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To the Chief Officer South Australian Country Fire Service

Qualified opinion

I have audited the financial report of the South Australian Country Fire Service for the financial year ended 30 June 2024.

In my opinion, except for the possible effects of the matter described in the 'Basis for qualified opinion' section of my report, the accompanying financial report gives a true and fair view of the financial position of the South Australian Country Fire Service as at 30 June 2024, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2024
- a Statement of Financial Position as at 30 June 2024
- a Statement of Changes in Equity for the year ended 30 June 2024
- a Statement of Cash Flows for the year ended 30 June 2024
- notes, comprising material accounting policies and other explanatory information
- a Certificate from the Chief Officer and the Business Manager.

Basis for qualified opinion

Procurement reporting disclosure

The South Australian Country Fire Service was required by the Treasurer's Instructions (Accounting Policy Statements) to include a disclosure reporting the value of procurement with South Australian and non-South Australian businesses for 2023-24.

This requirement uses a framework established by the Treasurer's Instructions (Accounting Policy Statements) and definitions within Treasurer's Instruction 18 *Procurement*.

The South Australian Country Fire Service included that disclosure in note 4.1 to the financial report.

My review of the processes used by the South Australian Country Fire Service identified that it did not have an effective process to meet the requirements of the framework which has been established for procurement reporting under the Treasurer's Instructions.

As such, I am not able to obtain sufficient appropriate audit evidence for the amounts disclosed in note 4.1.

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

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

Responsibilities of the Chief Officer for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 100(2) of the *Fire and Emergency Services Act 2005*, I have audited the financial report of the South Australian Country Fire Service for the financial year ended 30 June 2024.

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

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

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

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

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

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

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

19 September 2024

South Australian Country Fire Service

Financial Statements

For the year ended 30 June 2024

South Australian Country Fire Service
Statement of Comprehensive Income
for the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Income			
Contributions from the Community Emergency Services Fund	2.1	101 622	93 617
Appropriation	2.2	-	6 690
Grants and contributions	2.3	3 295	3 374
SA Government grants, subsidies and transfers	2.4	9 930	380
Fees and charges	2.5	2 388	971
Interest		239	153
Net gain from disposal of property plant and equipment	2.6	863	-
Other income	2.7	2 013	459
Total income		120 350	105 644
Expenses			
Supplies and services	4.1	76 591	65 842
Employee related expenses	3.3	23 399	28 931
Depreciation and amortisation	5.1, 5.4	13 624	13 598
Grants and subsidies		752	924
Borrowing costs		174	153
Net loss from disposal of property plant and equipment	2.6	-	41
Other expenses	4.2	1 595	-
Total expenses		116 135	109 489
Net result		4 215	(3 845)
Other comprehensive income			
<i>Items that will not be reclassified to net result</i>			
Changes to asset revaluation surplus		4 465	-
Total other comprehensive income		4 465	-
Total comprehensive result		8 680	(3 845)

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

South Australian Country Fire Service
Statement of Financial Position
as at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Current assets			
Cash and cash equivalents	6.1	10 861	13 283
Receivables	6.2	2 276	4 347
Other financial assets	6.3	3 294	2 605
Total current assets		16 431	20 235
Non-current assets			
Property, plant and equipment	5.1	176 588	180 243
Intangible assets	5.4	82	-
Capital works in progress	5.5	43 101	27 066
Total non-current assets		219 771	207 309
Total assets		236 202	227 544
Current liabilities			
Payables	7.1	5 554	2 909
Financial liabilities	7.2	1 318	1 270
Employee related liabilities	3.4	3 437	3 828
Provisions	7.3	2 149	1 373
Total current liabilities		12 458	9 380
Non-current liabilities			
Financial liabilities	7.2	7 791	7 722
Employee related liabilities	3.4	3 602	3 167
Provisions	7.3	7 723	11 433
Total non-current liabilities		19 116	22 322
Total liabilities		31 574	31 702
Net assets		204 628	195 842
Equity			
Asset revaluation surplus	8.1	67 516	62 173
Retained earnings	8.1	137 112	133 669
Total equity		204 628	195 842

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

South Australian Country Fire Service
Statement of Changes in Equity
for the year ended 30 June 2024

	Asset revaluation surplus	Retained earnings	Total equity
Note	\$'000	\$'000	\$'000
Balance at 1 July 2022	63 968	156 654	220 622
Prior period adjustments	1.5 (1 622)	(19 313)	(20 935)
Restated balance at 1 July 2022	62 346	137 341	199 687
Net result for 2022-23	-	(3 845)	(3 845)
Total comprehensive result for 2022-23	-	(3 845)	(3 845)
Transfer between equity components	(173)	173	-
Balance at 30 June 2023	62 173	133 669	195 842
Prior period adjustments	-	106	106
Net result for 2023-24	-	4 215	4 215
Gain on revaluation of land during 2023-24	5.1 4 465	-	4 465
Transfer between equity components	878	(878)	-
Total comprehensive result for 2023-24	5 343	3 443	8 786
Balance at 30 June 2024	8.1 67 516	137 112	204 628

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

South Australian Country Fire Service
Statement of Cash Flows
for the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Cash flows from operating activities			
Cash inflows			
Contributions from the Community Emergency Services Fund		101 622	93 617
Appropriation		-	6 690
SA Government grants, subsidies and transfers		10 109	18
Receipts from fees and charges		5 038	1 277
Receipts from grants and contributions		3 797	670
Investment and interest received		239	153
GST recovered from the ATO		7 290	7 929
Other receipts		1 891	911
Cash generated from operations		129 986	111 265
Cash outflows			
Employee related payments		(26 294)	(25 997)
Payments for supplies and services		(83 767)	(74 306)
Payments of grants and subsidies		(752)	(924)
Interest paid		(174)	(153)
Cash used in operations		(110 987)	(101 380)
Net cash provided by operating activities	8.2	18 999	9 885
Cash flows from investing activities			
Cash inflows			
Proceeds from the sale of property, plant and equipment		913	896
Cash generated from investing activities		913	896
Cash outflows			
Purchase of property, plant and equipment		(20 193)	(11 900)
Payments for disposal of property		(22)	-
Payments for financial assets held-to maturity		(689)	(720)
Cash used in investing activities		(20 904)	(12 620)
Net cash used in investing activities		(19 991)	(11 724)
Cash flows from financing activities			
Cash outflows			
Repayment of principal portion of lease liabilities		(1 430)	(1 411)
Cash used in financing activities		(1 430)	(1 411)
Net cash used in financing activities		(1 430)	(1 411)
Net decrease in cash and cash equivalents		(2 422)	(3 250)
Cash and cash equivalents at the beginning of the reporting period		13 283	16 533
Cash and cash equivalents at the end of the reporting period	6.1	10 861	13 283

The accompanying notes form part of these financial statements.

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2024

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South Australian Country Fire Service

Notes to and forming part of the financial statements

For the year ended 30 June 2024

1. About the South Australian Country Fire Service

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

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

1.1. Basis of preparation

These financial statements are general purpose financial statements prepared in accordance with:

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

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

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

Material accounting policy information is set out in the notes of the financial statements.

The CFS is liable for Payroll Tax, Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

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

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

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

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

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2024

1.2. Objectives and programs

Objectives

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

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

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

Funds generated by Groups and Brigades through fundraising activities are held by the respective Group/Brigade for expenditure on the CFS's activities in the local community. These funds are recognised in the CFS's financial statements.

Programs

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

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2024

1.3. Budget performance

The budget performance table compares the CFS's outcomes against budget information presented to Parliament (2023-24 Budget Paper 4). The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

	Note	Original budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000
Statement of Comprehensive Income				
Income				
Contribution from the Community Emergency Services Fund		101 538	101 622	84
Grants and contributions		2 429	3 295	866
SA Government grants, subsidies and transfers	a	-	9 930	9 930
Fees and charges		1 809	2 388	579
Interest		122	239	117
Net gain from the disposal of non-current assets		-	863	863
Other income		949	2 013	1 064
Total Income		106 847	120 350	13 503
Expenses				
Supplies and services	b	62 420	76 591	14 171
Employee related expenses		22 529	23 399	870
Depreciation and amortisation		14 888	13 624	(1 264)
Grants and subsidies		494	752	258
Borrowing costs		145	174	29
Other expenses		655	1 595	940
Total Expenses		101 131	116 135	15 004
Net result		5 716	4 215	(1 501)
Other comprehensive income				
<i>Items that will not be reclassified to net results</i>				
Changes to asset revaluation reserve		-	4 465	4 465
Total other comprehensive income		-	4 465	4 465
Total comprehensive result		5 716	8 680	2 964

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

- a. Primarily relates to appropriation received for aerial firefighting \$9.7 million due to extensions of the fire danger season.
- b. Primarily due to aircraft standby and operation costs for extensions of the fire danger season and additional activity, vehicle servicing, maintenance and refurbishment, contractors and consultants.

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2024

1.3. Budget performance (continued)

	Note	Original budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000
Investing expenditure summary				
Total existing projects	c	12 050	17 444	5 394
Total Annual Programs	d	12 751	4 038	(8 713)
Total Leases		532	1 481	949
Total investing expenditure		25 333	22 963	(2 370)

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

- c. Due to carried forward funding from previous years and reallocation from Annual Programs.
- d. Due to delays in the land and building program and reallocation to existing projects.

1.4. Significant transactions with government related entities

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

- Contributions from the Fund of 101.6 million (refer note 2.1)
- Payment to the Attorney-General's Department for the government radio network of \$14.3 million (refer note 4.1).

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2024

1.5. Prior period adjustments

Asset Accounting Policies

In 2023-24 CFS voluntarily changed two accounting policies that are applicable when recognising property, plant and equipment:

1. Increasing the individual asset capitalisation value threshold from \$10 000 to \$15 000.
2. Removing the option to capitalise group assets that are individually less than the ESS capitalisation threshold. For example, group radios are individually less than the \$15 000 capitalisation threshold, but as a collective group exceed this threshold. The previous accounting policy allowed for these same assets to be grouped and capitalised.

These changes were initiated as a result of CFS review of the Fixed Asset Accounting Policy to ensure the policy was relevant and contemporary with accounting standards and government accounting. These changes have been adjusted retrospectively.

Peppercorn leases

In 2023-24 CFS also reviewed the accounting treatment applied to peppercorn leases. These are leases where the corresponding payments do not reflect the fair value of the property being leased. CFS's peppercorn land leases were not transferred to right-of-use assets on transition to AASB 16 Leases on 1 July 2019. Instead, they were incorrectly recognised as finance leases (original treatment) and at their previously revalued amounts. As a result, these land assets have not been amortised since 1 July 2019 and no expense has been recognised. This accounting recognition error dates from 1 July 2019.

Intangible assets

In 2023-24 CFS reviewed its software licensing arrangements and found that some previously capitalised intangible assets should have been recognised as a software-as-a-service arrangement (SaaS) and expensed. SaaS arrangements are ones where the main method of software delivery and access is via a paid subscription service, rather than being bought and installed on CFS terminals. This accounting recognition error dates from 2021-22 and 2022-23.

The financial reporting impact of these adjustments is detailed below:

	Note	Original opening balance 2023 \$'000	Restated opening balance 2023 \$'000	Change \$'000
Statement of Financial Position				
Property, plant and equipment	5.1			
<i>Land</i>		15 640	10 494	(5 146)
<i>Buildings</i>		44 316	44 012	(304)
<i>Vehicles</i>		108 834	107 882	(952)
<i>Plant and equipment</i>		11 254	2 515	(8 739)
<i>ROU land</i>		64	2 657	2 593
Capital works in progress	5.5	40 445	32 058	(8 387)
Asset revaluation surplus	8.1	63 968	62 346	(1 622)
Retained earnings	8.1	156 654	137 341	(19 313)

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2024

1.5. Prior period adjustments (continued)

	Note	Original balance 2023 \$'000	Restated balance 2023 \$'000	Change \$'000
Statement of Comprehensive Income				
Supplies and services	4.1	64 667	65 842	1 175
Depreciation and amortisation	5.1, 5.4	14 999	13 598	(1 401)

Adjustments relating to periods prior to 2023 are reflected in the asset revaluation surplus and retained earnings opening balances as detailed below:

	Asset revaluation surplus \$'000	Retained earnings \$'000
Balance at 1 July 2022	63 968	156 654
Prior period adjustment relating to 2021-22 depreciation expense	-	(64)
Prior period adjustment relating to WIP intangibles 2021-22	-	(263)
Prior period adjustment relating to peppercorn leases from 2019-20 to 2021-22 year	(1 622)	(718)
Prior period adjustments relating to asset accounting policy changes	-	(18 268)
Total prior period adjustments	(1 622)	(19 313)
Restated balance at 1 July 2022	62 346	137 341

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2024

2. Income

2.1. Contributions from the Community Emergency Services Fund

Contributions from the Fund amount to \$101.622 million (2023: \$93.617 million) and are recognised as revenues when the CFS obtains control over the funding. Control over contributions is normally obtained upon receipt.

2.2. Appropriation

	2024	2023
	\$'000	\$'000
Appropriation from Consolidated Account pursuant to the <i>Appropriation Act</i>	-	750
Appropriation from Governor's Appropriation Fund	-	5 940
Total appropriation	-	6 690

Appropriation is recognised on receipt.

Appropriation for operational funding was nil (2023: \$6.690 million).

2.3. Grants and contributions

Grants and Contributions of \$3.295 million (2023: \$3.374 million) are recognised as an asset and income when the CFS obtains control of the contributions or obtains the right to receive the contributions and the income recognition criteria are met, this is generally on receipt.

Private industry funding includes contributions received from the National Aerial Firefighting Centre Ltd. These funds can only be applied to aircraft leasing and positioning costs and must be matched by State Government funding on at least a dollar for dollar basis.

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

2.4. SA Government grants, subsidies and transfers

	2024	2023
	\$'000	\$'000
Intra government transfers	9 598	67
Contingency funding provided by the Department of Treasury and Finance	15	-
Intra agency grants	139	138
Embed BOM Meteorologist	178	175
Total SA Government grants, subsidies and transfers	9 930	380

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

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2024

2.5. Fees and charges

	2024	2023
	\$'000	\$'000
Fire alarm attendance fees	303	346
Fire alarm monitoring fees	300	273
Fire safety fees	260	262
Facilities hire fees	212	90
Incident cost recoveries	1 313	-
Total fees and charges	2 388	971

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

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

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

Fire alarm attendance and fire safety fees

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

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

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

Fire alarm monitoring fees

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

Facilities hire fees

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

Incident cost recoveries

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

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

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2024

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

	2024	2023
	\$'000	\$'000
Land and buildings		
Proceeds from disposal	80	-
Costs of disposal	(22)	-
Less net book value of assets disposed	(28)	-
Net gain from disposal of land and buildings	30	-
Vehicles		
Proceeds from disposal	833	895
Less net book value of assets disposed	-	(588)
Net gain from disposal of vehicles	833	307
Plant and equipment		
Proceeds from disposal	-	1
Less net book value of assets disposed	-	(349)
Net gain / (loss) from disposal of plant and equipment	-	(348)
Total assets:		
Proceeds from disposal of non-current assets	913	896
Costs of disposal	(22)	-
Less net book value of assets disposed	(28)	(937)
Net gain / (loss) on disposal of owned assets	863	(41)
Net gain / (loss) from disposal of non-current assets	863	(41)

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.

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2024

2.7. Other income

	2024	2023
	\$'000	\$'000
Group/Brigade fundraising	1 096	181
Sundry revenues	110	44
Donations	531	6
Insurance recoveries	44	23
Salary recoveries	4	15
Property income	19	61
Resources received free of charge	137	-
Other	72	129
Total other income	2 013	459

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

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

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2024

3. Board, committees and employees

3.1. Key management personnel

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

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

	2024	2023
Compensation	\$'000	\$'000
Salaries and other short term employee benefits	922	723
Post-employment benefits	101	75
Total compensation	1 023	798

Transactions with key management personnel and other related parties

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

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2024

3.2. Remuneration of board and committee members

Members of boards and committees during 2024 were:

State Bushfire Coordination Committee

B Loughlin*	C De Leiuem*
C Devey*	A May*
K M Egan	M Anolak
M Ashley	J R Fischer
K Bevan	T N B Roberts
R A Cadd	J D Lindner
F J Gill*	D Ezis*
J Formston*	D M Kowalski*
A Glavinic*	K Lee-Jones*
J B Drew*	E G Petrenas*
L Bruce*	P Merry
M J Blason	J L Clark*
M J Garrod*	W J Durack*
J Moyle	H L Greaves
P Yeomans	M S Martin*
S Reachill*	G R Grieger*
M Henderson	T Vaughan
J Ferguson	R K Hardy*
T A Fountain*	J W Sewart*
S L Elding*	D S Gilbertson
P R White	B J Browne
S Maddocks	P Kilsby*
P Button*	J De Candia*
S V McLean*	A Walsh
V Dzeladini	L M Brooks
B A Swaffer	J S Crocker
T J Forde*	

* 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.

Board and committee remuneration

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

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

	2024	2023
	No.	No.
\$0 - \$19 999	53	48
Total number of members	53	48

The total remuneration received or receivable by members was \$1 900 (2023: \$2 000). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any related fringe benefits tax paid.

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2024

3.3. Employee related expenses

	2024	2023
	\$'000	\$'000
Salaries and wages	19 306	19 308
Workers compensation	1 289	2 748
Employment on-costs - superannuation	2 109	2 081
Annual leave	1 263	1 695
Long service leave	560	540
Payroll tax	1 165	1 166
Skills and experience retention leave	61	78
Other employment related expenses	248	58
Board fees	1	1
Additional compensation	(2 603)	1 256
Total employee related expenses	23 399	28 931

The CFS's staff are employed under Part 4 of the *South Australian Fire and Emergency Services Act 2005*.

The superannuation employment on-cost charge represents the CFS's contributions to superannuation plans in respect of current services of current employees. There are no liabilities for payments to beneficiaries recognised by the CFS as DTF centrally recognises the superannuation liability in the whole-of-government financial statements.

Employee remuneration

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

	Employees	
	2024	2023
	Number	Number
\$160 001 to \$166 000 *	n/a	5
\$166 001 to \$186 000	6	5
\$186 001 to \$206 000	5	3
\$206 001 to \$226 000	1	-
\$266 001 to \$286 000	1	1
\$286 001 to \$306 000	-	1
\$326 001 to \$346 000	1	-
Total	14	15

*This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration for 2022-23.

The total remuneration received by these employees for the year was \$2.86 million (2023: \$2.85 million).

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

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2024

3.4. Employee related liabilities

	2024	2023
	\$'000	\$'000
Current		
Annual leave	2 278	2 526
Skills and experience retention leave	115	125
Long service leave	497	550
Employment on-costs	547	627
Total current employee related liabilities	3 437	3 828
Non-current		
Long service leave	3 264	2 878
Employment on-costs	338	289
Total non-current employee related liabilities	3 602	3 167
Total employee related liabilities	7 039	6 995

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

Salaries and wages, annual leave, skills and experience retention leave (SERL) and sick leave

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

The annual leave liability and the SERL liability in full is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid. The salary inflation rate applied to the annual leave and SERL liabilities changed to 2.4% in 2024 from 2% in 2023.

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

Long service leave

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

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

The expected timing and amount of long service leave payments is determined through whole-of-government actuarial calculations, which are 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.

The discount rate used in measuring the liability is reflective of the yield on long-term Commonwealth Government bonds. The yield on long-term Commonwealth Government bonds has changed from 4% in 2023 to 4.25% in 2024. This increase in the bond yield, which is used as the rate to discount future long service leave cash flows, results in an overall decrease in the reported long service leave liability.

The net financial effect of the changes to actuarial assumptions in the current financial year is an increase in the long service leave liability and employee benefits expense of \$231 000. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions - including the long-term discount rate.

The actuarial assessment performed by DTF has increased the salary inflation rate to 3.5% (2023: 2.5%) for long service leave liability. As a result, there is an increase in net financial effect resulting from changes in the salary inflation rate.

South Australian Country Fire Service
Notes to and forming part of the financial statements
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3.4. Employee related liabilities (continued)

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

Employment on-costs

Employment on-costs include payroll tax, ReturnToWorkSA levies and superannuation contributions and are settled when the respective employee benefits that they relate to is discharged. These on-costs primarily relate to the balance of leave owing to employees. Estimates as to the proportion of long service leave estimated to be taken as leave, rather than paid on termination, affects whether certain on-costs are recognised as a consequence of long service leave liabilities.

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

As a result of an actuarial assessment performed by DTF, the proportion of long service leave taken has increased to 44% from 43% in 2023. The average factor for the calculation of employer superannuation on-costs has changed to 11.5% from 11.1% in 2023. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is not material. The estimated impact on future periods is not expected to be materially different to the effect on the current period as shown above.

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2024

4. Expenses

4.1. Supplies and services

	2024	2023
	\$'000	\$'000
Aerial support costs	25 258	15 471
Government radio network	14 308	13 959
Vehicles	8 736	8 302
Operational costs	4 402	5 116
Property costs	3 796	3 416
Travel and training	1 979	2 338
Consultancy, contractor and legal fees	2 076	2 707
Uniforms and protective clothing	3 456	2 606
Communications	3 462	3 402
Computing costs	2 428	1 751
Accommodation	2 098	2 194
Insurance premiums	648	594
Short term leases	426	370
Other expenses	3 518	3 616
Total supplies and services	76 591	65 842

Accommodation

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

Other

Includes audit fees paid/payable to the Audit Office of South Australia relating to work performed under the *Public Finance and Audit Act 1987* of \$55 000 (2023: \$53 000). No other services were provided by the Audit Office of South Australia.

Leases

The CFS recognises lease payments associated with short-term leases (12 months or less) and low value leases (less than \$15 000) as an expense on a straight-line basis over the lease term. Lease commitments for short term leases are similar to short term lease expenses disclosed.

Consultants

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

	2024	2024	2023	2023
	No.	\$'000	No.	\$'000
Below \$10 000	3	10	11	32
\$10 000 or above	4	493	10	589
Total paid / payable to the consultants	7	503	21	621

South Australian Country Fire Service
Notes to and forming part of the financial statements
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4.1. Supplies and services (continued)

Expenditure – SA business and Non-SA business

The following table includes all expenditure in relation to contracts above \$55,000 (GST inclusive) resulting from a procurement as defined in Treasurer's Instructions 18 – Procurement. Arrangements between public authorities and arrangements with other governments are not included.

Expenditure is inclusive of non-recoverable GST.

	2024 \$'000	Proportion of SA and non-SA businesses %
Total expenditure with South Australian businesses	44 097	86.08%
Total expenditure with non-South Australian businesses	7 132	13.92%
	51 229	100%

Classification as SA business or non-SA business is generally based on circumstances as at the time of entering into a contract. For contracts entered into before 20 February 2023, where sufficient evidence of an assessment made under previous procurement requirements is known to CFS, this was used to determine classification. For contracts where such evidence of prior assessment is not available and for all other contracts, classification is based on the definition of an SA business provided in TI 18.

TI 18 defines a business as being South Australian where it operates in South Australia and more than 50% of the workforce delivering the contract resulting from the procurement on behalf of the business are South Australian residents.

The disclosure for expenditure with SA businesses reflects the total spent on contracts within the TI 18 definition and in some instances includes the cost of goods sourced from outside South Australia.

In many cases, the determination has been made on the basis of representations made by suppliers at a point in time which has not been subject to independent verification.

4.2. Other expenses

	2024 \$'000	2023 \$'000
Donated assets	24	-
Derecognition of assets	1 571	-
Total other expenses	1 595	-

South Australian Country Fire Service
Notes to and forming part of the financial statements
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5. Non-financial assets

5.1. Property, plant and equipment

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

Reconciliation of property, plant and equipment during 2023-24

	Land	Buildings	Vehicles	Plant & equipment	ROU Land	ROU Buildings	ROU Vehicles	ROU Plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2023	10 595	42 959	113 532	1 956	2 433	972	777	7 019	180 243
Acquisitions	-	209	-	-	-	165	1 316	-	1 690
Transfers from capital WIP ⁽¹⁾	14	-	4 967	231	-	-	-	-	5 212
Transfers between asset classes	-	-	(72)	72	-	-	-	-	-
Disposals	(28)	-	-	-	-	-	-	-	(28)
Donated assets	-	-	(24)	-	-	-	-	-	(24)
Remeasurement	-	-	-	-	-	66	-	-	66
Revaluation increment	4 465	-	-	-	-	-	-	-	4 465
Derecognition of assets	-	-	(1 363)	(208)	-	-	-	-	(1 571)
Assets received free of charge	135	-	-	-	-	-	-	-	135
Subtotal:	15 181	43 168	117 040	2 051	2 433	1 203	2 093	7 019	190 188
Gains/(losses) for the period recognised in net result:									
Depreciation	-	(2 668)	(8 993)	(287)	(136)	(466)	(469)	(581)	(13 600)
Subtotal:	-	(2 668)	(8 993)	(287)	(136)	(466)	(469)	(581)	(13 600)
Carrying amount at the end of the period	15 181	40 500	108 047	1 764	2 297	737	1 624	6 438	176 588
Gross carrying amount									
Gross carrying amount	15 181	52 715	146 904	2 642	3 302	2 674	2 891	8 587	234 896
Accumulated depreciation	-	(12 215)	(38 857)	(878)	(1 005)	(1 937)	(1 267)	(2 149)	(58 308)
Carrying amount at the end of the period	15 181	40 500	108 047	1 764	2 297	737	1 624	6 438	176 588

*All property, plant and equipment are classified in the level 3 fair value hierarchy except for land valued at \$1.211 million. Refer to note 7.2 for details about the lease liability for right-of-use assets.

⁽¹⁾ Refer to note 5.5.

South Australian Country Fire Service
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5.1 Property, plant and equipment (continued)

Reconciliation of property, plant and equipment during 2022-23

	Land	Buildings	Vehicles	Plant & equipment	ROU Land	ROU Buildings	ROU Vehicles	ROU Plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2022	15 640	44 316	108 834	11 254	64	946	623	7 085	188 762
Prior period adjustments	(5 146)	(304)	(952)	(8 739)	2 593	-	-	-	(12 548)
Restated carrying amount at 1 July 2022	10 494	44 012	107 882	2 515	2 657	946	623	7 085	176 214
Acquisitions	101	-	-	-	-	103	572	-	776
Transfers from capital WIP ⁽¹⁾	-	1 615	15 174	183	-	-	-	-	16 972
Disposals	-	-	(588)	(349)	-	-	-	-	(937)
Remeasurement	-	-	-	-	(27)	367	-	476	816
Subtotal:	10 595	45 627	122 468	2 349	2 630	1 416	1 195	7 561	193 841
Gains/(losses) for the period recognised in net result:									
Depreciation	-	(2 668)	(8 936)	(393)	(197)	(444)	(418)	(542)	(13 598)
Subtotal:	-	(2 668)	(8 936)	(393)	(197)	(444)	(418)	(542)	(13 598)
Carrying amount at the end of the period	10 595	42 959	113 532	1 956	2 433	972	777	7 019	180 243
Gross carrying amount									
Gross carrying amount	10 595	52 505	144 314	2 874	3 302	2 640	2 159	8 588	226 977
Accumulated depreciation	-	(9 546)	(30 782)	(918)	(869)	(1 668)	(1 382)	(1 569)	(46 734)
Carrying amount at the end of the period	10 595	42 959	113 532	1 956	2 433	972	777	7 019	180 243

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

⁽¹⁾ Refer to note 5.5.

South Australian Country Fire Service
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5.1 Property, plant and equipment (continued)

Depreciation

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

Useful life

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

Class of asset	Useful life (years)
Buildings	1-40
Vehicles	1-30
Plant and equipment	1-20
ROU Land	1-77
ROU Buildings	2-77
ROU Vehicles	3-5
ROU Plant and equipment	15

Review of accounting estimates

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

5.2. Property, plant and equipment owned by the CFS

Property, plant and equipment owned by the CFS with a value equal to or in excess of \$15 000 is capitalised.

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

Impairment

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

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

South Australian Country Fire Service
Notes to and forming part of the financial statements
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5.3. Property, plant and equipment leased by the CFS

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

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

The CFS has a limited number of leases:

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

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

Concessionary (peppercorn) leases

The CFS has a number of leases over land with significantly below market terms. These leases are entered into with the principal aim of enabling the CFS to further its objectives and are all of a similar nature. The lease terms vary from 1 to 99 years with annual rental of \$0 or \$1.

There are 60 leases that were previously recognised as finance leases under AASB 117 and have been reclassified to right-of-use land in line with AASB 16. The carrying amount as at 1 July 2019 of these assets is the deemed cost in line with AASB 16 transitional provisions. These right-of-use assets are amortised over the lease term. Refer to note 1.5 for prior period adjustments relating to these assets.

South Australian Country Fire Service
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5.4. Intangible assets

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

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

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$15 000.

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

Computer software	2024	2023
	\$'000	\$'000
Carrying amount at the beginning of the period	-	-
Prior period adjustments	106	-
Restated carrying amount at the beginning of the period	106	-
Subtotal:	106	-
Gains/(losses) for the period recognised in net result:		
Amortisation	(24)	-
Subtotal:	(24)	-
Carrying amount at the end of the period	82	-
Gross carrying amount		
Gross carrying amount	373	268
Accumulated amortisation	(291)	(268)
Carrying amount at the end of the period	82	-

South Australian Country Fire Service
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5.5. Capital works in progress

	2024	2023
	\$'000	\$'000
Carrying amount at the beginning of the period	27 066	40 445
Prior period adjustment	-	(8 387)
Restated carrying amount at the beginning of the period	27 066	32 058
Acquisitions	21 273	12 014
Transfers to property, plant and equipment	(5 212)	(16 972)
CWIP write off	(26)	(34)
Carrying amount at the end of the period	43 101	27 066

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

South Australian Country Fire Service
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6. Financial assets

6.1. Cash and cash equivalents

	2024	2023
	\$'000	\$'000
Deposits with the Treasurer	4 378	7 207
Cash at bank - Groups/Brigades	4 974	5 114
Short-term deposits - Groups/Brigades	1 497	950
Cash at bank	8	8
Cash on hand	4	4
Total cash and cash equivalents in the Statement of Financial Position	10 861	13 283
Total cash and cash equivalents in the Statement of Cash Flows	10 861	13 283

Cash is measured at nominal amounts.

Deposits with the Treasurer

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

One operating account held with the Treasurer is interest bearing.

Cash at bank – Groups/Brigades

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

Short term deposits – Groups/Brigades

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

South Australian Country Fire Service
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6.2. Receivables

	2024	2023
	\$'000	\$'000
Current		
Receivables	687	3 461
Less impairment loss on receivables	(6)	(27)
GST input tax recoverable	1 305	540
Accrued Revenue	87	18
Prepayments	203	355
Total current receivables	2 276	4 347
Total receivables	2 276	4 347

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

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

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

Refer to note 10.2 for further information on risk management.

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

Allowance for impairment loss on contractual receivables

	2024	2023
	\$'000	\$'000
Carrying amount at the beginning of the period	27	4
Increase/(decrease) in the allowance	(21)	23
Carrying amount at the end of the period	6	27

Impairment losses relate to receivables arising from contracts with customers that are external to the SA Government.

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

6.3. Other financial assets

Medium-term deposits of \$3.294 million (2023: \$2.605 million) are held by the CFS for varying periods of between three months and twelve months. Because of their maturity dates exceeding three months, these funds are not reported within Cash and Cash Equivalents or the Statement of Cash Flows. The deposits are lodged with various financial institutions at their respective medium-term deposit rates. Other financial assets are measured at fair value.

South Australian Country Fire Service
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7. Liabilities

7.1. Payables

	2024	2023
	\$'000	\$'000
Current		
Creditors	905	354
Accrued expenses	4 649	2 555
Total current financial liabilities	5 554	2 909
Total payables	5 554	2 909

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

7.2. Financial liabilities

The CFS measures financial liabilities at amortised cost. Lease liabilities have been measured via discounting future lease payments using either the interest rate implicit in the lease or DTF's incremental borrowing rate. There were no defaults or breaches throughout the year.

Interest expense paid on lease liabilities during 2023-24 was \$174 000 (2023: \$153 000). The CFS does not capitalise borrowing costs.

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

	2024	2023
	\$'000	\$'000
Lease liabilities		
within 1 year	1 493	1 431
1 to 5 years	4 194	3 532
More than 5 years	4 464	5 068
Total lease liabilities (undiscounted)	10 151	10 031

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

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7.3. Provisions

	2024	2023
	\$'000	\$'000
Current		
Provision for workers compensation	2 086	1 274
Additional compensation	63	99
Total current provisions	2 149	1 373
Non-current		
Provision for workers compensation	6 581	7 645
Additional compensation	1 142	3 788
Total non-current provisions	7 723	11 433
Total provisions	9 872	12 806
Movement in provisions	2024	2023
	\$'000	\$'000
Workers compensation:		
Carrying amount at the beginning of the period	8 919	7 578
Reduction arising from payments	(1 380)	(674)
Changes from remeasurement	(1 025)	579
New accident liability	2 153	1 436
Carrying amount at the end of the period	8 667	8 919
Additional compensation:		
Carrying amount at the beginning of the period	3 887	2 667
Reduction resulting from payments	(151)	(34)
Changes from remeasurement	(2 690)	537
New accident liability	159	717
Carrying amount at the end of the period	1 205	3 887

Workers compensation provision (statutory and additional compensation schemes)

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

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

The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2024 provided by a consulting actuary engaged through the Office of the Commissioner of Public Sector Employment.

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

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7.3 Provisions (continued)

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

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

8. Other disclosures

8.1. Equity

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

8.2. Cash flow reconciliation

	2024	2023
	\$'000	\$'000
Reconciliation of net cash provided by operating activities to net cost of providing services		
Net cash (used in) / provided by operating activities	18 999	9 885
Add / (less) non-cash items		
Depreciation and amortisation	(13 624)	(13 598)
Donated assets	(24)	-
Resources received free of charge	137	-
Net gain / (loss) from disposal of non-current assets	863	(41)
CWIP write-off	(26)	(34)
Derecognition of assets	(1 571)	-
Other non cash expenses	(2)	-
Capital accruals	1 289	215
Movement in assets and liabilities		
Increase/(decrease) in receivables	(2 071)	2 179
(Increase)/decrease in payables	(2 645)	201
(Increase)/decrease in employee benefits	(44)	(91)
(Increase)/decrease in provisions	2 934	(2 561)
Net result	4 215	(3 845)

Total cash outflows for leases for the CFS was \$2.030 million (2023: \$1.934 million)

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9. Outlook

9.1. Unrecognised contractual commitments

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

Contractual commitments to acquire property, plant and equipment

	2024	2023
	\$'000	\$'000
Within one year	1 891	2 518
Total contractual commitments to acquire property, plant and equipment	1 891	2 518

These contractual commitments to acquire property, plant and equipment are the provision of new vehicles, as well as building and equipment projects.

Other contractual commitments

	2024	2023
	\$'000	\$'000
No later than one year	5 704	3 439
Later than one year but not later than five years	10 386	10 277
Later than five years	16 115	18 327
Total other contractual commitments	32 205	32 043

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

9.2. Contingent assets and liabilities

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

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

At 30 June 2024, the CFS identified a contingent liability relating to the historical use of per-and polyfluoralkyl substances (PFAS) firefighting foams across sites in South Australia.

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

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

9.3. Impact of standards not yet implemented

The CFS assessed *Australian Accounting Standards and Interpretations* that first applied in 2023-24 and determined that they did not have a material impact on its financial statements. No new *Australian Accounting Standards or Interpretations* have been early adopted.

9.4. Events after the reporting period

All events occurring after financial statement balance date, and for which the financial reporting framework requires adjustment or disclosure, have been adjusted or disclosed.

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10. Measurement and risk

10.1. Fair value

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

Initial recognition

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

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

Revaluation

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

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

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

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

Fair value hierarchy

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

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

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

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

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

During 2023 and 2024, the CFS had no valuations categorised into level 1; there were no transfers of assets between level 1 and 2 fair value hierarchy levels and there were no changes in valuation technique.

South Australian Country Fire Service
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For the year ended 30 June 2024

10.1. Fair value (continued)

Land, buildings and vehicles

CFS undertook an internal exercise to determine whether the carrying amounts of property, plant and equipment assets recognised under the revaluation model, were materially different from their fair values. This 2023-24 exercise was jointly undertaken by SAFECOM Finance, Shared Services South Australia (SSSA) and operational staff.

After undertaking this review, CFS elected to process a revaluation increment for land assets effective as of 30 June 2024. The increment was based on the average increase in land values within the state since the last independent valuation.

An independent valuation of land, vehicles and buildings was last performed by Liquid Pacific Pty Ltd (Certified Practising Valuer) in 2019. The buildings values at revaluation were considered relevant for 30 June 2024.

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

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

The next independent valuation of land, vehicles and buildings will occur in 2024-25.

Plant and equipment

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

10.2. Financial instruments

Financial risk management

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

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

Liquidity risk

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

Refer to notes 1.2 and 2.1 for further information.

Credit risk

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

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

Cash

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

South Australian Country Fire Service
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10.2. Financial instruments (continued)

Impairment of financial assets

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

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

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

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

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

	Debtor gross carrying amount \$'000	Loss %	Lifetime expected losses \$'000
2024			
Current (not past due)	35	0.19%	-
1 - 30 days past due	15	0.31%	-
31 - 60 days past due	10	0.72%	-
61 - 90 days past due	39	3.39%	2
More than 90 days past due	70	6.16%	4
Loss allowance	169		6

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

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

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

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

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

Impairment losses on the CFS's receivables were \$6 000 (2023: \$27 000). No impairment losses were recognised in relation to contract assets and accrued revenue during the year.

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2024

10.2. Financial instruments (continued)

Cash and debt instruments

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

Market risk

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

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

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

Categorisation of financial instruments

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

Classification of financial instruments

The CFS measures all financial instruments at amortised cost excluding lease liabilities which are measured at the present value of expected future cash payments.. All financial assets and liabilities carrying amount equals their fair value as at 30 June 2024 and are expected to be settled within one year excluding financial liabilities. Refer to the lease liabilities maturity analysis in note 7.2 for more information.

South Australian Country Fire Service
Certification of the Financial Statements
for the year ended 30 June 2024

We certify that the:

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



Brett Loughlin
Chief Officer
South Australian Country Fire Service
11 September 2024



Mahen Fernando
Business Manager
South Australian Country Fire Service
11 September 2024