520	129 172	14 072	1 127	6 655	294 493

2017: Consolidated	Land	Buildings	Vehicles	Comms. equipment	Computer equipment	Plant & equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	49 939	100 427	122 581	6 978	1 622	6 731	288 278
Acquisitions	-	-	-	-	-	-	-
Capitalised asset transfers	-	267	15 610	9 395	209	869	26 350
Assets received free of charge	22	40	-	-	-	-	62
Disposals	(14)	(32)	(453)	(7)	-	(4)	(510)
Gains/(losses) for the period recognised in net result:							
Depreciation	-	(4 801)	(11 803)	(1 426)	(414)	(968)	(19 412)
Total gains/(losses) recognised in net result	-	(4 801)	(11 803)	(1 426)	(414)	(968)	(19 412)
Closing balance at the end of the period	49 947	95 901	125 935	14 940	1 417	6 628	294 768

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23 Fair value measurement (continued)

Reconciliation of level 3 recurring fair value measurement at 30 June 2018

2018: SAFECOM Entity	Buildings	Vehicles	Computer equipment	Plant & equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	18	23	320	79	440
Capitalised asset transfers	-	-	128	-	128
Disposals	-	(14)	-	-	(14)
Gains/(losses) for the period recognised in net result:					
Depreciation	(3)	(9)	(90)	(20)	(122)
Total gains/(losses) recognised in net result	(3)	(9)	(90)	(20)	(122)
Closing balance at the end of the period	15	-	358	59	432

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

2017: SAFECOM Entity	Buildings	Vehicles	Computer equipment	Plant & equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	21	26	162	113	322
Capitalised asset transfers	-	-	208	-	208
Gains/(losses) for the period recognised in net result:					
Depreciation	(3)	(3)	(50)	(34)	(90)
Total gains/(losses) recognised in net result	(3)	(3)	(50)	(34)	(90)
Closing balance at the end of the period	18	23	320	79	440

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24 Payables

	Consolidated		SAFECOM Entity	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Current				
Creditors	1 587	7 776	64	505
Accrued expenses	13 474	2 454	2 306	528
Paid parental leave scheme payable	-	6	-	3
Employment on-costs [^]	4 312	3 464	189	176
Total current payables	19 373	13 700	2 559	1 212
Non-current				
Creditors	8	8	-	-
Employment on-costs [^]	4 748	2 654	191	161
Total non-current payables	4 756	2 662	191	161
Total payables	24 129	16 362	2 750	1 373

[^] Employment on-costs include Payroll Tax, workers' compensation levies and superannuation contributions. SAFECOM makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation scheme. The only liability outstanding at reporting date relates to any contributions due but not yet paid to State Government and externally managed superannuation schemes.

The actuarial assessment performed by the Department of Treasury and Finance (DTF), has resulted in the percentage of the proportion of long service leave taken as leave has changed from the 2017 rate 40% to 41% and the average factor for the calculation of employer superannuation cost on-cost is 9.9% (2017: 10.1%). These rates are used in the employment on-cost calculation.

In 2018, the SAMFS identified an error in the long service leave liability taken as leave for 30 June 2017. The subsequent correction of this error in 2018 largely explains the increase in the employment on-costs liability.

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

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

Interest rate and credit risk

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

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25 Employee benefits liability

	Consolidated		SAFECOM Entity	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Current				
Accrued salaries and wages	3 050	2 619	127	128
Annual leave	13 193	12 530	682	634
Skills and experience retention leave	1 489	1 502	68	60
Long service leave	3 550	3 254	207	222
Total current employee benefits	21 282	19 905	1 084	1 044
Non-current				
Long service leave	30 749	28 829	2 077	1 739
Total non-current employee benefits	30 749	28 829	2 077	1 739
Total employee benefits	52 031	48 734	3 161	2 783

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

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

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

The annual leave liability and the skills and experience retention leave liability is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid. In the unusual event where salary and wages, annual leave and skills and experience retention liability are payable later than 12 months, the liability will be measured at present value.

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

Long service leave

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

AASB 119 *Employee Benefits* describes 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 *Employee Benefits* requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has increased from 2017 (2.5%) to 2018 (2.75%).

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

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25 Employee benefits liability (continued)

The net financial effect of these changes in the current financial year on the long service leave liability of SAFECOM and the sector is not material.

The actuarial assessment performed by DTF left the salary inflation rate at 4% for long service leave liability and 3% for annual leave and skills, experience and retention leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

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

26 Provisions

	Consolidated		SAFECOM Entity	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Current				
Provision for workers' compensation	11 420	8 613	53	21
Additional compensation	530	-	6	-
Total current provisions	11 950	8 613	59	21
Non-current				
Provision for workers' compensation	45 659	10 314	50	21
Additional compensation	17 835	-	280	-
Total non-current provisions	63 494	10 314	330	21
Total provisions	75 444	18 927	389	42

Movement in provisions	Consolidated		SAFECOM Entity	
	2018	2017	2018	2017
Workers' compensation				
Carrying amount at the beginning of the period	18 927	22 815	42	71
Additional provision recognised	44 485	3 027	102	11
Reductions arising from payments/other sacrifice of future economic benefits	(6 333)	(6 915)	(41)	(40)
Carrying amount at the end of the period	57 079	18 927	103	42
Additional compensation				
Carrying amount at the beginning of the period	-	-	-	-
Additional provision recognised	18 365	-	286	-
Carrying amount at the end of the period	18 365	-	286	-

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26 Provisions (continued)

Workers Compensation

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

A liability has been reported to reflect unsettled workers' compensation claims. The workers' compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2018 provided by a consulting actuary engaged through the Office for the Public Sector. The liability was calculated in accordance with Australian Accounting Standard AASB 137 'Provisions, Contingent Liabilities and Contingent Assets' as the present value of the expenditures expected to be required to settle obligations incurred as at 30 June. No risk margin is included in this estimate.

There is a significant degree of uncertainty associated with estimating future claim and expense payments. The liability is impacted by agency claim experience, average claim sizes and other economic and actuarial assumptions.

Presumptive workers' compensation coverage for firefighters for a range of cancers came into effect from 1 July 2013. The workers' compensation provision as at 30 June 2018 includes an actuarial assessment of firefighters cancer claims. The actuary has included an estimate for injuries incurred but not reported. The actuarial assessment is sensitive to changes in assumptions and as claim costs are received and assessed, assumptions will be based on more extensive experience.

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

Following changes to relevant Public Sector Enterprise Agreements and Awards, the emergency services sector has recognised an Additional Compensation provision as at 30 June 2018.

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

The Additional Compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2018 provided by a consulting actuary engaged by the Office for the Public Sector. The liability was calculated in accordance with Australian Accounting Standard AASB 137 '*Provisions, Contingent Liabilities and Contingent Assets*' as the present value of the expenditures expected to be required to settle obligations incurred as at 30 June. The liability comprises an estimate for known claims and an estimate of incurred but not reported (IBNR) applications. No risk margin is included in the estimate.

Key assumptions in the estimate include:

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

There is a significant degree of uncertainty associated with this estimate. In addition to the general uncertainties associated with estimating future claim and expense payments, the Additional Compensation provision is impacted by the absence of claims history and the evolving nature of the interpretation of, and evidence required to meet, eligibility criteria.

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

South Australian Fire and Emergency Services Commission
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27 Unrecognised contractual commitments

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

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

Operating lease commitments

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

	Consolidated		SAFECOM Entity	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Within one year	3 388	2 476	451	197
Later than one year but not later than five years	2 893	2 514	193	3
Later than five years	93	249	-	-
Total operating lease commitments	6 374	5 239	644	200

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

Capital commitments

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

	Consolidated		SAFECOM Entity	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Within one year	2 805	2 324	336	177
Total capital commitments	2 805	2 324	336	177

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

Expenditure commitments

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

	Consolidated		SAFECOM Entity	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Within one year	3 968	11 253	1 157	2 927
Later than one year but not later than five years	1 274	2 804	76	148
Total expenditure commitments	5 242	14 057	1 233	3 075

Expenditure commitments relate to a range of general goods and services used in operational areas.

South Australian Fire and Emergency Services Commission
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28 Contingent assets and liabilities

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

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

Contingent assets

SAFECOM Entity

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

Contingent liabilities

SAFECOM Entity

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

29 Related party transactions

SAFECOM is a body corporate and is an agency of the Crown established by the Act.

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

Significant transactions with government related entities

Other than the transactions that have been disclosed in detail in the notes to these accounts, SAFECOM had no significant transactions with government related entities.

Collectively, but not individually significant transactions with government related entities

Quantitative information about transactions and balances between the Consolidated entity, SAFECOM and other SA Government controlled entities are disclosed at note 35 .

Transactions with key management personnel and other related parties

Compensation of Key Management Personnel is disclosed in note 3.

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

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

	Consolidated		SAFECOM Entity	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period				
Cash and cash equivalents disclosed in the Statement of Financial Position	23 309	29 358	6 366	5 379
Balance as per Statement of Cash Flows	23 309	29 358	6 366	5 379
Reconciliation of net cash provided by / (used in) operating activities to net cost of providing services				
Net cash provided by / (used in) operating activities	23 151	32 368	2 347	1 339
Less revenues from SA Government	(253 788)	(246 985)	(14 781)	(14 629)
Add / (less) non-cash items				
Depreciation and amortisation	(21 669)	(20 877)	(443)	(890)
Assets received free of charge	-	62	-	-
Assets acquired at no cost	22	-	-	-
Capital work-in-progress expensed	(51)	-	-	-
Intangible write off	(922)	-	(922)	-
Net gain/(loss) from disposal of non-current assets	(9)	10	-	-
Movement in assets and liabilities				
Increase/(decrease) in receivables	1 378	532	(965)	1 085
(Increase)/decrease in payables	(7 766)	152	(1 376)	31
(Increase)/decrease in employee benefits	(3 297)	(6 145)	(378)	10
(Increase)/decrease in provisions	(56 517)	3 888	(347)	29
Net cost of providing services	(319 468)	(236 995)	(16 865)	(13 025)

South Australian Fire and Emergency Services Commission
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31 Budgetary reporting and explanations of major variances between budget and actual amounts

Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2017-18 Budget Paper 4). Budget information has been included for the Statement of Comprehensive Income and for Investment Expenditure. Budget information has not been included for the Statement of Financial Position or Statement of Cash Flows as the information in these statements are not budgeted for on the same basis and/or determined in a different manner to financial statement information. These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes. The budget process is not subject to audit.

Budget information is not presented to Parliament for the consolidated entity. Budget information for the Emergency Services Sector is presented separately in their individual financial statements.

		Original budget 2018 \$'000	SAFECOM Actual 2018 \$'000	Variance \$'000
Statement of Comprehensive Income	Note			
Expenses				
Employee benefits	a	7 046	8 414	1 368
Supplies and services		6 858	6 798	(60)
Depreciation and amortisation		867	443	(424)
Grants and subsidies	b	6 483	3 393	(3 090)
Other		-	922	922
Total expenses		21 254	19 970	(1 284)
Income				
Fees and charges		634	633	(1)
Grants and contributions	c	5 220	2 385	(2 835)
Interest		24	59	35
Other		142	28	(114)
Total income		6 020	3 105	(2 915)
Net cost of providing services		15 234	16 865	1 631
Revenues from / (payments to) SA Government				
Revenues from SA Government	d	12 951	14 781	1 830
Total net revenues from SA Government		12 951	14 781	1 830
Net result		(2 283)	(2 084)	199
Total comprehensive result		(2 283)	(2 084)	199

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

- a Actual employee benefits were higher than original budget primarily due to first time recognition of an additional compensation provision as well as a realignment of employees and additional project funded employees added during the year.
- b Primarily relates to receipt of funding for Natural Disaster Resilience Program with funding for 2017-18 not expected to be received until 2018-19.

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

- c Primarily relates to changes in the timing of the receipt of funding for the Natural Disaster Resilience Program in 2018-19.
- d Primarily relates to additional funding for ESS Data Management and Alert SA.

	Original budget 2018 \$'000	Actual 2018 \$'000	Variance \$'000
Investing Expenditure Summary			
Total existing projects	e 140	-	(140)
Total annual programs	f -	1 374	1 374
Total investing expenditure	140	1 374	1 234

- e This budget relates to a carryover of expenditure for Alert SA, however this asset was written off in 2017-18.
- f Primarily relates to capital expenditure for ESS Data Management and other sector capital systems.

32 Financial risk management / financial instruments

Financial risk management

Risk management is managed by SAFECOM corporate services section and risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

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

Liquidity risk

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

Credit risk

SAFECOM has minimal concentration of credit risk. SAFECOM has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history. SAFECOM does not engage in high risk hedging for its financial assets. No collateral is held as security and no credit enhancements relate to financial assets held by SAFECOM.

Market risk

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

SAFECOM does not trade in foreign currency, enter into transactions for speculative purposes, nor for hedging. SAFECOM does not undertake any hedging in relation to interest or foreign currency risk and manages its risk as per the Government's risk management strategy articulated in TI 23 *Management of Foreign Currency Exposures*.

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32 Financial risk management / financial instruments (continued)

The following table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets.

	Consolidated					
	Carrying amount \$'000	Not past due and not impaired \$'000	Overdue for less than 30 days \$'000	Overdue for 30-60 days \$'000	Overdue for more than 60 days \$'000	Impaired financial assets \$'000
2018						
Receivables ⁽¹⁾	2 788	2 034	376	93	186	99
Other financial assets	2 783	2 783	-	-	-	-
	5 571	4 817	376	93	186	99
2017						
Receivables ⁽¹⁾	1 155	752	120	60	131	92
Other financial assets	2 772	2 772	-	-	-	-
	3 927	3 524	120	60	131	92

	SAFECOM Entity					
	Carrying amount \$'000	Not past due and not impaired \$'000	Overdue for less than 30 days \$'000	Overdue for 30-60 days \$'000	Overdue for more than 60 days \$'000	Impaired financial assets \$'000
2018						
Receivables ⁽¹⁾	14	6	-	3	5	-
Other financial assets	-	-	-	-	-	-
	14	6	-	3	5	-
2017						
Receivables ⁽¹⁾	15	12	3	-	-	-
Other financial assets	-	-	-	-	-	-
	15	12	3	-	-	-

Categorisation of financial instruments

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

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

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

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

- The carrying value less impairment provisions of receivables and payables is a reasonable approximation of their fair values due to the short-term nature of these (refer notes 17 and 24).
- Held-to-maturity investments are initially recognised at fair value, then subsequently held at amortised cost. This is the most representative of fair value in the circumstances (refer note 16).

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32 Financial risk management / financial instruments (continued)

Categorisation and maturity analysis of financial assets and liabilities

Category of financial asset and financial liability	Note	Carrying amount / fair value \$'000	2018 Contractual maturities Consolidated		Carrying amount / fair value \$'000	2018 Contractual maturities SAFECOM Entity	
			Current	More than 5 years		Current	More than 5 years
			\$'000	\$'000		\$'000	\$'000
Financial assets							
Cash and cash equivalents	16	23 309	23 309	-	6 366	6 366	-
Receivables ⁽¹⁾⁽²⁾	17	2 775	2 775	-	14	14	-
Other financial assets	18	2 805	2 805	-	-	-	-
Total financial assets		28 889	28 889	-	6 380	6 380	-
Financial liabilities							
Payables ⁽¹⁾	24	14 871	14 863	8	2 260	2 260	-
Total financial liabilities		14 871	14 863	8	2 260	2 260	-

Category of financial asset and financial liability	Note	Carrying amount / fair value \$'000	2017 Contractual maturities Consolidated		Carrying amount / fair value \$'000	2017 Contractual maturities SAFECOM Entity	
			Current	More than 5 years		Current	More than 5 years
			\$'000	\$'000		\$'000	\$'000
Financial assets							
Cash and cash equivalents	16	29 358	29 358	-	5 379	5 379	-
Receivables ⁽¹⁾⁽²⁾	17	1 840	1 840	-	1 059	1 059	-
Other financial assets	18	2 772	2 772	-	-	-	-
Total financial assets		33 970	33 970	-	6 438	6 438	-
Financial liabilities							
Payables ⁽¹⁾	24	9 861	9 853	8	1 033	1 033	-
Total financial liabilities		9 861	9 853	8	1 033	1 033	-

⁽¹⁾ Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (for example, Commonwealth, State and Local Government taxes, fees and charges; AGD audit fees). In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents, etc. they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost

⁽²⁾ Receivables amount disclosed here excludes prepayments. Prepayments are presented in note 17 as trade and other receivables in accordance with paragraph 78(b) of AASB 101 *Presentation of Financial Statements*. However, prepayments are not financial assets as defined in AASB 132 *Financial Instruments: Presentation* as the future economic benefit of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.

South Australian Fire and Emergency Services Commission
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33 Impact of Standards and Statements not yet implemented

SAFECOM did not voluntarily change any of its accounting policies during 2017-18.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by SAFECOM for the period ending 30 June 2018.

AASB 9 Financial Instruments

The revision to AASB 9 Financial Instruments applies to reporting periods beginning on or after 1 January 2018, i.e. to financial statements as 30 June 2019. AASB 9 Financial Instruments provides the principles for the classification, measurement, recognition, de-recognition and disclosure associated with financial assets and liabilities. The key changes include simplified requirements for classification and measurement of financial assets and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognised impairment only when incurred.

Trade receivables and loan receivables will be classified and measured at amortised cost, similar to the current classification of loans and receivables. However, new impairment requirements will result in a provision being applied to all receivables rather than only on those receivables that are credit impaired. SAFECOM will be adopting the simplified approach under AASB 9 Financial Instruments and measure lifetime expected credit losses on all trade receivables and contract assets using a provision matrix approach as a practical expedient to measure the impairment provision.

SAFECOM has not yet quantified the impact of applying AASB 9 Financial Instruments on the classification and measurement of its financial assets, and the resulting impact on the statement of comprehensive income.

AASB 16 Leases

This standard will apply for the first time to reporting periods beginning on or after 1 January 2019, i.e. to financial statements as 30 June 2020. The standard supersedes AASB 117 Leases and unlike AASB 117 Leases, AASB 16 Leases introduces a single lease accounting model for lessees, eliminating the distinction between operating and finance leases. Lessees will be required to recognise a right-of-use asset (representing rights to use the underlying leased asset) and a liability (representing the obligation to make lease payments) for all leases with a term of more than 12 months, unless the underlying assets are of low value.

The right-of-use asset will be initially recognised at cost, consisting of the initial amount of the associated lease liability, plus any lease payments made to the lessor at or before the effective date, less any lease incentive received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. The right-of-use asset will give rise to a depreciation expense.

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

AASB 16 Leases allows a 'cumulative approach' rather than full retrospective application to recognising existing operating leases. SAFECOM will apply the 'cumulative approach', and will not need to restate comparative information. Instead, the cumulative effect of applying the standard is recognised as an adjustment to the opening balance of accumulated surplus (or other component of equity, as appropriate) at the date of initial application.

It is anticipated that there will be a marginal impact each year on net result due to recognition of depreciation and interest on lease liabilities as expenses. There will be no impact on the total net result over the life of the lease.

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

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2018

33 Impact of standards and statements not yet implemented (continued)

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

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

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

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

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

SAFECOM has not yet quantified the impact of applying AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* and the resulting impact on the Statement of Comprehensive Income.

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

34 Events after the reporting period

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

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2018

35 Transactions with SA Government – Consolidated

The following table discloses revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature. Transactions with SA Government entities below the threshold of \$100 000 have been included with the non-government transactions, classified according to their nature.

	Note	SA Government		Non-SA Government		Total	
		2018	2017	2018	2017	2018	2017
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses							
Employee benefits	3	7 472	7 060	217 044	147 810	224 516	154 870
Supplies and services	5						
Aerial support costs		69	50	9 846	7 042	9 915	7 092
Communications		1 344	990	2 367	2 936	3 711	3 926
Computing costs		826	638	3 691	3 318	4 517	3 956
Consultancy, contractor and legal fees		797	528	3 388	3 024	4 185	3 552
Government radio network		16 355	15 015	-	-	16 355	15 015
Insurance premiums		400	392	211	-	611	392
Operating lease costs		3 372	3 186	961	1 034	4 333	4 220
Operational costs		132	49	4 953	5 885	5 085	5 934
Shared Services SA fees		1 763	1 708	-	-	1 763	1 708
Travel and training		225	243	3 371	3 744	3 596	3 987
Vehicles		682	367	8 207	6 521	8 889	6 888
Property Costs		2 488	122	4 541	7 025	7 029	7 147
Uniforms and protective clothing		3	18	7 637	4 685	7 640	4 703
Other expenses		341	704	4 985	4 286	5 326	4 990
Depreciation and amortisation	6	-	-	21 669	20 877	21 669	20 877
Grants and subsidies	7	470	642	3 324	2 127	3 794	2 769
Net loss from disposal of non-current assets	8	-	-	9	-	9	-
Other expenses	9	-	-	922	-	922	-
Total expenses		36 739	31 712	297 126	220 314	333 865	252 026

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2018

35 Transactions with SA Government – Consolidated (continued)

	Note	SA Government		Non-SA Government		Total	
		2018	2017	2018	2017	2018	2017
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income							
Revenues from fees and charges	10						
Fire alarm attendance fees		528	589	2 081	2 070	2 609	2 659
Fire safety fees		20	10	478	370	498	380
Fire alarm monitoring fees		293	272	2 146	2 102	2 439	2 374
Rent of premises				630	382	630	382
Incident cost recoveries		-		243	-	243	-
Training and other recoveries		1	165	-	153	1	318
Salary recovery		634	722	-	(103)	634	619
Other recoveries		231	5	(100)	9	131	14
Grants and contributions	11						
Commonwealth Government		-	-	5 318	5 246	5 318	5 246
Private industry and local government		-	-	22	6	22	6
State Government		540	279	(29)	298	511	577
Interest revenues	12	205	229	44	-	249	229
Resources received free of charge	13	-	-	-	62	-	62
Net gain from disposal of non-current assets		-	-	-	10	-	10
Other income	14						
Donations		-	-	4	6	4	6
Groups/Brigades/Units fundraising		-	-	7	321	7	321
Rent received		-	-	75	76	75	76
Insurance recoveries		-	139	43	20	43	159
Salary recoveries		126	85	129	103	255	188
Sundry revenues		-	-	583	741	583	741
Other		-	616	145	47	145	663
Revenues from SA Government	15						
Revenues from SA Government		253 717	246 985	71	-	253 788	246 985
Total income		256 295	250 096	11 890	11 919	268 185	262 015

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2018

35 Transactions with SA Government – Consolidated (continued)

		SA Government		Non-SA Government		Total	
		2018	2017	2018	2017	2018	2017
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets							
Cash and cash equivalents	16	17 819	23 576	5 490	5 782	23 309	29 358
Receivables	17						
Receivables		93	87	2 604	1 654	2 697	1 741
Less allowance for doubtful debts		-	-	(99)	(92)	(99)	(92)
Prepayments		-	-	364	101	364	101
Accrued revenues		45	43	34	56	79	99
GST input tax recoverable		-	-	2 555	2 369	2 555	2 369
Other financial assets	18	-	-	2 805	2 772	2 805	2 772
Total financial assets		17 957	23 706	13 753	12 642	31 710	36 348
Financial liabilities							
Payables	24						
Creditors		1 112	2 249	483	5 535	1 595	7 784
Accrued expenses		199	759	13 276	1 696	13 475	2 455
Paid parental leave scheme payable		-	-	-	6	-	6
Employment on-costs		3 453	3 106	5 607	3 012	9 060	6 118
Total financial liabilities		4 764	6 114	19 366	10 249	24 130	16 363

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2018

35 Transactions with SA Government – SAFECOM (continued)

	Note	SA Government		Non-SA Government		Total	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Expenses							
Employee benefits	3	348	374	8 066	7 094	8 414	7 468
Supplies and services	5						
Accommodation			-	-	-	-	-
Auditor's remuneration							
Communications		1 254	897	139	158	1 393	1 055
Computing costs		48	77	1 061	698	1 109	775
Consultancy, contractor and legal fees		264	48	885	237	1 149	285
Insurance premiums		9	10	-	-	9	10
Operating lease costs		453	417	-	-	453	417
Operational costs		-	-	52	135	52	135
Shared Services SA fees		1 747	1 708	-	-	1 747	1 708
Vehicles		1	6	-	5	1	11
Property Costs		79	107	18	35	97	142
Travel and training		2	3	134	169	136	172
Uniforms and protective clothing			-	-	4	-	4
Other expenses		123	116	529	518	652	634
Depreciation and amortisation	6	-	-	443	890	443	890
Grants and subsidies	7	470	642	2 923	1 601	3 393	2 243
Net loss from disposal of non-current assets	8	-	-	-	-	-	-
Other expenses	9	-	-	922	-	922	-
Total expenses		4 798	4 405	15 172	11 544	19 970	15 949
Income							
Revenues from fees and charges	10						
Salary recovery		634	631	(1)	(12)	633	619
Incident cost recoveries		-	-	-	-	-	-
Other recoveries		-	-	-	5	-	5
Grants and contributions	11						
Commonwealth Government		-	-	2 088	2 088	2 088	2 088
Private industry and local government				16	-	16	-
State Government		281	112	-	-	281	112
Interest revenues	12	59	67	-	-	59	67
Other income	14						
Salary recoveries		-	-	-	13	-	13
Sundry revenues		-	-	27	16	27	16
Other		-	-	1	4	1	4
Revenues from SA Government	15						
Revenues from SA Government		14 781	14 629	-	-	14 781	14 629
Payments to SA Government		-	-	-	-	-	-
Total income		15 755	15 439	2 131	2 114	17 886	17 553

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2018

35 Transactions with SA Government – SAFECOM (continued)

	Note	SA Government		Non-SA Government		Total	
		2018	2017	2018	2017	2018	2017
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets							
Cash and cash equivalents	15	6 366	5 379	-	-	6 366	5 379
Receivables	17						
Receivables		5	5	6	1 048	11	1 053
Prepayments		-	-	1	2	1	2
Accrued revenues		3	6	-	-	3	6
GST input tax recoverable		-	-	544	463	544	463
Total financial assets		6 374	5 390	551	1 513	6 925	6 903
Financial liabilities							
Payables	24						
Creditors		-	312	64	193	64	505
Accrued expenses		1 156	364	1 150	164	2 306	528
Paid parental leave scheme payable		-	-	-	3	-	3
Employment on-costs		194	169	186	168	380	337
Total financial liabilities		1 350	845	1 400	528	2 750	1 373

36 Trust funds

	Consolidated		SAFECOM Entity	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Cash at bank	157	439	-	-
Total trust funds	157	439	-	-

The trust funds represent funds held by the Australian Council of State Emergency Services. The funds will be utilised to meet expenses incurred by each of the State Emergency Services Headquarters in Australia. SASES will administer these funds until they are fully expended. In 2017-18, total income earned by the Council was \$0.042 million and expenses incurred totalled \$0.335 million.

Community Emergency Services Fund

Financial Statements

For the year ended 30 June 2018

Community Emergency Services Fund
Statement of Administered Comprehensive Income
for the year ended 30 June 2018

	Note	2018 \$'000	2017 \$'000
Administered expenses			
Contributions to SA Government administrative units	A3	278 842	271 552
Grants and subsidies	A4	5 664	3 669
Other	A5	8 347	8 163
Total administered expenses		292 853	283 384
Administered income			
Levy sources	A6	299 682	293 676
Fees and charges	A7	452	464
Interest	A8	1 343	1 348
Total administered income		301 477	295 488
Net result		8 624	12 104
Total comprehensive result		8 624	12 104

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

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

Community Emergency Services Fund
Statement of Administered Financial Position
as at 30 June 2018

		2018	2017
	Note	\$'000	\$'000
Administered current assets			
Cash and cash equivalents	A9	30 796	22 335
Receivables	A10	1 530	1 468
Total current assets		32 326	23 803
Administered current liabilities			
Payables	A11	733	834
Total current liabilities		733	834
Net assets		31 593	22 969
Administered equity			
Retained earnings		31 593	22 969
Total equity		31 593	22 969

The total administered equity is attributable to the SA Government as owner.

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

Community Emergency Services Fund
Statement of Administered Changes in Equity
for the year ended 30 June 2018

	Retained earnings	Total equity
	\$'000	\$'000
Balance at 30 June 2016	10 865	10 865
Net result for 2016-17	12 104	12 104
Total comprehensive result for 2016-17	12 104	12 104
Balance at 30 June 2017	22 969	22 969
Net result for 2017-18	8 624	8 624
Total comprehensive result for 2017-18	8 624	8 624
Balance at 30 June 2018	31 593	31 593

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

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

Community Emergency Services Fund
Statement of Administered Cash Flows
for the year ended 30 June 2018

		2018	2017
		(Outflows)	(Outflows)
		Inflows	Inflows
	Note	\$'000	\$'000
Cash flows from operating activities			
Cash outflows			
Payments to SA Government administrative units		(279 512)	(295 470)
Payments of grants and subsidies		(5 092)	(3 612)
Other payments		(8 350)	(11 097)
Cash used in operations		<u>(292 954)</u>	<u>(310 179)</u>
Cash inflows			
Receipts from levy sources		299 681	296 175
Fees and charges		452	464
Interest received		1 282	1 357
Cash generated from operations		<u>301 415</u>	<u>297 996</u>
Net cash provided by / (used in) operating activities	A12	<u>8 461</u>	<u>(12 183)</u>
Net increase / (decrease) in cash and cash equivalents		<u>8 461</u>	<u>(12 183)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>22 335</u>	<u>34 518</u>
Cash and cash equivalents at the end of the reporting period	A9	<u><u>30 796</u></u>	<u><u>22 335</u></u>

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

Community Emergency Services Fund
Notes to the administered financial statements
for the year ended 30 June 2018

A1 Establishment, objectives and funding arrangements

Establishment

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

Objectives

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

Funding arrangements

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

A2 Significant accounting policies

CESF adopts the accounting policies of SAFECOM, as detailed in SAFECOM's financial statements.

A3 Contributions to SA Government administrative units

	2018	2017
	\$'000	\$'000
South Australian Metropolitan Fire Service	139 225	136 603
South Australian Country Fire Service	77 330	75 715
South Australian Police	21 603	21 076
South Australian State Emergency Service	19 655	19 971
South Australian Fire and Emergency Services Commission	14 759	12 250
Department for Environment and Water	3 459	3 194
South Australian Ambulance Service	1 160	1 132
South Australian Police - Government radio network	740	722
Attorney-General's Department - State Rescue Helicopter Service	687	670
South Australian Ambulance Service - Government radio network	224	219
Total contributions to SA Government administrative units	278 842	271 552

A4 Grants and subsidies

	2018	2017
	\$'000	\$'000
Surf Life Saving South Australia	4 049	2 130
Volunteer Marine Rescue	1 202	1 187
Shark Beach Patrol	413	352
Total grants and subsidies	5 664	3 669

Community Emergency Services Fund
Notes to the administered financial statements
for the year ended 30 June 2018

A5 Other expenses

	2018	2017
	\$'000	\$'000
Revenue SA - collection costs	6 664	6 501
Department of Planning, Transport and Infrastructure - collection costs	1 048	1 040
Administration costs	635	622
Total other expenses	8 347	8 163

A6 Revenues from levy sources

	2018	2017
	\$'000	\$'000
Fixed property collections	221 249	216 358
Mobile collections	43 678	43 341
Fixed property remissions	24 909	24 569
Government concessions	6 480	6 147
Mobile remissions	3 366	3 261
Total revenues from levy sources	299 682	293 676

A7 Revenues from fees and charges

	2018	2017
	\$'000	\$'000
Certificate sales from other entities within the SA Government	452	464
Total revenue from fees and charges	452	464

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

A8 Interest revenues

	2018	2017
	\$'000	\$'000
Interest on deposit accounts - from entities within the SA Government	1 343	1 348
Total interest revenues	1 343	1 348

Community Emergency Services Fund
Notes to the administered financial statements
for the year ended 30 June 2018

A9 Cash and cash equivalents

	2018	2017
	\$'000	\$'000
Deposits with the Treasurer	30 796	22 335
Total cash and cash equivalents	30 796	22 335

Cash is measured as nominal amounts.

Deposits with the Treasurer

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

Interest rate risk

Deposits with the Treasurer earn a floating point interest rate based on daily bank deposit rates. The carrying amount of cash and cash equivalents approximates fair value.

A10 Receivables

	2018	2017
	\$'000	\$'000
Current		
Receivables from entities within the SA Government	1 530	1 468
Total current receivables	1 530	1 468
Total receivables	1 530	1 468

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

Interest rate and credit risk

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

Community Emergency Services Fund
Notes to the administered financial statements
for the year ended 30 June 2018

A11 Payables

	2018 \$'000	2017 \$'000
Current		
Creditors	733	834
Total current payables	<u>733</u>	<u>834</u>
Total payables	<u><u>733</u></u>	<u><u>834</u></u>

Interest rate and credit risk

Payables are measured at nominal amounts. Creditors and accruals are raised for all amounts billed but unpaid. Sundry creditors are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to amounts being payable on demand.

A12 Cash flow reconciliation

	2018 \$'000	2017 \$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents disclosed in the Statement of Administered Financial Position	30 796	22 335
Balance as per the Statement of Administered Cash Flows	30 796	22 335
Reconciliation of net cash provided by / (used in) operating activities to net cost of providing services		
Net cash provided by/(used in) operating activities	8 461	(12 183)
Movement in assets and liabilities		
Increase/(decrease) in receivables	62	(156)
(Increase)/decrease in payables	101	24 443
Net result	<u><u>8 624</u></u>	<u><u>12 104</u></u>

Community Emergency Services Fund
Notes to the administered financial statements
for the year ended 30 June 2018

A13 Budgetary reporting and explanations of major variances between budget and actual amounts

Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2017-18 Budget Paper 4). Budget information has been included for the Statement of Comprehensive Income and for Investment Expenditure. Budget information has not been included for the Statement of Financial Position or Statement of Cash Flows as the information in these statements are not budgeted for on the same basis and/ or determined in a different manner to financial statement information. These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes. The budget process is not subject to audit.

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

	Original budget 2018 \$'000	Actual 2018 \$'000	Variance \$'000
Statement of Comprehensive Income			
Expenses			
Contributions to SA Government administrative units	286 058	278 842	(7 216)
Grants and subsidies	6 778	5 664	(1 114)
Other	9 141	8 347	(794)
Total administered expenses	301 977	292 853	(9 124)
Income			
Levy sources	291 525	299 682	8 157
Fees and charges	428	452	24
Interest	1 500	1 343	(157)
Total administered income	293 453	301 477	8 024
Net result	(8 524)	8 624	17 148
Total comprehensive result	(8 524)	8 624	17 148

There were no variances that exceeded the greater of 10% of the original budget amount and 5% of original budgeted total expenses.

A14 Financial risk management / financial instruments

Financial risk management

Risk management is managed by SAFECOM corporate services section and the departmental risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

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

Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in note A2.

Community Emergency Services Fund
Notes to the administered financial statements
for the year ended 30 June 2018

A14 Financial risk management / financial instruments (continued)

Refer to table A14.1 for the carrying amounts of each of the following categories of financial assets and liabilities: receivables and payables held at cost.

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

- The carrying value less impairment provisions of receivables and payables is a reasonable approximation of their fair values due to the short-term nature of these (refer to notes A2, A10 and A11).

Liquidity risk

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

Table A14.1 Categorisation and maturity analysis of financial assets and liabilities

Category of financial asset and financial liability	Note	Carrying amount / fair value \$'000	2018 Contractual maturities			
			Current \$'000	Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets						
Cash and cash equivalents	A9	30 796	30 796	-	-	-
Receivables ⁽¹⁾⁽²⁾	A10	1 530	1 530	-	-	-
Total financial assets		32 326	32 326	-	-	-
Financial liabilities						
Payables ⁽¹⁾	A11	733	733	-	-	-
Total financial liabilities		733	733	-	-	-

Category of financial asset and financial liability	Note	Carrying amount / fair value \$'000	2017 Contractual maturities			
			Current \$'000	Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets						
Cash and cash equivalents	A9	22 335	22 335	-	-	-
Receivables ⁽¹⁾⁽²⁾	A10	1 468	1 468	-	-	-
Total financial assets		23 803	23 803	-	-	-
Financial liabilities						
Payables ⁽¹⁾	A11	834	834	-	-	-
Total financial liabilities		834	834	-	-	-

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

(2) Receivables amount disclosed here excludes prepayments. Prepayments are presented in A10 as trade and other receivables in accordance with paragraph 78(b) of AASB 101 *Presentation of Financial Statements*. However, prepayments are not financial assets as defined in AASB 132 *Financial Instruments: Presentation* as the future economic benefit of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.

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A14 Financial risk management / financial instruments (continued)

Credit risk

CESF has minimal concentration of credit risk. The fund is dependent on funds collected through the Emergency Services Levy (fixed and mobile property). CESF does not engage in high risk hedging for its financial assets. No collateral is held as security and no credit enhancements relate to financial assets held by CESF.

Market risk

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

CESF does not trade in foreign currency, enter into transactions for speculative purposes, nor for hedging. CESF does not undertake any hedging in relation to interest or foreign currency risk and manages its risk as per the Government's risk management strategy articulated in TI 23 *Management of Foreign Currency Exposures*.