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## To the Chief Officer South Australian Metropolitan Fire Service

### Qualified opinion

I have audited the financial report of South Australian Metropolitan 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 Metropolitan 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 Metropolitan 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 Metropolitan Fire Service included that disclosure in note 4.1 to the financial report.

My review of the processes used by the South Australian Metropolitan 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 Metropolitan 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 52(2) of the *Fire and Emergency Services Act 2005*, I have audited the financial report of the South Australian Metropolitan 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 Metropolitan 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 Metropolitan Fire Service**

## **Financial Statements**

For the year ended 30 June 2024

**South Australian Metropolitan Fire Service**  
**Statement of Comprehensive Income**  
*For the year ended 30 June 2024*

	Note	2024 \$'000	2023 \$'000
<b>Income</b>			
Contributions from the Community Emergency Services Fund	2.1	178 312	168 126
Appropriation	2.2	24 513	16 200
Fees and charges	2.3	6 512	5 876
Grants and contributions	2.4	1 526	1 449
SA Government grants, subsidies and transfers	2.5	176	12 067
Interest revenues		134	85
Net gain from disposal of non-current assets	2.6	15	-
Other income	2.7	1 150	1 918
<b>Total income</b>		<b>212 338</b>	<b>205 721</b>
<b>Expenses</b>			
Employee related expenses	3.3	187 122	182 635
Supplies and services	4.1	25 650	22 960
Depreciation and amortisation	5.1, 5.4	8 161	7 984
Grants and subsidies		97	73
Borrowing costs		40	23
Net loss from disposal of non-current assets	2.6	-	516
Other expenses		1 341	-
<b>Total expenses</b>		<b>222 411</b>	<b>214 191</b>
<b>Net result</b>		<b>(10 073)</b>	<b>(8 470)</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to net result</i>			
Changes to asset revaluation surplus		32 588	-
<b>Total other comprehensive income</b>		<b>32 588</b>	<b>-</b>
<b>Total comprehensive result</b>		<b>22 515</b>	<b>(8 470)</b>

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

**South Australian Metropolitan Fire Service**  
**Statement of Financial Position**  
*As at 30 June 2024*

	Note	2024 \$'000	2023 \$'000
<b>Current assets</b>			
Cash and cash equivalents	6.1	2 430	3 069
Receivables	6.2	2 059	2 117
<b>Total current assets</b>		<b>4 489</b>	<b>5 186</b>
<b>Non-current assets</b>			
Property, plant and equipment	5.1	216 332	184 343
Capital works in progress	5.5	17 567	11 384
Intangible assets	5.4	81	165
<b>Total non-current assets</b>		<b>233 980</b>	<b>195 892</b>
<b>Total assets</b>		<b>238 469</b>	<b>201 078</b>
<b>Current liabilities</b>			
Payables	7.1	3 755	3 418
Employee related liabilities	3.4	25 228	23 208
Provisions	7.3	13 527	7 705
Financial liabilities	7.2	384	288
<b>Total current liabilities</b>		<b>42 894</b>	<b>34 619</b>
<b>Non-current liabilities</b>			
Employee related liabilities	3.4	25 574	25 165
Provisions	7.3	58 314	52 290
Financial liabilities	7.2	1 042	874
<b>Total non-current liabilities</b>		<b>84 930</b>	<b>78 329</b>
<b>Total liabilities</b>		<b>127 824</b>	<b>112 948</b>
<b>Net assets</b>		<b>110 645</b>	<b>88 130</b>
<b>Equity</b>			
Asset revaluation surplus	8.1	177 337	146 072
Retained earnings	8.1	(66 692)	(57 942)
<b>Total equity</b>		<b>110 645</b>	<b>88 130</b>

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

**South Australian Metropolitan Fire Service**  
**Statement of Changes in Equity**  
*For the year ended 30 June 2024*

	Note	Asset revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
<b>Balance at 1 July 2022</b>		147 003	(45 465)	101 538
Prior period adjustments	1.5	-	(4 938)	(4 938)
Prior period adjustments transfer between equity components		25	(25)	-
<b>Restated Balance at 1 July 2022</b>		<b>147 028</b>	<b>(50 428)</b>	<b>96 600</b>
Net result for 2022-23		-	(8 470)	(8 470)
<b>Total comprehensive result for 2022-23</b>		<b>-</b>	<b>(8 470)</b>	<b>(8 470)</b>
Transfer between equity components		(956)	956	-
<b>Balance at 30 June 2023</b>		<b>146 072</b>	<b>(57 942)</b>	<b>88 130</b>
<b>Net result for 2023-24</b>		-	(10 073)	(10 073)
Gain on revaluation of land during 2023-24	5.1	32 588	-	32 588
<b>Total comprehensive result for 2023-24</b>		<b>32 588</b>	<b>(10 073)</b>	<b>22 515</b>
Transfer between equity components		(1 323)	1 323	-
<b>Balance at 30 June 2024</b>	8.1	<b>177 337</b>	<b>(66 692)</b>	<b>110 645</b>

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



**South Australian Metropolitan Fire Service**  
**Statement of Cash Flows**  
*For the year ended 30 June 2024*

		2024	2023
		(Outflows)	(Outflows)
		Inflows	Inflows
	Note	\$'000	\$'000
<b>Cash flows from operating activities</b>			
<b>Cash inflows</b>			
Contributions from the Community Emergency Services Fund		178 312	168 126
Appropriation		24 513	16 200
SA Government grants, subsidies and transfers		70	12 274
Receipts from fees and charges		7 428	5 620
Receipts from grants and contributions		1 634	1 557
Investment and interest received		134	85
GST recovered from the ATO		2 271	2 845
Other receipts		901	2 077
<b>Cash generated from operations</b>		<b>215 263</b>	<b>208 784</b>
<b>Cash outflows</b>			
Employee related payments		(172 734)	(171 864)
Payments for supplies and services		(28 652)	(25 188)
Interest paid		(40)	(23)
Payments of grants and subsidies		(97)	(73)
<b>Cash used in operations</b>		<b>(201 523)</b>	<b>(197 148)</b>
<b>Net cash provided by operating activities</b>	8.2	<b>13 740</b>	<b>11 636</b>
<b>Cash flows from investing activities</b>			
<b>Cash inflows</b>			
Proceeds from the sale of property, plant and equipment		118	36
<b>Cash generated from investing activities</b>		<b>118</b>	<b>36</b>
<b>Cash outflows</b>			
Purchase of property, plant and equipment		(14 115)	(15 109)
<b>Cash used in investing activities</b>		<b>(14 115)</b>	<b>(15 109)</b>
<b>Net cash used in investing activities</b>		<b>(13 997)</b>	<b>(15 073)</b>
<b>Cash outflows</b>			
Repayment of principal portion of lease liabilities		(382)	(330)
<b>Cash used in financing activities</b>		<b>(382)</b>	<b>(330)</b>
<b>Net cash used in financing activities</b>		<b>(382)</b>	<b>(330)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(639)</b>	<b>(3 767)</b>
Cash and cash equivalents at the beginning of the reporting period		3 069	6 836
<b>Cash and cash equivalents at the end of the reporting period</b>	6.1	<b>2 430</b>	<b>3 069</b>

The accompanying notes form part of these financial statements.

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

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# South Australian Metropolitan Fire Service

## Notes to and forming part of the financial statements

*For the year ended 30 June 2024*

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### 1. About the South Australian Metropolitan Fire Service

Under the *Fire and Emergency Services Act 2005* (the Act), the South Australian Metropolitan Fire Service (MFS) 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 MFS.

#### 1.1. Basis of preparation

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

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

The financial statements have been prepared based on a 12-month 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 MFS 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 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 Metropolitan Fire Service**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2024*

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**1.2. Objectives and programs**

**Objectives**

The MFS is established under the *Fire and Emergency Services Act 2005* (the Act) and is responsible under the Act for the following functions:

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

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

**Programs**

In achieving its objectives, the MFS provides services within three general areas: frontline services, frontline services support and governance and public value. These services are classified under one program titled 'South Australian Metropolitan Fire Service'.

**South Australian Metropolitan 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 MFS 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
<b>Statement of Comprehensive Income</b>				
<b>Income</b>				
Contributions from the Community Emergency Services Fund		178 087	178 312	225
Appropriation	a	3 513	24 513	21 000
Fees and charges		5 383	6 512	1 129
Grants and contributions		1 322	1 526	204
SA government grants, subsidies and transfers		-	176	176
Interest revenue		61	134	73
Net gain from disposal of non-current assets		-	15	15
Other income		195	1 150	955
<b>Total Income</b>		<b>188 561</b>	<b>212 338</b>	<b>23 777</b>
<b>Expenses</b>				
Employee related expenses	b	150 466	187 122	36 656
Supplies and services	c	14 575	25 650	11 075
Grants and subsidies		-	97	97
Borrowing costs		22	40	18
Depreciation and amortisation		8 753	8 161	(592)
Other expenses		2 088	1 341	(747)
<b>Total expenses</b>		<b>175 904</b>	<b>222 411</b>	<b>46 507</b>
<b>Net result</b>		<b>12 657</b>	<b>(10 073)</b>	<b>(22 730)</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified to net result</i>				
Changes to asset revaluation surplus		-	32 588	32 588
<b>Total other comprehensive income</b>		<b>-</b>	<b>32 588</b>	<b>32 588</b>
<b>Total comprehensive result</b>		<b>12 657</b>	<b>22 515</b>	<b>9 858</b>

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.

- Variance mainly attributable to Governor's Appropriation Funding received from the Department of Treasury and Finance (DTF) to address 2023-24 funding shortfalls.
- Primarily due to additional overtime to cover leave and other backfill requirements, costs of recruit squads and an increase in workers compensation.
- Primarily due to higher costs of repairs and maintenance, personal protective equipment, per-and polyfluoroalkyl substances (PFAS) investigation and information technology.

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

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**1.3. Budget performance (continued)**

	Note	Original budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000
<b>Investing expenditure summary</b>				
Total existing projects	d	6 231	11 812	5 581
Total Annual Programs	e	8 644	2 681	(5 963)
Total Leases		317	396	79
<b>Total investing expenditure</b>		<b>15 192</b>	<b>14 889</b>	<b>(303)</b>

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.

- d) Due to carried forward funding from previous years and reallocation from Annual Programs
- e) Due to reallocation to existing projects

**1.4. Significant transactions with government entities**

**Significant transactions with government related entities**

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

- Contributions received from the Fund of \$178.3 million (refer note 2.1).
- Payment to the Attorney-General's Department for the government radio network of \$2.6 million (refer note 4.1).

**South Australian Metropolitan 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 MFS 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 MFS review of the Fixed Asset Accounting Policy to ensure the policy was relevant and contemporary with accounting standards and government accounting frameworks. These changes have been adjusted retrospectively.

The financial reporting impact of these adjustments is detailed below:

	Note	Original opening balance 2023 \$'000	Restated opening balance 2023 \$'000	Change \$'000
<b>Statement of Financial Position</b>				
Property, plant and equipment	5.1			
<i>Land</i>		61 801	61 796	( 5)
<i>Buildings</i>		68 909	68 812	(97)
<i>Vehicles</i>		41 961	41 904	(57)
<i>Plant and Equipment</i>		6 634	2 124	(4 510)
<i>ROU land</i>		-	-	-
Capital works in progress	5.5	15 314	15 075	(239)
Asset revaluation surplus	8.1	147 003	146 723	(280)
Retained earnings	8.1	45 465	50 428	4 963
		Original balance 2023 \$'000	Restated balance 2023 \$'000	Change \$'000
<b>Statement of Comprehensive Income</b>				
Supplies and services	4.1	22 737	22 960	223
Depreciation and amortisation	5.1, 5.4	8 676	7 984	(692)

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

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**1.5. Prior period adjustments (continued)**

Adjustments relating to periods prior to 2023 have been reflected in retained earnings opening balances as detailed below:

	<b>Retained earnings \$'000</b>
<b>Balance at 1 July 2022</b>	<u><b>(45 465)</b></u>
Prior period adjustments relating to 2021-22 depreciation	(83)
Prior period adjustments relating to asset accounting policy changes	<u>(4 855)</u>
<b>Total prior period adjustments</b>	<u><b>(4 938)</b></u>
<b>Restated balance at 1 July 2022</b>	<u><u><b>(50 403)</b></u></u>



**South Australian Metropolitan 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 Service Fund**

Contributions from the Fund are recognised as revenues when the MFS obtains control over the funding. Control over contributions is normally obtained upon receipt. Total contributions for the year were \$178.312 million (2023: \$168.126 million).

**2.2. Appropriation**

	2024	2023
	\$'000	\$'000
Appropriation from Consolidated Account pursuant to the <i>Appropriation Act</i>	3 513	3 750
Appropriation from Governor's Appropriation Fund	21 000	12 450
<b>Total appropriation</b>	<b>24 513</b>	<b>16 200</b>

Appropriation is recognised on receipt. Appropriation consists of \$21.5 million (2023: \$13.2 million) for operational funding and \$3.0 million (2023: \$3.0 million) for capital projects.

**2.3. Fees and charges**

	2024	2023
	\$'000	\$'000
Fire alarm attendance fees	3 188	2 750
Fire alarm monitoring fees	2 914	2 727
Fire safety fees	410	399
<b>Total fees and charges</b>	<b>6 512</b>	<b>5 876</b>

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

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

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

**Fire alarm attendance and fire safety fees**

The MFS 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 MFS recognises revenue for these services in arrears once the relevant deliverables have been provided to the customer in line with the MFS' legislated responsibilities and internal policies.

The MFS is a referral agency under the *Planning, Development and Infrastructure Regulations 2017* and receives revenue from customers for undertaking development assessments under the Planning and Design Code.

Payments for development assessments are received in advance upon referral of the development application to the MFS from the Attorney-General's Department or direct from the customer. The MFS 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 MFS undertakes fire alarm monitoring services for customers and charges 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 MFS recognises revenue for monitoring services over the time services are provided, with all services delivered by 30 June.

**South Australian Metropolitan Fire Service**  
**Notes to and forming part of the financial statements**  
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**2.3. Fees and charges (continued)**

**Incident recoveries**

The MFS provides support to interstate jurisdictions that request it when an emergency incident occurs. The terms of deployment are managed under 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 (AFAC).

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

**2.4. Grants and contributions**

Commonwealth sourced grants \$1.526 million (2023: \$1.449 million) are recognised as an asset and income when the MFS 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.

Commonwealth grant funding for the MFS relates to the cost of providing fire and emergency services to Commonwealth properties under the Memorandum of Understanding for the Provision of Fire Services. All grants received from the Commonwealth are grants with unconditional stipulations.

**2.5. SA Government grants, subsidies and transfers**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Contingency funding provided by the Department of Treasury and Finance	9	11 777
Intra government transfer	167	290
<b>Total SA Government grants, subsidies and transfers</b>	<b>176</b>	<b>12 067</b>

SA Government grants, subsidies and transfers are recognised as income on receipt. Cash injections from DTF address MFS cost pressures and cash shortfalls.

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

	2024	2023
	\$'000	\$'000
<b>Land and buildings</b>		
Proceeds from disposal	110	-
Less net book value of assets disposed	(103)	-
<b>Net gain / (loss) from disposal of land and buildings</b>	<u>7</u>	<u>-</u>
<b>Vehicles</b>		
Net proceeds from disposal	-	30
Less net book value of assets disposed	-	(550)
<b>Net gain / (loss) from disposal of vehicles</b>	<u>-</u>	<u>(520)</u>
<b>Plant and equipment</b>		
Net proceeds from disposal	8	6
Less net book value of assets disposed	-	(2)
<b>Net gain / (loss) from disposal of plant and equipment</b>	<u>8</u>	<u>4</u>
<b>Total assets:</b>		
Net proceeds from disposal	118	36
Less net book value of assets disposed	(103)	(552)
<b>Net gain / (loss) from disposal of owned assets</b>	<u>15</u>	<u>(516)</u>
<b>Total net gain/ (loss) from disposal of non-current assets</b>	<u><u>15</u></u>	<u><u>(516)</u></u>

**2.7. Other income**

	2024	2023
	\$'000	\$'000
Insurance recoveries	-	5
Donations	3	-
Property income	647	436
Salary recoveries	448	853
Sundry revenues	32	553
Recoveries from legal cases	5	17
Other recoveries	-	21
Other	15	33
<b>Total other income</b>	<u><u>1 150</u></u>	<u><u>1 918</u></u>

Other income is recognised upon receipt, except for Rent of premises.

The MFS receives revenue from long term lease agreements with tenants for land controlled by the Minister for Police, Emergency Services and Correctional Services (the Minister). Payment is made by the tenant on a monthly basis in advance. The MFS recognise this revenue on a time proportionate basis over the lease period.

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**3. Board, committees and employees**

**3.1. Key management personnel**

Key management personnel of the MFS include the Minister, the Chief Officer and the Deputy Chief Officer of the MFS who have responsibility for the strategic direction and management of the agency.

The compensation detailed below excludes the salary and other benefits of the Minister 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 DTF) under section 6 the *Parliamentary Remuneration Act 1990*.

	2024	2023
	\$'000	\$'000
<b>Compensation</b>		
Salaries and other short term employee benefits	576	543
Post-employment benefits	72	65
Other long-term employment benefits	285	-
<b>Total compensation</b>	<b>933</b>	<b>608</b>

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

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

**3.2. Remuneration of board and committee members**

Members of boards and committees during 2024 were:

**South Australian Metropolitan Fire Service Disciplinary Committee**

L D P Holland  
S J Smithson\*  
G S Uren\*  
A J Caire\*

\* 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:

	2024	2023
	No.	No.
\$0 - \$19 999	4	4
<b>Total number of members</b>	<b>4</b>	<b>4</b>

The total remuneration received or receivable by members was \$8 000 (2023: \$3 000). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any related fringe benefits tax paid.

**South Australian Metropolitan Fire Service**  
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**3.3. Employee related expenses**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages	121 838	120 165
Workers compensation	8 413	13 906
Employment on-costs - superannuation	18 344	18 471
Annual leave	14 275	14 384
Long service leave	6 041	3 994
Payroll tax	7 971	7 820
Skills and experience retention leave	1 223	1 295
Additional compensation	8 220	2 198
Board fees	7	3
Other employment related expenses	790	399
<b>Total employee related expenses</b>	<b>187 122</b>	<b>182 635</b>

The MFS's staff are employed under Part 3 of the *South Australian Fire and Emergency Services Act 2005*.

The superannuation employment on-cost charge represents the MFS's contributions to superannuation plans in respect of current services of current employees. There are no liabilities for payments to beneficiaries recognised by the MFS 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:

	<b>Employees</b>	
	<b>2024</b>	<b>2023</b>
	<b>No.</b>	<b>No.</b>
\$160 001 to \$166 000 *	n/a	42
\$166 001 to \$186 000	107	134
\$186 001 to \$206 000	82	102
\$206 001 to \$226 000	52	50
\$226 001 to \$246 000	27	11
\$246 001 to \$266 000	2	2
\$266 001 to \$286 000	2	1
\$326 001 to \$346 000	-	1
\$346 001 to \$366 000	1	-
\$446,001 to \$466,000	1	-
<b>Total</b>	<b>274</b>	<b>343</b>

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

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. The total remuneration received by these employees for the year was \$54.152 million (2023: \$64.683 million).

The number of employees included in the banding for 2024 has decreased from 2023 predominantly due to backpay received in 2023 from the introduction of the new enterprise bargaining agreement.

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**3.4. Employee related liabilities**

	2024	2023
	\$'000	\$'000
<b>Current</b>		
Accrued salaries and wages	674	-
Annual leave	13 508	13 223
Long service leave	3 936	3 160
Skills and experience retention leave	2 259	2 150
Employment on-costs	4 851	4 675
<b>Total current employee related liabilities</b>	<b>25 228</b>	<b>23 208</b>
<b>Non-current</b>		
Long service leave	21 537	21 111
Employment on-costs	4 037	4 054
<b>Total non-current employee related liabilities</b>	<b>25 574</b>	<b>25 165</b>
<b>Total employee related liabilities</b>	<b>50 802</b>	<b>48 373</b>

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 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 increased 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 of sick leave.

**Long service leave**

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

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 as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has increased 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 both the long service leave liability and employee benefits expense of \$1.406 million. 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 Metropolitan 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 are 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 MFS 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 schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the superannuation schemes.

The proportion of long service leave taken has decreased to 84.17% from 89.28% in 2023, calculated as the actual percentage of leave taken during the last three years. The average factor for the calculation of employer superannuation on-costs has changed to 15.5% from 15.1% 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.

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**4. Expenses**

**4.1. Supplies and services**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Property costs	3 399	4 303
Vehicles	3 522	3 009
Government radio network	2 639	2 570
Consultancy, contractors and legal fees	4 514	3 460
Computing costs	1 777	1 466
Operational costs	1 971	2 489
Uniforms and protective clothing	3 072	1 310
Travel and training	971	725
Communications	872	967
Insurance premiums	446	497
Low-value leases	257	304
Accommodation	279	289
Other expenses	1 931	1 571
<b>Total supplies and services</b>	<b>25 650</b>	<b>22 960</b>

**Accommodation**

A part of the MFS'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 \$61 400 (2023: \$60 000). No other services were provided by the Audit Office of South Australia.

**Leases**

The MFS recognises lease payments associated with 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 is similar to short term lease expenses disclosed.

**Consultants**

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

	<b>2024</b>	<b>2024</b>	<b>2023</b>	<b>2023</b>
	<b>No.</b>	<b>\$'000</b>	<b>No.</b>	<b>\$'000</b>
Below \$10 000	1	8	5	15
\$10 000 or above	3	1 615	3	742
<b>Total paid / payable to the consultants engaged</b>	<b>4</b>	<b>1 623</b>	<b>8</b>	<b>757</b>



**South Australian Metropolitan 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.

	<b>2024</b>	<b>Proportion of SA and non-SA businesses</b>
	<b>\$'000</b>	<b>%</b>
Total expenditure with South Australian businesses	8 943	74.92%
Total expenditure with non-South Australian businesses	2 994	25.08%
	<b>11 937</b>	<b>100%</b>

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 MFS, 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.

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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 Buildings	ROU Vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Carrying amount at the beginning of the period</b>	<b>61 796</b>	<b>75 982</b>	<b>43 039</b>	<b>2 403</b>	<b>764</b>	<b>359</b>	<b>184 343</b>
Acquisitions	-	-	-	-	-	396	396
Transfers from capital WIP <sup>(1)</sup>	-	566	7 670	40	-	-	8 276
Disposals	(103)	-	-	-	-	-	(103)
Revaluation increment	32 588	-	-	-	-	-	32 588
Derecognition of assets	-	(609)	(692)	(7)	-	-	(1 308)
Remeasurement	-	-	-	-	250	-	250
<b>Subtotal:</b>	<b>94 281</b>	<b>75 939</b>	<b>50 017</b>	<b>2 436</b>	<b>1 014</b>	<b>755</b>	<b>224 442</b>
<b>Gains/(losses) for the period recognised in net result:</b>							
Depreciation	-	(3 385)	(3 960)	(359)	(122)	(284)	(8 110)
<b>Subtotal:</b>	<b>-</b>	<b>(3 385)</b>	<b>(3 960)</b>	<b>(359)</b>	<b>(122)</b>	<b>(284)</b>	<b>(8 110)</b>
<b>Carrying amount at the end of the period</b>	<b>94 281</b>	<b>72 554</b>	<b>46 057</b>	<b>2 077</b>	<b>892</b>	<b>471</b>	<b>216 332</b>
<b>Gross carrying amount</b>							
Gross carrying amount	94 281	87 662	63 362	3 607	1 384	823	251 119
Accumulated depreciation	-	(15 108)	(17 305)	(1 530)	(492)	(352)	(34 787)
<b>Carrying amount at the end of the period</b>	<b>94 281</b>	<b>72 554</b>	<b>46 057</b>	<b>2 077</b>	<b>892</b>	<b>471</b>	<b>216 332</b>

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

<sup>(1)</sup> Refer to note 5.5.

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

**Reconciliation of property, plant and equipment during 2022-23**

	Land \$'000	Buildings \$'000	Vehicles \$'000	Plant & equipment \$'000	ROU Buildings \$'000	ROU Vehicles \$'000	Total \$'000
<b>Carrying amount at the beginning of the period</b>	<b>61 801</b>	<b>68 909</b>	<b>41 961</b>	<b>6 634</b>	<b>860</b>	<b>377</b>	<b>180 542</b>
Prior period adjustments	(5)	(97)	(57)	(4 510)	-	-	(4 669)
<b>Restated carrying amount at the beginning of period</b>	<b>61 796</b>	<b>68 812</b>	<b>41 904</b>	<b>2 124</b>	<b>860</b>	<b>377</b>	<b>175 873</b>
Acquisitions	-	-	-	-	-	229	229
Transfers from capital WIP <sup>(1)</sup>	-	10 442	5 603	658	-	-	16 703
Disposals	-	-	(550)	(2)	-	-	(552)
<b>Subtotal:</b>	<b>61 796</b>	<b>79 254</b>	<b>46 957</b>	<b>2 780</b>	<b>860</b>	<b>606</b>	<b>192 253</b>
<b>Gains/(losses) for the period recognised in net result:</b>							
Depreciation	-	(3 272)	(3 918)	(377)	(96)	(247)	(7 910)
<b>Subtotal:</b>	<b>-</b>	<b>(3 272)</b>	<b>(3 918)</b>	<b>(377)</b>	<b>(96)</b>	<b>(247)</b>	<b>(7 910)</b>
<b>Carrying amount at the end of the period</b>	<b>61 796</b>	<b>75 982</b>	<b>43 039</b>	<b>2 403</b>	<b>764</b>	<b>359</b>	<b>184 343</b>
<b>Gross carrying amount</b>							
Gross carrying amount	61 796	87 844	56 606	3 584	1 134	771	211 735
Accumulated depreciation	-	(11 862)	(13 567)	(1 181)	(370)	(412)	(27 392)
<b>Carrying amount at the end of the period</b>	<b>61 796</b>	<b>75 982</b>	<b>43 039</b>	<b>2 403</b>	<b>764</b>	<b>359</b>	<b>184 343</b>

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

<sup>(1)</sup> Refer to note 5.5

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

**Depreciation expense**

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:

<b>Class of asset</b>	<b>Useful life (years)</b>
Buildings	1-60
Vehicles	1-23
Plant and equipment	1-20
ROU Buildings	12
ROU Vehicles	3-5
ROU Land	11

**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.

The MFS revalued its vehicles and buildings as at 1 November 2019.

**5.2. Property, plant and equipment owned by MFS**

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

Property, plant and equipment owned by the MFS is recorded at fair value. Detail about the MFS'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.

The previous Christies Beach MFS station was decommissioned in January 2023 when operations were moved to new premises in Noarlunga. The site at Christies Beach has subsequently remained vacant while the impact of per-and polyfluoroalkyl substances (PFAS) contamination issues are being investigated with the consequence that the property has incurred some damage due to vandalism. At 30 June 2024, the impact on fair value from PFAS contamination and other damage could not be reliably measured, therefore the fair value of this property has remained unchanged.

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

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

Short-term leases of 12 months or less and low value leases where the underlying asset value is less than \$15 000 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 MFS has a limited number of lease arrangements:

- 48 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). No contingent rental provisions exist within the lease agreements and no options exist to renew the leases at the end of their term.
- the MFS has one commercial lease for a building used for the purpose of operating a regional fire station at Mount Barker.

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

**South Australian Metropolitan Fire Service**  
**Notes to and forming part of the financial statements**  
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**5.4. Intangible assets**

<b>Reconciliation of intangible assets</b>	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount at the beginning of the period</b>	<b>165</b>	<b>86</b>
Prior period adjustments	-	(31)
<b>Restated carrying amount at the beginning of the period</b>	<b>165</b>	<b>55</b>
Transfers from capital WIP <sup>(1)</sup>	-	184
Derecognition of assets	(33)	-
<b>Subtotal:</b>	<b>132</b>	<b>239</b>
<b>Gains/(losses) for the period recognised in net result:</b>		
Amortisation	(51)	(74)
<b>Subtotal:</b>	<b>(51)</b>	<b>(74)</b>
<b>Carrying amount at the end of the period</b>	<b>81</b>	<b>165</b>
<b>Gross carrying amount</b>		
Gross carrying amount	448	528
Accumulated depreciation	(367)	(363)
<b>Carrying amount at the end of the period</b>	<b>81</b>	<b>165</b>

<sup>(1)</sup> Refer to note 5.5.

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

Amortisation of computer software is calculated on a straight-line basis over the estimated useful life of 5 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.

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

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**5.5. Capital works in progress**

	2024	2023
	\$'000	\$'000
Carrying amount at the beginning of the period	11 384	15 314
Prior period adjustments	-	(239)
<b>Restated carrying amount at the beginning of the period</b>	<b>11 384</b>	<b>15 075</b>
Acquisitions	14 493	13 217
Transfers to property, plant and equipment	(8 276)	(16 703)
Transfers to intangible assets	-	(184)
CWIP write off	(34)	(21)
<b>Carrying amount at the end of the period</b>	<b>17 567</b>	<b>11 384</b>

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

**6. Financial assets**

**6.1. Cash and cash equivalents**

	2024	2023
	\$'000	\$'000
Deposits with the Treasurer	2 424	3 063
Cash on hand	6	6
<b>Total cash and cash equivalents in the Statement of Financial Position</b>	<b>2 430</b>	<b>3 069</b>
<b>Total cash and cash equivalents in the Statement of Cash Flows</b>	<b>2 430</b>	<b>3 069</b>

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

**South Australian Metropolitan Fire Service**  
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**6.2. Receivables**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Receivables	1 210	988
Less impairment loss on receivables	(5)	(6)
Prepayments	289	142
Accrued revenues	55	527
GST input tax recoverable	510	466
<b>Total current receivables</b>	<b>2 059</b>	<b>2 117</b>
<b>Total receivables</b>	<b>2 059</b>	<b>2 117</b>

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

Other than as recognised in the allowance for 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.

Refer to note 10.2 for further information on risk management.

The MFS 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**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount at the beginning of the period</b>	6	9
Increase/(decrease) in the allowance	(1)	(3)
<b>Carrying amount at the end of the period</b>	<b>5</b>	<b>6</b>

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.



**South Australian Metropolitan Fire Service**  
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**7. Liabilities**

**7.1. Payables**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Creditors	1 188	1 232
Accrued expenses	2 559	2 185
Paid Parental Leave Scheme payable	8	1
<b>Total current payables</b>	<b>3 755</b>	<b>3 418</b>
<b>Total payables</b>	<b>3 755</b>	<b>3 418</b>

Payables and accrued expenses 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 MFS measures lease liabilities at discounted future lease payments using either the interest rate implicit in the lease or the DTF's incremental borrowing rate. There were no defaults or breaches throughout the year.

Interest expense paid on lease liabilities during 2023-24 was \$40 000 (2023: \$23 000). The MFS does not capitalise borrowing costs.

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

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Lease liabilities</b>		
within 1 year	414	312
1 to 5 years	816	606
More than 5 years	286	325
<b>Total lease liabilities (undiscounted)</b>	<b>1 516</b>	<b>1 243</b>

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

**South Australian Metropolitan Fire Service**  
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**7.3. Provisions**

	2024	2023
	\$'000	\$'000
<b>Current</b>		
Provision for workers compensation	11 811	5 954
Additional compensation	1 716	1 751
<b>Total current provisions</b>	<b>13 527</b>	<b>7 705</b>
<b>Non-current</b>		
Provision for workers compensation	30 451	32 682
Additional compensation	27 863	19 608
<b>Total non-current provisions</b>	<b>58 314</b>	<b>52 290</b>
<b>Total provisions</b>	<b>71 841</b>	<b>59 995</b>
<b>Movement in workers compensation provisions</b>	<b>2024</b>	<b>2023</b>
	\$'000	\$'000
<b>Workers compensation</b>		
Carrying amount at the beginning of the period	38 636	34 470
Reductions arising from payments	(4 748)	(4 366)
Changes from remeasurement	(2 779)	1 738
New accident liability	11 153	6 794
<b>Carrying amount at the end of the period</b>	<b>42 262</b>	<b>38 636</b>
<b>Additional compensation</b>		
Carrying amount at the beginning of the period	21 359	19 162
Reductions arising from payments	(1 873)	(1 686)
Changes from remeasurement	7 185	1 494
New accident liability	2 908	2 389
<b>Carrying amount at the end of the period</b>	<b>29 579</b>	<b>21 359</b>

**Workers Compensation provision (statutory and additional compensation schemes)**

The MFS is an exempt employer under the *Return to Work Act 2014*. Under a scheme arrangement, the MFS 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.

According, 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 nonserious injuries sustained in circumstances which involved, or appeared to involve, the commission of a criminal offence, or which arose from a dangerous situation.

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.

**South Australian Metropolitan Fire Service**  
**Notes to and forming part of the financial statements**  
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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**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Reconciliation of net cash provided by operating activities to net cost of providing services</b>		
Net cash provided by operating activities	13 740	11 636
<b>Add / (less) non-cash items</b>		
Depreciation and amortisation	(8 161)	(7 984)
Net gain/(loss) from disposal of non-current assets	15	(516)
CWIP write off	(34)	(21)
Derecognition of non-current assets	(1 341)	-
Capital accruals	378	(1 893)
<b>Movement in assets and liabilities</b>		
Increase/(decrease) in receivables	(58)	(1 129)
(Increase)/decrease in payables	(337)	(628)
(Increase)/decrease in employee benefits	(2 429)	(1 572)
(Increase)/decrease in provisions	(11 846)	(6 363)
<b>Net result</b>	<b>(10 073)</b>	<b>(8 470)</b>

Total cash outflows for leases for the MFS was \$679 000 (2022-23: \$657 000).

**South Australian Metropolitan Fire Service**  
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*For the year ended 30 June 2024*

**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	3 455	7 208
<b>Total contractual commitments to acquire property, plant and equipment</b>	<b>3 455</b>	<b>7 208</b>

These contractual commitments to acquire property, plant and equipment are related to the Noarlunga Command Station and vehicle equipment.

**Other contractual commitments**

	2024	2023
	\$'000	\$'000
Within one year	2 505	3 181
Later than one year but not later than five years	1 543	1 656
Later than five years	2 281	2 566
<b>Total other contractual commitments</b>	<b>6 329</b>	<b>7 403</b>

MFS's other contractual commitments are for accommodation, agreements relating to asset maintenance, information technology, protective firefighting equipment and equipment.

**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 SAMFS is not aware of any contingent assets at the reporting date.

The SAMFS recognises a contingent liability relating to the historical use of per-and polyfluoroalkyl substances (PFAS) firefighting foams across site in South Australia.

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

The SAMFS 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 MFS 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.

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

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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 MFS 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 MFS'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 MFS had no valuations categorised into level 1; there were no transfers of assets between level 1 and 2 fair value hierarchy levels and there were no changes in valuation technique.

**Land, buildings and vehicles**

MFS undertook an internal exercise to determine whether the carrying amounts of land and buildings 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, MFS elected to process a revaluation increment for its 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.

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

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**10.1. Fair value (continued)**

**Land, buildings and vehicles (continued)**

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 that less than three years have not been revalued. The carrying value of these items is deemed to approximate fair value.

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

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**10.2. Financial instruments**

**Financial risk management**

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

The exposure of the MFS 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 the MFS is unable to meet its financial obligations as they fall due. The MFS is funded principally from the Fund. The MFS works with the Fund to determine the cash flows associated with its government-approved program of work to ensure funding meets the expected cash flows.

Refer to note 7.1 and 7.2 for further information.

**Credit risk**

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

**Impairment of financial assets**

Loss allowances for receivables are measured at an amount equal to lifetime expected credit loss using the simplified approach in AASB 9. The MFS uses an allowance matrix to measure the expected credit loss of receivables from non-government debtors which comprise a large number of small balances.

To measure the expected credit losses, receivables are grouped based on shared risks characteristics and the days past due. When estimating expected credit loss, the MFS 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 MFS'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 MFS 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.

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

**10.2. Financial instruments (continued)**

**Impairment of financial assets (continued)**

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

The following table provides information about the exposure to credit risk and ECL for non-government debtors.

	Debtor gross carrying amount \$'000	Loss %	Lifetime expected losses \$'000
<b>2024</b>			
Current (not past due)	218	0.11	-
1 - 30 days past due	78	0.19	-
31 - 60 days past due	31	0.51	-
61 - 90 days past due	15	1.01	-
More than 90 days past due	214	1.93	5
<b>Loss allowance</b>	<b>556</b>		<b>5</b>

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 MFS'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 MFS 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.

**Cash and debt instruments**

The MFS 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.

All of the MFS'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 MFS does not trade in foreign currency, nor enter into transactions for speculative purposes, nor for hedging. The agency 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 MFS'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.



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

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**10.2. Financial instruments (continued)**

**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 assets and liabilities**

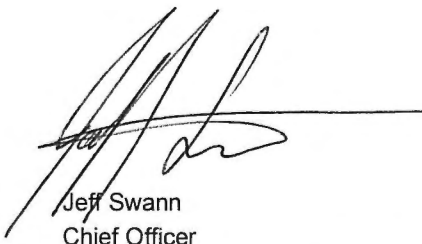
The MFS measures all financial instruments at amortised cost other than lease liabilities which are measured at the present value of expected future cash payments. All financial assets and liabilities carrying amount equals their fair value as at 30 June 2024 and are expected to be settled within one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

**South Australian Metropolitan Fire Service**  
**Certification of the Financial Statements**  
*For the year ended 30 June 2024*

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We certify that the:

- financial statements of the South Australian Metropolitan Fire Service:
  - are in accordance with the accounts and records of the South Australian Metropolitan 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 Metropolitan Fire Service at the end of the financial year and the result of its operations and cash flows for the financial year.
- internal controls employed by the South Australian Metropolitan Fire Service for the financial year over its financial reporting and its preparation of financial statements have been effective.



Jeff Swann  
Chief Officer  
South Australian Metropolitan Fire Service

13<sup>th</sup> September 2024



Avril Tajnikar  
Business Manager  
South Australian Metropolitan Fire Service

13 September 2024