



Government
of South Australia



SA Country Fire Service ANNUAL REPORT 2015-2016



STATEMENT OF LEGISLATIVE COMPLIANCE FOR THE YEAR ENDED 30 JUNE 2016

South Australian Fire and Emergency Services Commission
Level 6, 60 Waymouth Street
ADELAIDE SA 5000

30 September 2016

Dear Board Members

I have pleasure in submitting the Annual Report for the South Australian Country Fire Service (CFS) for the year ended 30 June 2016, in accordance with section 101(1) of the Fire and Emergency Services Act 2005 which states:

‘CFS must, on or before 30 September in each year, deliver to the Commission a report on the activities of CFS during the preceding financial year (and need not provide a report under section 6A of the Public Sector Management Act 1995).’

This report highlights CFS’ performance in implementing strategies to achieve its objectives during the 12 months to June 2016. This report also illustrates the effort and commitment of our volunteers and staff during the year.

Yours sincerely



GREG NETTLETON
CHIEF OFFICER
SA COUNTRY FIRE SERVICE

Contact Details

Level 7, 60 Waymouth Street
Adelaide SA 5000

GPO Box 2468
Adelaide SA 5001

Tele: (08) 8463 4200
Fax: (08) 8463 4234

Email: CFSHeadquarters@sa.gov.au
Web: www.cfs.sa.gov.au

ABN: 97 677 077 835
ISSN: 0728-8352

CONTENTS

Statement of Legislative Compliance	2
Chief Officer’s Report	4
Our Vision Mission Values	5
Overview of the Country Fire Service	6
Performance Highlights	8
Performance Management Responsibilities	9
South Australian Strategic Plan: Target 20	9
Public Complaints	10
Building Professional Pathways	10
Significant Incidents 2015-16	12
Bushfires	12
Pinery	12
Lameroo	12
Mosquito Hill	12
Hill River	12
Balhannah	12
Frontline Services	14
Functions and Activities	14
State Operations	15
Regional Operations	16
Regional Command	18
Regions – Incident Summary	18
Preparedness Operations	19
Bushfire Management Planning	19
Development Assessment Services	19
Frontline Services Support	20
Functions and Activities	20
Operational Capability Planning	21
Operational Infrastructure and Logistics	21
Operational Training and Professional Development	21
Awards	22
Australian Fire Service Medal	22
Volunteer Services Branch	24
Non-Operational Training	24
Anzac Eve Youth Vigil	24
Recruitment and Retention of Emergency Service Volunteers	24
CFS Volunteer Numbers	25
Youth Advisory Council	25
Financial Summary	26
Expenses	26
Income and Revenues from SA Government	26
Capital	26
Financial Services	26
Appendices	27
Appendix A: Workforce Statistics	28
Appendix B: Organisational Structure as at 30 June 2016	33
Appendix C: Administrative Reports	34
Appendix D: Australasian Incident Reporting System (AIRS)	37
Annual Financial Statements	41

CHIEF OFFICER'S REPORT

This year has been both busy and complex for the Country Fire Service (CFS) staff and volunteers. Meeting operational demand as well as managing change within the service, whilst not easy, has been met with professionalism and dedication.

Once again in 2015-16 CFS Volunteers across the state responded to a wide range of incidents with major rural fires occurring on 25 November 2015 at Pinery on Adelaide's northern doorstep, Christmas Day at Balhannah in the Adelaide Hills and New Year's Eve at Mosquito Hill on the edge of the Fleurieu Peninsula's coastal holiday town, Goolwa.

Not only do CFS Volunteers continue to turn out regardless of the time of day or year to tackle bushfires under often dangerous and tiring conditions, they also continue to provide an indispensable emergency service in responding to vehicle rescue, HAZMAT and structure fire events. Their support to other Emergency Service colleagues in times of flood and extreme weather events is also well documented and another part of the invaluable contribution CFS makes to the people of South Australia.

This year saw for the first time CFS appliances and crews deployed to Tasmania to assist at fires in the north west of the state. In another notable event CFS coordinated and deployed South Australian incident management personnel to support Emergency Service colleagues in Western Australia.

A new CFS sector program was commenced during the reporting period concentrating on greater harmonisation, alignment and modernisation of the fire and emergency services sector. This highly strategic approach will generate greater synergies between CFS, the Metropolitan Fire Service (MFS) and State Emergency Service (SES) but with each agency retaining its identity and structure. This program is intended to generate greater public value.

Many people were awarded National Medals and CFS Service Medals recognising their service to both the community and the public's safety. This year saw the prestigious Australian Fire Service Medal awarded to Bluey Devine, Peter Venning, Richard Munn and Ian Tanner. Congratulations to all recipients of awards and thank you for your contribution to keeping communities safer.

As Chief Officer I am always impressed by the tremendous work and commitment of CFS Staff and Volunteers. Our CFS Volunteers continually put others before themselves, they continue to save lives and protect their communities often under the most trying of conditions. I wish to also pay my respect to the ongoing contribution of a relatively small paid staff that repeatedly step up to accept and manage the significant responsibility that goes with being part of the SA Country Fire Service; we are truly more than a bushfire service.



OUR VISION, MISSION AND VALUES

Our Vision

A Safer Community



Our Mission

Protect life, property and the environment from fire and other emergencies.

The CFS operates under a continuous improvement methodology and is always strategically planning to assist the community.

The major pieces of legislation which govern the CFS include:

- Emergency Management Act 2004
- Fire and Emergency Services Act 2005
- Native Vegetation Act 1991
- Work Health and Safety Act 2012

The CFS is divided into two major areas of activity – Frontline Services and Frontline Services Support. See Appendix B for the current CFS Organisational Structure.



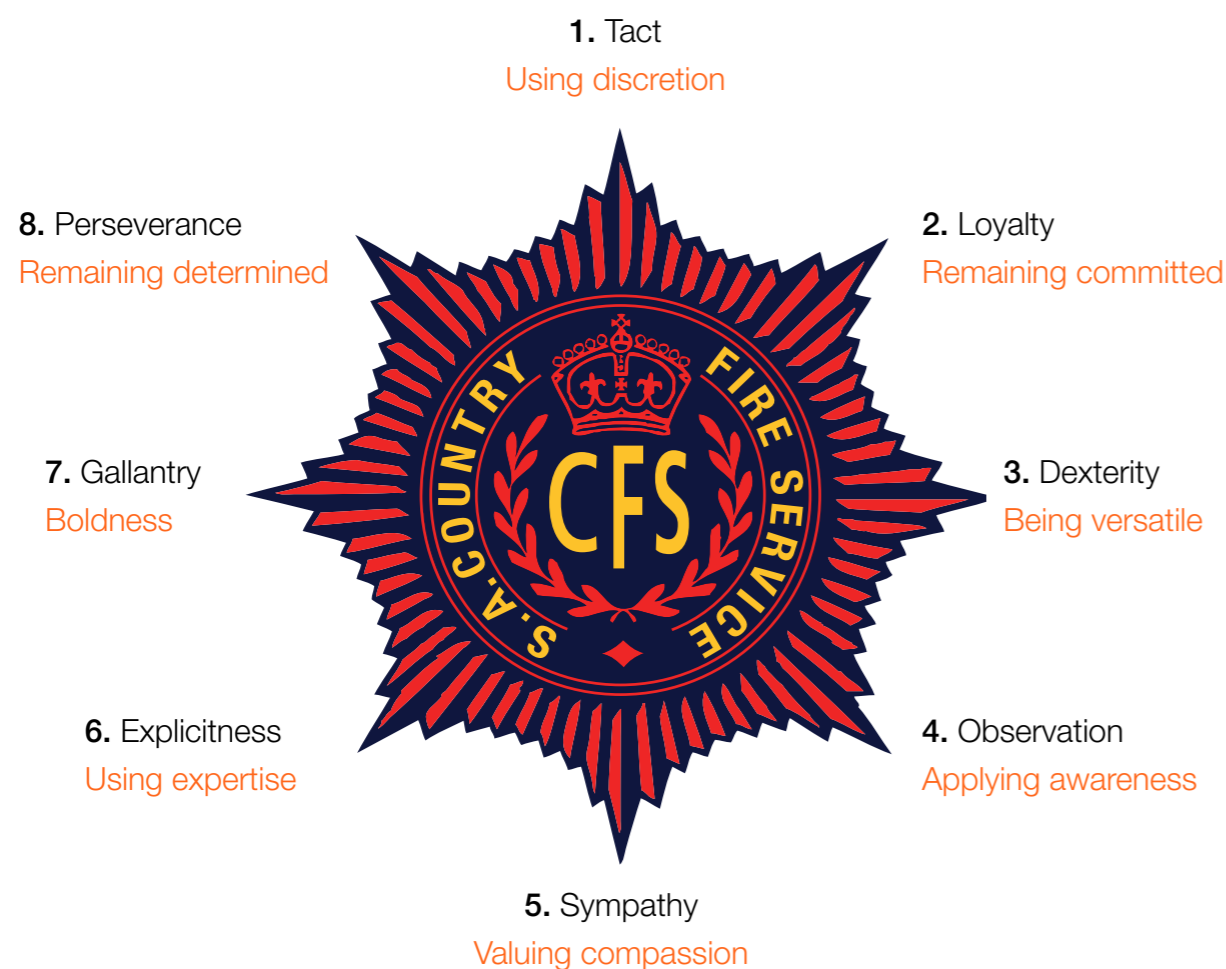
Our Operating Principles

The CFS is an all hazards agency providing response and prevention services to bushfire and structure fires and response services to motor vehicle fires, road crash rescue and hazardous material spills. Supporting our values are the sector's operating principles which guide the application of emergency management systems and shape the delivery of efficient and effective services to the communities of South Australia. Our operating principles underpin the valuable work undertaken to prepare and protect our communities from the threat of landscape fires.



OVERVIEW OF THE COUNTRY FIRE SERVICE

- 14 000 professionally trained volunteers.
- Over 402 000 hours attending incidents.
- Attended over 9000 incidents in 2015-16 including bushfires, structure and vehicle fires, road crash rescue and hazardous material spills.
- Works together with other Government, Local Government and community organisations, such as:
 - Department of Communities and Social Inclusion
 - Department of Environment, Water and Natural Resources
 - Department of Primary Industries and Regions SA
 - Metropolitan Fire Service
 - State Emergency Service
 - Department of Planning, Transport and Infrastructure
 - Forestry SA
 - SA Police
 - Bureau of Meteorology
 - Environment Protection Agency
- A fleet of over 800 response vehicles.
- Delivers state-wide Bushfire Prevention and Community Engagement Programs to support community safety, awareness and resilience.



In 2015-16, the CFS consolidated previous targets in separation of the business into Frontline Services and Frontline Services Support divisions, and with that complete, the governance focus is on consolidating performance and project management frameworks. The governance committee framework has been established and changes implemented to more effectively manage the business.

The Strategic Plan highlights further initiatives in relation to Corporate Governance including planning and reporting mechanisms to demonstrate public value.

Performance Highlights

- On 25 November 2015, the CFS conducted a major campaign response to a fire initially commencing in Pinery, 70 kilometres due north of Adelaide. The fire burned approximately 82 500 hectares of scrub and farmland in the lower Mid North. This fire claimed two lives and 91 houses along with non-residential structures, farm machinery and other vehicles, and domestic and farming animals.
- In January and February 2016, the CFS assisted the Tasmanian Fire Service with the provision of two strike teams (16 vehicles and over 200 personnel deployed in three rotations) to support bushfires in the north west of Tasmania.
- In January 2016, the CFS provided incident management personnel to support Western Australian agencies during major bushfires south of Perth.
- The first of the state reserve brigades, the Para Reserve Brigade located at Salisbury, was implemented as a trial for other such brigades to be established.
- Following the Sampson Flat fire in January 2015, national research was conducted to evaluate community experiences before, during and after the fire. As a result, recommendations are being implemented to assist communities to effectively prepare for bushfire events.
- Consultation was undertaken with the forestry industry in relation to proposed legislative changes to the Fire and Emergency Services Act 2005 for industry fire brigades.
- The Limestone Coast and Adelaide-Mount Lofty Ranges Bushfire Management Area Plans were formally adopted by the State Bushfire Coordination Committee.
- CFS delivered in excess of 48 000 individual training sessions during the 2015-16 year. These sessions resulted in 13 700 national units of competency being awarded to members and a further 34 600 in-house skill sets being facilitated. CFS members increased their access to online and skills maintenance drills, available to all members through the CFS Volunteer Portal to compliment the face to face delivered training provided at local and state levels. Members also maintained their skills by attendance at



- regular brigade training nights.
- Replacement of self-contained breathing apparatus sets (SCBA), cylinders and compressors was completed, providing contemporary new firefighting equipment across the state.
- Replacement of VHF tactical communications (mobile and portable) radios for fire ground use, commenced in 2015-16.
- Procurement, planning and distribution for the issue of a second set of Structural Personal Protective Clothing commenced in 2015-16. Procurement and planning for the issue of a second set of Wildland Personal Protective Clothing has enabled the scheduled distribution to commence in 2016-17. The project is scheduled to conclude within 2018-19.
- A state-wide upgrade of CFS radios that access the South Australian Government Radio Network (SAGRN) was completed.
- Brigade building works completed during 2015-16 included Coonalpyn and Gawler River. Building works commenced at Farrell Flat, Rapid Bay (Delamere), Port Victoria and Lock. Planning continues for works at Montacute, Western Districts, Rockleigh, Yunta, Mundulla, Piccadilly, Taillem Bend, Stewarts Range and Terowie Brigades.
- The CFS procured operational response vehicles within contractual schedules; including seven bulk water carriers, five type 44 tankers, eleven type 34 tankers, seven type 34P tankers, five quick response vehicles, one HAZMAT appliance, and one road crash rescue appliance. In addition a replacement dry firefighting tractor and an aviation logistics support truck were procured. The CFS also commenced planning for the 2016-17 and 2017-18 fleet procurement and deliveries.



Performance Management Responsibilities

South Australian Strategic Plan: Target 20

In 2015-16, the bushfire awareness campaign strategy was based on:

Target 20 Bushfire preparedness: Increase the number of households in high bushfire prone areas that are prepared for a bushfire by 30% by 2020.

The key 2015-16 campaign strategies were to:

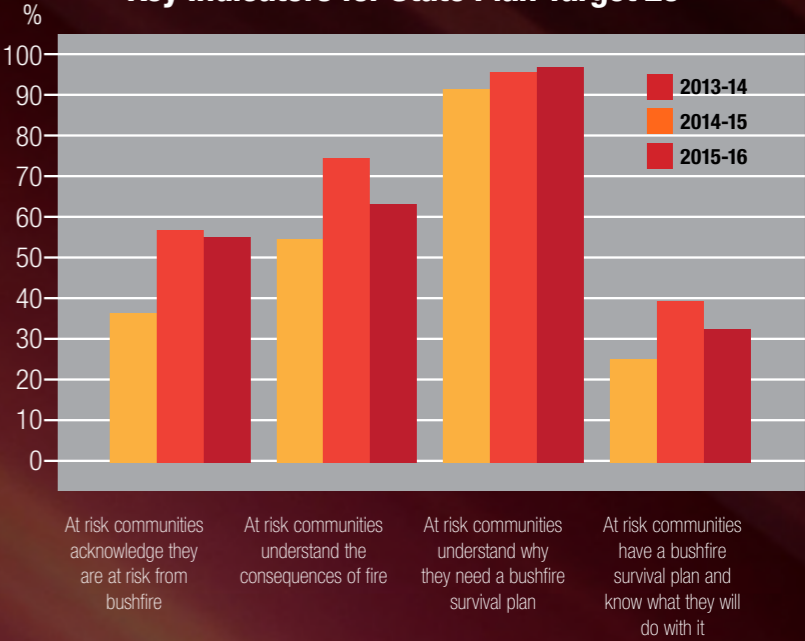
- continue to use simple key messaging in communications;
- continue to use the facts of fire, yet explore what the most relevant facts are and how they should be communicated;
- continue to recognise bushfire safety as being a year round commitment;
- work with the community to understand that the risk of bushfire comes well before the fire front through smoke and ember attack;
- further influence the conversion of awareness into action;
- continually identify new ways of targeting at risk audiences; and
- maintain the communication of bushfire safety messaging into Outback South Australia.

Whilst the CFS has seen a slow but consistent increase in the uptake of bushfire awareness over the past six years, 2014-15 saw a significant upward trend in the number of people preparing their property by undertaking simple maintenance tasks like clearing gutters and mowing long grass. In 2015-16 this trend continued but of concern was a decrease in the number of people maintaining a Bushfire Survival Plan. CFS resources focussed on post Sampson Flat bushfire priorities and this diversion potentially influenced the planned campaign for the 2015-16 season. The 2016-17 campaign will attempt to remedy this decline.

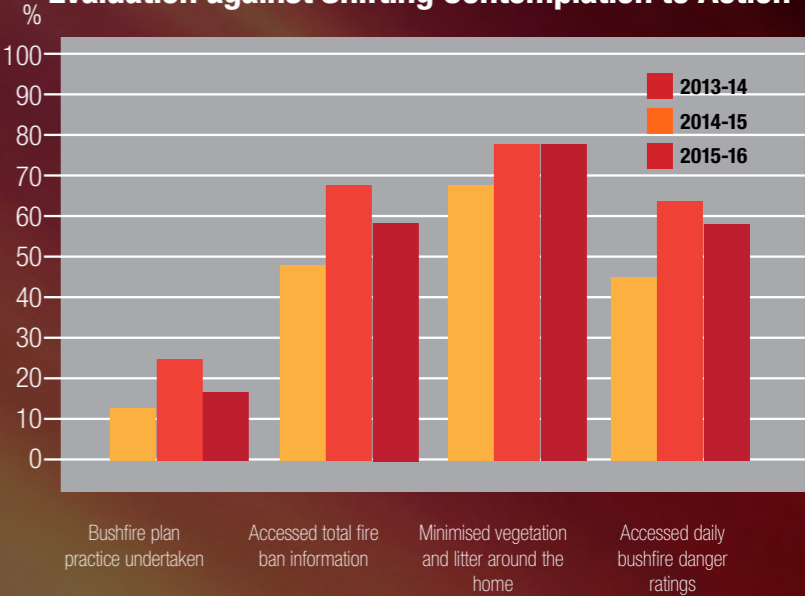
The CFS is very aware that the public seeks information that is practical, simple and engaging as demonstrated by research conducted over the past two fire seasons.

Results: The key benchmarking indicators for State Plan Target 20 are as follows:

Key Indicators for State Plan Target 20



Evaluation against Shifting Contemplation to Action



Public Complaints

In 2015-16, the CFS received complaints from the public as follows:

Table 1: Number of Complaints Received by Category

Category of Complaints by Subject	Number
Service quality/delivery	8
Behaviour of staff	2
Service access/processes/procedures	6
Other complaints	3
Total	19

The CFS is committed to investigating complaints received from the public and implementing changes to procedures, where the complaint received highlights the need for lessons learned.

Building Professional Pathways

The CFS is committed to investing in the training and development of employees in order to achieve strategic goals and business objectives, whilst encouraging and assisting employees in achieving professional excellence in their individual careers.

This is achieved through development of individual development plans and structured plans, including the roll-out of a service wide Ethics and Collaboration package in this reporting period. This has been well received by staff and will provide a consistent view across the staff in achieving state government objectives in relation to workplace behaviours and performance.



SIGNIFICANT INCIDENTS 2015-16

Bushfires

Pinery

On 25 November 2015 a grass fire originated at Pinery in South Australia's Mid North. It became the largest crop and grass fire in the Mid North since Tarlee in 1996. During that afternoon 82 500 hectares burned and tragically, two lives were lost and five people suffered critical injuries. Numerous properties were destroyed along with many thousands of livestock as well as significant crop losses.

Many CFS resources were dedicated to battling and containing this blaze including more than 1000 CFS volunteers, staff, farm fire units and hundreds of vehicles; all supported by the Metropolitan Fire Service, State Emergency Service and more than 300 firefighters from Victoria plus aircraft from New South Wales.

The Pinery fire was declared contained on 27 November 2015 and controlled on 1 December 2015.

Lameroo

Burning around 1950 hectares of farm land including cereal and lupin crops, two large haystacks and a shed, the Lameroo Fire commenced around 1.20 pm on 25 November 2015.

With concerns that the fire would enter the Ngarkat Conservation Park, a combination of 80 ground crews, 12 vehicles, two firebombing aircraft and six farm fire units responded. Local farmers using disc ploughs created earth breaks to halt the forward rate of spread and contain the eastern flank prior to an anticipated wind change.

Mosquito Hill

On 31 December 2015, the CFS were called to a grass fire at Mosquito Hill on the Fleurieu Peninsula close to Goolwa. Approximately 60 CFS volunteers with 12 vehicles were able to contain the fire prior to midnight however four structures and vehicles were lost. The fire which burned approximately 305 hectares was listed as controlled around 9.30 pm on 1 January 2016.

Hill River

The CFS was notified of a grassland/stubble fire at Hill River in the Yorke and Mid North region of South Australia at approximately 9.30 am on 25 November 2015. Approximately 100 CFS volunteers, 30 vehicles and two firebombing aircraft worked to control the spread of the fire which was declared contained at 12.43 pm with 75 hectares burned.

Balhannah

Approximately 25 CFS vehicles responded to a report of a grass fire burning at Balhannah in the Adelaide Hills at 10 am on Christmas Day 2015. The fire was reported as contained at 12.25 pm with 10 hectares burned.



FRONTLINE SERVICES

Functions and Activities

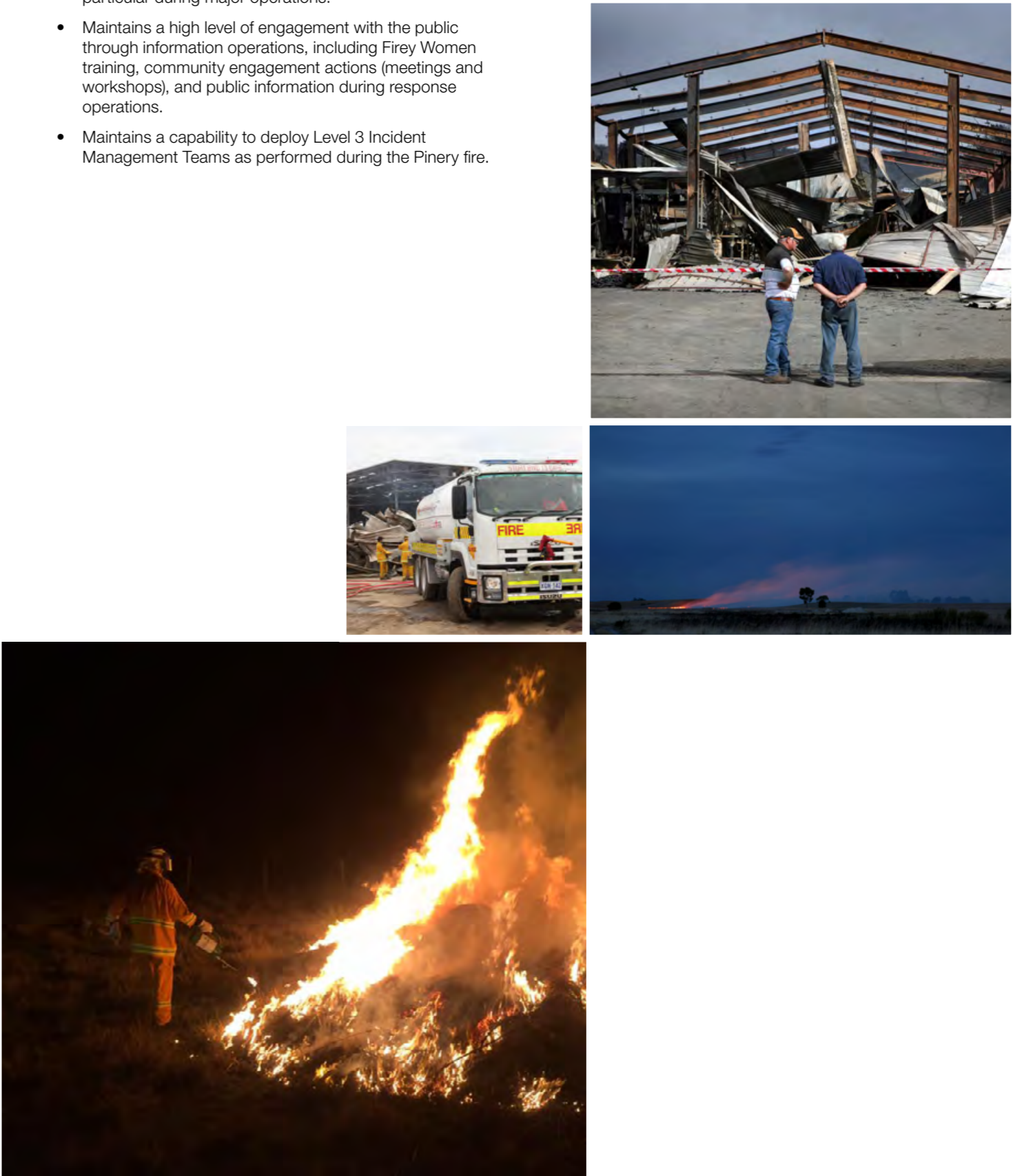
The focus of Frontline Services includes any function that has direct contact with members of the South Australian community in an operational or education role and includes the following functional units.

- State Operations
 - Aviation Operations
 - Incident Management
 - Information Operations
 - Operational Systems
- Regional Operations
 - Call Receipt and Dispatch
 - Regions, Groups and Brigades
- Preparedness Operations
 - Bushfire Management Planning
 - Development Assessment Services
 - Preparedness Compliance



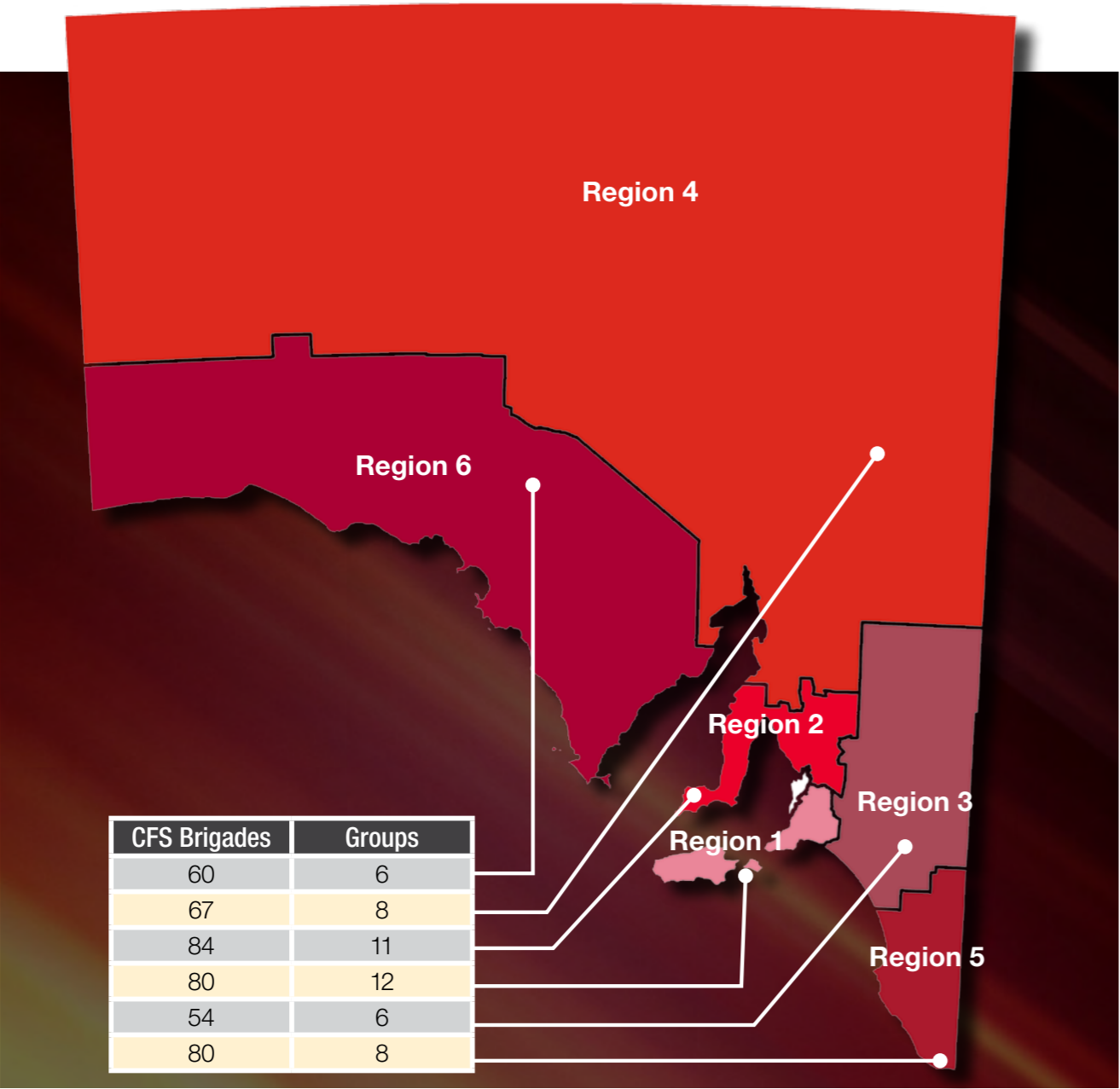
State Operations

- Maintains operational systems to ensure response is effective.
- Provides aviation support to response operations, and in particular during major operations.
- Maintains a high level of engagement with the public through information operations, including Firey Women training, community engagement actions (meetings and workshops), and public information during response operations.
- Maintains a capability to deploy Level 3 Incident Management Teams as performed during the Pinery fire.



Regional Operations

Country Fire Service Groups and Brigades by Region

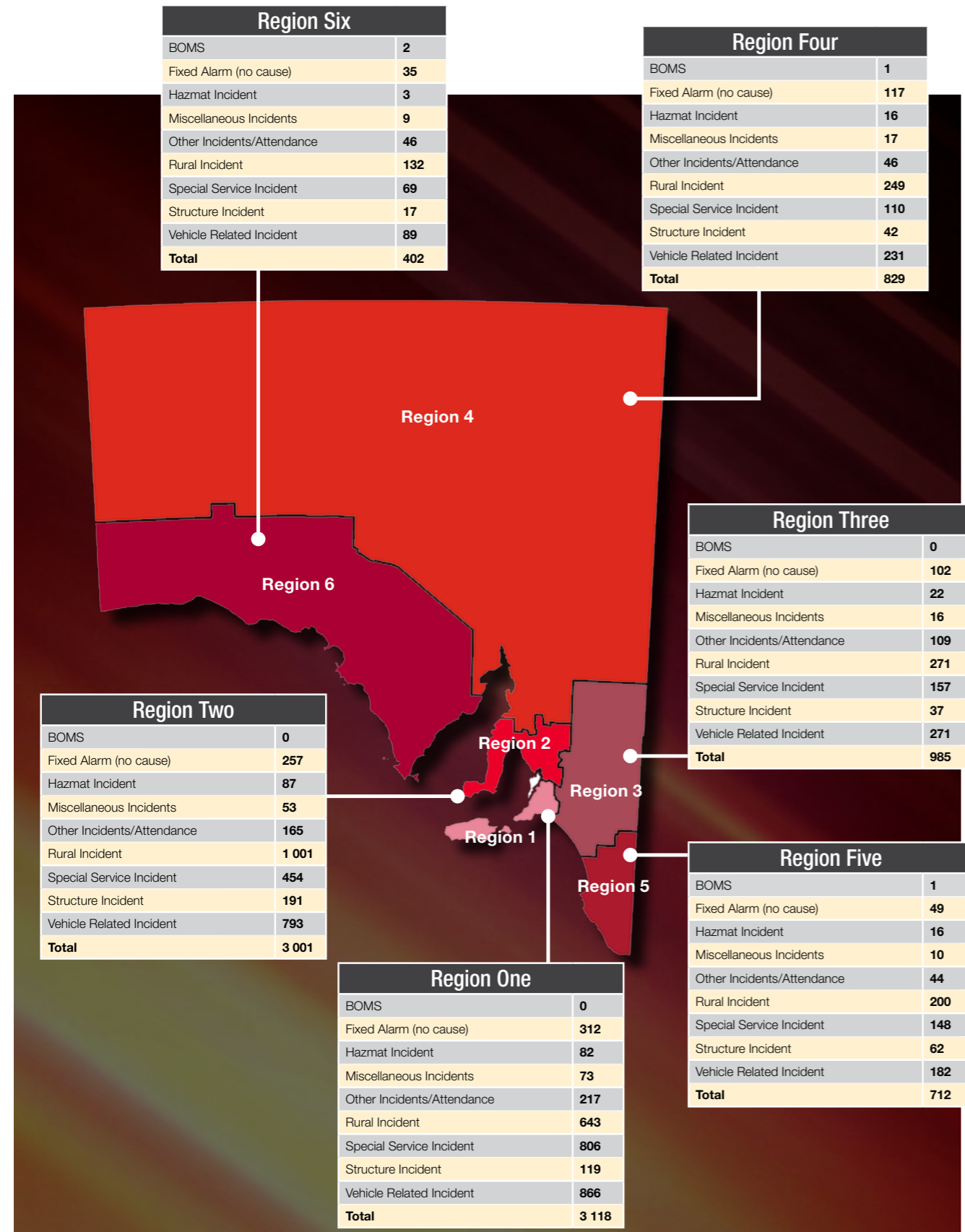


- CFS Brigades across South Australia maintained full response capability to their communities despite extensive bushfire activity.
- Provided continuous 24 hour a day 7 day a week support to CFS volunteers at all times.
- Employed a state-wide response at very short notice to the Pinery Fire with minimal injuries to volunteers, and provided strike teams comprised of volunteers and vehicles to the Tasmanian fires.
- Prepared Group Operations Management Plans and Regional Operations Management Plans that supported the success of the campaign fires in November 2015.
- Consolidated the regional planning cycle to optimise the development of these plans and the overall operational preparation of fire season.
- Consolidated InterCad to enable immediate notification across all services for fire and emergencies.
- Recruited a new Director Regional Operations and two new Regional Commanders to fill vacancies, and a Staff Officer (new position) to support Regional Operations in terms of project management and management of Call Receipt and Dispatch.
- Gazetted of Para Reserve Brigade under the State Response Team project to provide additional reserve capabilities in forming strike teams across the state.



Regional Command

Regions – Incident Summary



Preparedness Operations

- Facilitated the review and adoption of the voluntary Grain Harvesting Code of Practice.
- Drafted the Mowing and Slashing Code of Practice for release for public comment.
- Trained 24 additional local government fire prevention officers with another 68 recredited at the annual Fire Prevention Officer Reaccreditation Seminar.
- Conducted 74 Permit Officer training courses to enable the processing of permits to burn under section 81 of the Fire and Emergency Services Act 2005.

Bushfire Management Planning

- Successfully applied to the Natural Disaster Resilience Program fund for resources to continue work on the preparation of Bushfire Management Area Plans for 2015-16.
- The Lower Eyre Peninsula, the Limestone Coast, and the Adelaide Mt Lofty Ranges Bushfire Management Area Plans approved by the State Bushfire Coordination Committee.
- Conducted Asset Identification and Risk Assessment Workshops with all local councils in the Limestone Coast Bushfire Management Area for the drafting of the Limestone Coast Bushfire Management Area Plan.
- Commenced Asset Identification and Risk Assessment Workshops with local councils in the Kangaroo Island, Flinders Mid North Yorke, and Fleurieu Bushfire Management Areas for the drafting of Bushfire Management Area Plans.



Development Assessment Services

- Participated in the development of the Planning Minister's Specification for Large Farm Buildings.
- Provided reports to planning authorities on 746 applications for development in Bushfire Protection Areas and another 522 reports on building fire safety matters for commercial and industrial development.



FRONTLINE SERVICES SUPPORT

Functions and Activities

The focus of Frontline Services Support is defined as any function that provides specialist capabilities and technical capacity support for Frontline Service and includes the following functional units:

- Operational Capability Planning
 - Operational Doctrine
 - Risk and Lessons Management
 - Standards of Fire and Emergency Cover
 - Strategy and Governance
- Operational Infrastructure and Logistics
 - Facilities and Property
 - Firefighter Protection
 - Telecommunications
 - Vehicles and Equipment
- Operational Training and Professional Development
 - Command, Leadership and Incident Management Training
 - Professional Development
 - Rural Firefighting Training
 - Specialist and Advanced Firefighting Training



Operational Capability Planning

A revised Operational Doctrine framework was endorsed, and policy documentation has commenced. It is anticipated the documentation project will be complete by 2018.

Consultation to develop the Strategic Plan for 2016 - 2020 was undertaken and the Strategic Plan has been published and communicated to all volunteers and staff. Further corporate suite products including the Corporate Plan will follow.

Noetic completed an independent review of the Pinery fire, identifying nine lessons. The CFS is working towards addressing these lessons, some of which were completed this year. Others will have a longer time frame for completion and some will require additional funds.

CFS Lessons Learned partnered with research agencies Bushfire and Natural Hazards Cooperative Research Centre and the Central Queensland University, to undertake and develop standard incident evaluation processes and live monitoring of incident management teams. This will be rolled out across the regions during 2016-17.

A review of CFS' GIS capability was undertaken and a strategy to maximise this capability will be developed during 2016-17.

Operational Infrastructure and Logistics

The replacement of Tactical Communications (VHF mobile and portable radios) continued in 2015-16. Rollout of new equipment is due for completion in late 2016.

Procurement requirements for the supply of a second set of Structural and second set of Wildland Personal Protective Clothing (PPC) as part of a 4 year program has been undertaken. This will enable volunteers to more safely perform duties. Second sets of Structural PPC were supplied across all regions during 2015-16 and planning has identified the requirements for the remaining three financial years. Planning commenced to identify a roll out strategy for the second sets of Wildland PPC commencing in 2016-17 and the ongoing requirements for the following two financial years.

The CFS delivered new Brigade Stations at Coonalpyn and Gawler River; building works also commenced at Rapid Bay (Delamere) and Port Victoria. In addition, contracts were awarded for Farrell Flat, Lock, Mundulla, Stewarts Range and Terowie. Negotiations continued for building works at Montacute, Rockleigh, Yunta, Tailern Bend, Western Districts and Piccadilly. Detailed plans have been finalised for the State Training Centre Hot Pad Water System, which will commence in the 2016-17 financial year.

The operational response fleet was delivered within contractual schedules including seven bulk water carriers, five quick response vehicles, eleven type 34 tankers, seven type 34P tankers, five type 44 tankers, one HAZMAT appliance and one road crash rescue appliance. Planning for the 2016-17 response fleet build program has commenced. A dry firefighting tractor (second-hand skidder) was also delivered to compliment the dry firefighting capability.

Operational Training and Professional Development

The financial year 2015-16 resulted in record courses being scheduled and the highest training participation rate from volunteers in the CFS since the introduction of the Training Administration System in 2000. Total courses scheduled by the CFS have increased from 965 per year to 3329, while course attendance figures have increased from 11 718 in 2000-01 to a record 27 800 in 2015-16.

This level of productivity reflects not only the increased participation rates from CFS volunteers but the significant gains achieved by the employment of nine additional training staff across the state. The success of this trial enabled the service to secure nine permanent positions within Operational Training and Professional Development; these appointments are expected to commence in late 2016.

Operational Training and Professional Development recorded a number of highlights throughout the financial year, including the delivery of:

- 48 848 course completions;
- 486 members awarded Certificate II in Public Safety (Firefighting Operations);
- 14 members awarded qualifications up to Diploma level from the Public Safety Training Package; and
- 5185 members with validated USI Numbers to support their achievement of Nationally Accredited Training.

The Volunteer Portal continued to show increased access by members, highlighted by:

- 3294 members accessing the Portal;
- 10 096 training accreditations signed off at the brigade level;
- 4290 Academic Transcripts accessed; and
- 116 796 pages viewed.

The Portal continues to be the single source of truth for all training related details and more data is being migrated from ESOTAS to this source of distribution.

Following the Sampson Flat and Pinery fires, incident management capacity across the service is being reviewed and strengthened and Operational Training and Professional Development is actively progressing training solutions in line with the findings of the relevant reports. The anticipated employment of additional staff will see an increase in the capacity to support this initiative across the service and supporting agencies.

Staff professional development continues to be enhanced across the service with the development of the Staff Development Framework, closely aligned to the Australasian Fire and Emergency Services Authorities Council's (AFAC) Leadership Capability Framework. A major initiative in this area was the introduction in April 2016 of the Leadership Capabilities – 'Ethics and Collaboration' professional development series, attended by all staff members. This is the first part of a series of professional development initiatives to be scheduled across all streams within the service.

Awards

The CFS Awards Committee receives and considers nominations for the following awards:

- Australian Fire Service Medal (AFSM);
- SA Emergency Services Medal (SAESM);
- Emergency Services Ministerial Commendations; and
- other awards referred by the CFS Chief Officer.

The Committee makes recommendations to the Chief Officer regarding nominations for the Awards listed above. All documentation regarding nominations and recommendations and the business of the CFS Awards Committee are held in strict confidence.

The membership of the CFS Awards Committee consists of volunteers, senior executives and staff within the CFS.

Australian Fire Service Medal

The AFSM is awarded for distinguished service by a member of an Australian fire service. The AFSM was introduced in 1988 and replaced the Imperial awards of the Queen's Fire Service Medal for Gallantry and the Queen's Fire Service Medal for Distinguished Service. Recipients of the Australian Fire Service Medal are entitled to use the post-nominal letters "AFSM". Awards are made by the Governor-General, on the nomination of the responsible minister in each state or territory and at the federal level.

During 2015-16, four members were awarded the Australian Fire Service Medal.



From left: Richard Munn, Deputy Chief Officer Andrew Stark and Ian Tanner at the Queen's Birthday Honours Awards Ceremony

For many years **Richard Munn** has balanced the demands of employed senior leadership within the Department of Woods and Forests, ForestrySA and SA Water, with his passion and commitment to volunteering.

He had always been prepared to use his skills and abilities to coordinate harmony between all agencies for the betterment of the CFS.

"Richard has delivered exemplary and distinguished service throughout his career and membership of the CFS, and is also a well-deserved recipient of the AFSM."

Ian Tanner joined the CFS in 1990 and has maintained his commitment to the service whilst in his employment with the Department of Woods and Forests, through to his current employment with the Department of Environment, Water and Natural Resources (DEWNR).

"Ian is extremely well respected amongst his professional colleagues and peers state wide and nationally," Mr Nettleton said.

Ian has undertaken senior incident management roles at numerous bushfire incidents including the Pinery and Sampson Flat fires. He has planned and delivered complex fuel reduction prescribed burn in high risk areas.

As a qualified, competent and proficient Fire Behaviour Analyst, Ian has contributed significantly to the development of bushfire spread modelling in South Australia and been instrumental in developing and delivering prescribed burning training courses in incident management training delivery across government and has delivered presentations at interstate conferences on his specialist areas.

"His expertise continues to enhance and support fire management activities across South Australia and is well deserving of the Australia Fire Service Medal."



From left: Tracy "Bluey" Devine, Chief Officer Greg Nettleton and Peter Venning at the Australia Day Awards Ceremony

Tracy Devine – or Bluey as he is known to everyone, started with the CFS at the Stirling North Brigade as a firefighter in 1989. In 2001 he joined the CFS staff as Region 4 Training Officer, and was later selected as Regional Operations Officer in 2005. This saw him work closely with brigades and groups developing plans and initiatives to enhance the response and operational capability of the region.



Bluey became Region 4 Commander in 2011 and still holds that position today. He gained competency in bushfire investigation and incident management qualifications and has led a number of deployments to provide support to other regions and states, as well as responding with his local brigade (now Laura).

Bluey has enormous ability to lead and communicate with large groups and communities that are suffering high emotional and physiological stress from significant incidents. His leadership and skills have allowed him to help develop brigades in the indigenous communities in the APY Lands, as well as the remote and isolated communities in the north and north east of South Australia.

He provides stability and with leadership in difficult circumstances, maintains a vision with achievable goals while having continual concern for those around him.

Peter Venning adds the AFSM to an already distinguished volunteer career with the CFS, which includes life membership for the CFS and the Morphett Vale brigade as well as a 40 year service medal. Peter joined the CFS at Gumeracha in 1973 and has been a volunteer ever since. He moved to Clare CFS for a time and then to Morphett Vale in 1982. He has been both Group Officer and Deputy Group Officer for the Mawson Group for almost 20 years.



Peter is an exceptional leader and role model for volunteers within the CFS and has contributed to the modernisation of the service, particularly in areas of volunteer management, public safety and the financial management of brigades.

When the Noarlunga and Happy Valley CFS groups merged in 1998, Peter helped steer the two groups towards a cohesive foundation. This solid foundation, established in the early days of the group, set an extremely high standard which is still evident today.

Much of Peter's work contributions to the organisation have been in the background with most volunteers unaware of how much time, effort and passion he has for the CFS. His dedication to getting the best deal for all volunteers is unquestionably beyond the norm and he deserves to be recognised for this.

VOLUNTEER SERVICES BRANCH

The Volunteer Services Branch (VSB) supports emergency service volunteers through providing practical assistance and advice on the recruitment, retention and recognition of volunteers and the delivery of non-operational training. Additionally, the VSB provides advice to the CFS and SES on volunteering issues, including data reporting, participation in research, employer and volunteer recognition, legislative advice and youth programs.

The branch consists of six staff located within SAFECOM headquarters in Adelaide and operates under a governance group structure which consists of the Manager, the VSB and the Deputy Chief Officers of the CFS and SES. The Governance Group was established in order to foster greater communication and input from the agencies into the work carried out by the VSB and to add a greater strategic focus to VSB activities.

The main achievements of the VSB this year have been in the areas of non-operational training, the Anzac Eve Youth Vigil and recruitment and retention of emergency services volunteers.

Non-Operational Training

While the principle focus of the VSB remains on the recruitment and retention of CFS and SES volunteers, the branch continues to deliver training packages designed to provide volunteers with practical skills to assist team performance. These training packages include Dealing with Inappropriate Behaviour and Understanding Your Team training.

The VSB continued to undertake Cadet Leader and Child Safe Environment training, which are designed specifically for brigades and units with cadet programs or who are looking to commence cadet programs.

A Health Check remains one of the most requested training sessions by brigades and units from the VSB. Health checks are a thorough evaluation of the brigade or unit examining areas including leadership, morale, teamwork and material resources which culminates in a report that may include recommendations to address any issues.

During the last twelve months the VSB delivered 35 training sessions to 482 volunteers and 18 health checks.

Anzac Eve Youth Vigil

A total of 22 young people from the CFS and SES joined members of various other youth volunteer organisations to conduct an overnight vigil acknowledging the legacy of the Australian and New Zealand Army Corps (ANZAC), held at the National War Memorial on North Terrace.

Ten CFS cadets from Blackwood, Ironbank, Hindmarsh Valley and Lower Inman Valley Brigades joined members of various other youth volunteer organisations to participate in the vigil. This activity was coordinated by the VSB who arranged travel, special uniforms, catering and accommodation for the cadets.

Recruitment and Retention of Emergency Service Volunteers

In August 2015, an Employer Engagement Breakfast was held at The Playford, Adelaide as part of an initiative to raise the profile of emergency service volunteers and encourage support to employees who choose to volunteer with the CFS and SES. The event was attended by representatives from businesses and organisations that have a presence in regional South Australia, including those from the agricultural, mining, retail and banking sectors and was an opportunity for them to provide valuable input into the future direction of supporting employers of emergency service volunteers.

A number of new recruitment television commercials were launched within this period. The commercials were broadcast in regional locations and focussed on targeting those in the South Australian community who may not have already considered joining the Emergency Services. The commercials are designed to target people from culturally and linguistically diverse backgrounds, youth and women and highlight the non-operational roles available in the CFS and SES. Funding for both the commercials and the Employer Engagement Breakfast was made possible following a successful grant submission to the Natural Disaster Resilience Program (NDRP).

Other Achievements

- Coordinated the exit survey process for the CFS.
- Provided support to volunteers to access grant funding.
- Coordinated the CFS Annual Returns process.
- Provided advice and Executive Officer functions to a range of committees including the State Cadet Committee and Youth Advisory Council.
- Provided advice through data reporting.
- 1832 National Criminal History Checks were completed.
- 1776 Recruitment referrals (recruitment hotline or website enquiries).

CFS Volunteer Numbers

Table 2: CFS Volunteer Numbers

Region	Fire Fighters				Operational Support				Cadets				Total			
	Jun-14	Jun-15	Net Change	% Change	Jun-14	Jun-15	Net Change	% Change	Jun-14	Jun-15	Net Change	% Change	Jun-14	Jun-15	Net Change	% Change
DEWNR	343	361	18	5.25%	160	142	-18	-11.25%	0	0	0	0.0%	503	503	0	0.0%
S/OPS	16	21	5	31.25%	2	2	0	0.0%	0	0	0	0.0%	18	23	5	27.78%
1	2 447	2 403	-44	-1.8%	697	738	41	5.88%	231	236	5	2.16%	3 375	3 377	2	0.06%
2	2 206	2 218	12	0.54%	414	431	17	4.11%	261	234	-27	-10.34%	2 881	2 883	2	0.07%
3	1 175	1 155	-20	-1.7%	185	191	6	3.24%	74	66	-8	-10.81%	1 434	1 412	-22	-1.53%
4	1 574	1 576	2	0.13%	256	261	5	1.95%	167	152	-15	-8.98%	1 997	1 989	-8	-0.4%
5	1 713	1 695	-18	-1.05%	313	288	-25	-7.99%	49	45	-4	-8.16%	2 075	2 028	-47	-2.27%
6	1 374	1 372	-2	-0.15%	299	296	-3	-1.0%	48	49	1	2.08%	1 721	1 717	-4	-0.23%
Total	10 848	10 801	-47	-0.43%	2 326	2 349	23	0.99%	830	782	-48	-5.78%	14 004	13 932	-72	-0.51%

YOUTH ADVISORY COUNCIL

The CFS Youth Advisory Council (YAC) was formed in November 2010. The committee consists of ten people, six representing CFS regions, one representing the Volunteers Association and one acting as a mentor for the committee. CFS Deputy Chief Officer and VSB Youth Development Officer (Executive Officer) also attend the committee. The CFS is helping to build the skills of these young people to enable them to become leaders of tomorrow.



The YAC:

- provides a youth perspective on issues;
- is actively involved and plays an important role in leadership and decision making (including membership of the Chief Officer's Advisory Committee); and
- raises issues that have been identified as important to young people in CFS.

During 2015-16, the CFS YAC met six times.

FINANCIAL SUMMARY

The following table provides an overview of the financial result for CFS for 2015-16 and the two previous financial years.

Table 3: CFS Financial Result - Overview

	2015-16	2014-15	2013-14
	\$'000	\$'000	\$'000
Total Expenses	76 657	73 981	75 323
Total Income	4 931	5 372	4 670
Revenues from SA Government	74 437	74 943	74 944
Net Result	2 711	6 334	4 291
Capital Program	16 123	16 558	13 249

The financial result includes the net financial position of all CFS Groups and Brigades.

Expenses

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

Total expenses for the CFS were higher in 2015-16 due to additional training staff announced in the State Budget and additional workers compensation expenses. Total expenses were higher in 2013-14 primarily due to extraordinary bushfire response costs for the Bangor fire and other significant fires that year being higher than those for the Sampson Flat fire and other fires in 2014-15.

Income and Revenues from SA Government

The CFS is primarily funded by contributions from the Community Emergency Services Fund (revenues from SA Government). Other income sources for the CFS include a Commonwealth Government contribution towards the cost of aerial firefighting, fees and charges, one-off project grants and fundraising by Brigades.

Income in 2014-15 was higher due to one-off project grants.

Capital

The CFS capital program is used to replace ageing fire appliances, fire stations and other operational equipment. The 2014-15 capital program was higher due to the purchase of breathing apparatus sets.

Financial Services

Financial services are provided by a range of personnel including volunteer administration and finance officers in Brigades and Groups, Business Services Officers in Regional Offices, SAFECOM Finance staff and Shared Services SA staff.

APPENDICES

APPENDICES

Appendix A: Workforce Statistics

Table 4: Total Number and Gender of Employees

Total Number of Employees as at 30 June 2016				
Gender	Persons		FTE	
	Number	%	Number	%
Female	67	43.8	58.7	40.8
Male	86	56.2	85.3	59.2

Table 5: Employee Recruitment and Retention

Number of Persons During the Last 12 months	
Separated from the agency during the last 12 months	21
Recruited to the agency during the financial year	20
Recruited to the agency during the financial year AND who were active (paid) at June 2015	20
On leave without Pay at 30 June 2015	2

Table 6: Employees by Salary Bracket

Number of Employees by Salary Bracket			
Salary Bracket	Female	Male	Total
\$0 - \$54 799	16	1	17
\$54 800 - \$69 699	28	14	42
\$69 700 - \$89 199	13	39	52
\$89 200 - \$112 599	9	30	39
\$112 600+	1	2	3
Total	67	86	153

Table 7: Employees by Gender and Employment Status

Status of Employees in Current Position					
Gender	FTE's				
	Ongoing	Short-term contract	Long-term contract	Casual	Total
Female	56.7	1	1	0	58.7
Male	75.3	7	3	0	85.3
Total	132	8	4	0	144
Gender	Persons				
	Ongoing	Short-term contract	Long-term contract	Casual	Total
Female	65	1	1	0	67
Male	76	7	3	0	86
Total	141	8	4	0	153

Table 8: Executives by Gender, Classification and Employment Status

Number of Executives by Gender, Classification and Employment Status								
Classification	Ongoing		Term Tenured		Term Untenured		Total	
	F	M	F	M	F	M	Female (%)	Male (%)
EXEC0A	0	0	0	0	1	1	33.3	33.3
EXEC0C	0	0	0	0	0	1	0	33.3
Total	0	0	0	0	1	2	33.3	66.7

Table 9: Average Days Leave per Full Time Equivalent Employee (FTE)

Average Days Leave Taken (FTE)	
Leave Type	2015-16
Sick Leave	9
Family Carer's Leave	0.7
Special Leave with Pay	0.4

Table 10: Aboriginal and/or Torres Strait Islander Employees by Salary Bracket

Number of Aboriginal and/or Torres Strait Islander Employees			
Salary Bracket	Aboriginal Employees	Total Employees	% Aboriginal Employees
\$0 - \$54 799	0	17	0
\$54 800 - \$69 699	0	42	0
\$69 700 - \$89 199	0	52	0
\$89 200 - \$112 599	0	39	0
\$112 600+	0	3	0
Total	0	153	0

* Reflects self-reporting within CFS.

Table 11: Employees by Age Bracket by Gender

Number of Employees by Age Bracket by Gender					
Age Bracket	Female	Male	Total	Total (%)	2014 Workforce Benchmark * %
15 – 19	0	0	0	0	5.5
20 – 24	1	0	1	0.7	9.7
25 – 29	1	5	6	3.9	11.2
30 – 34	6	6	12	7.8	10.7
35 – 39	6	3	9	5.9	9.6
40 – 44	9	17	26	17.0	11.4
45 – 49	14	13	27	17.7	11.1
50 – 54	11	12	23	15.0	11.4
55 – 59	10	15	25	16.3	9.1
60 – 64	6	10	16	10.5	6.7
65+	3	5	8	5.2	3.6
Total	67	86	153	100	100

* Source: Australian Bureau of Statistics Australian Demographic Statistics, 6291.0.55.001 Labour Force Status (ST LM8) by sex, age, state, marital status – employed – total from Feb78 Supertable, South Australia at November 2013

Table 12: Cultural and Linguistic Diversity

Cultural and Linguistic Diversity				
	Female	Male	Total	Agency (%)
Number of Employees born overseas	15	22	37	24.2
Number of Employees who speak language(s) other than English at home	3	3	6	3.9

* Reflects self-reporting within CFS.

Table 13: Employees with Disability *

Total Number of Employees with Disabilities				
Disability	Female	Male	Total	Agency (%)
Disability Requiring Workplace Adaptation	6	5	11	7.1
Physical	2	3	5	3.2
Intellectual	0	0	0	0
Sensory	4	2	6	3.9
Psychological/ Psychiatric	0	0	0	0

* According to Commonwealth DDA Definition

Table 14: Employees Accessing Voluntary Flexible Working Arrangements by Gender

Number of Employees Using Voluntary Flexible Working Arrangements by Gender			
Leave Type	Female	Male	Total
Purchased Leave	0	0	0
Flexitime	44	80	124
Compressed Weeks	1	0	1
Part-time	10	0	10
Job Share	2	0	2
Working from Home	1	3	4

Table 15: Documented Review of Individual Performance Management

Individual Performance Management Reviews	
	Total Workforce (%)
A review within the past 6 months	N/A
A review older than 6 months	N/A
No review	N/A

Table 16: Total Expenditure on Training and Development

Leadership and Management Training Expenditure		
Training and Development	Total Cost \$'000	Total Salary Expenditure (%) ¹
Training and development expenditure	7 174	N/A
Leadership and management development expenditure	412	N/A

¹ Training and development expenditure has not been expressed as a percentage of total salary for CFS as the expenditure relates to both staff and volunteers.

Table 17: Work Health and Safety Prosecutions, Notices and Corrective Action Taken

Work Health and Safety Prosecutions	
	Number
Notifiable incidents pursuant to Work Health and Safety (WHS) Act Part 3	8
Notices served pursuant to WHS Act Section 90, Section 191 and Section 195 (Provisional Improvement, Improvement and Prohibition Notices)	1
Prosecutions pursuant to WHS Act Part 2 Division 5	0
Enforceable undertakings pursuant to WHS Act Part 11	0

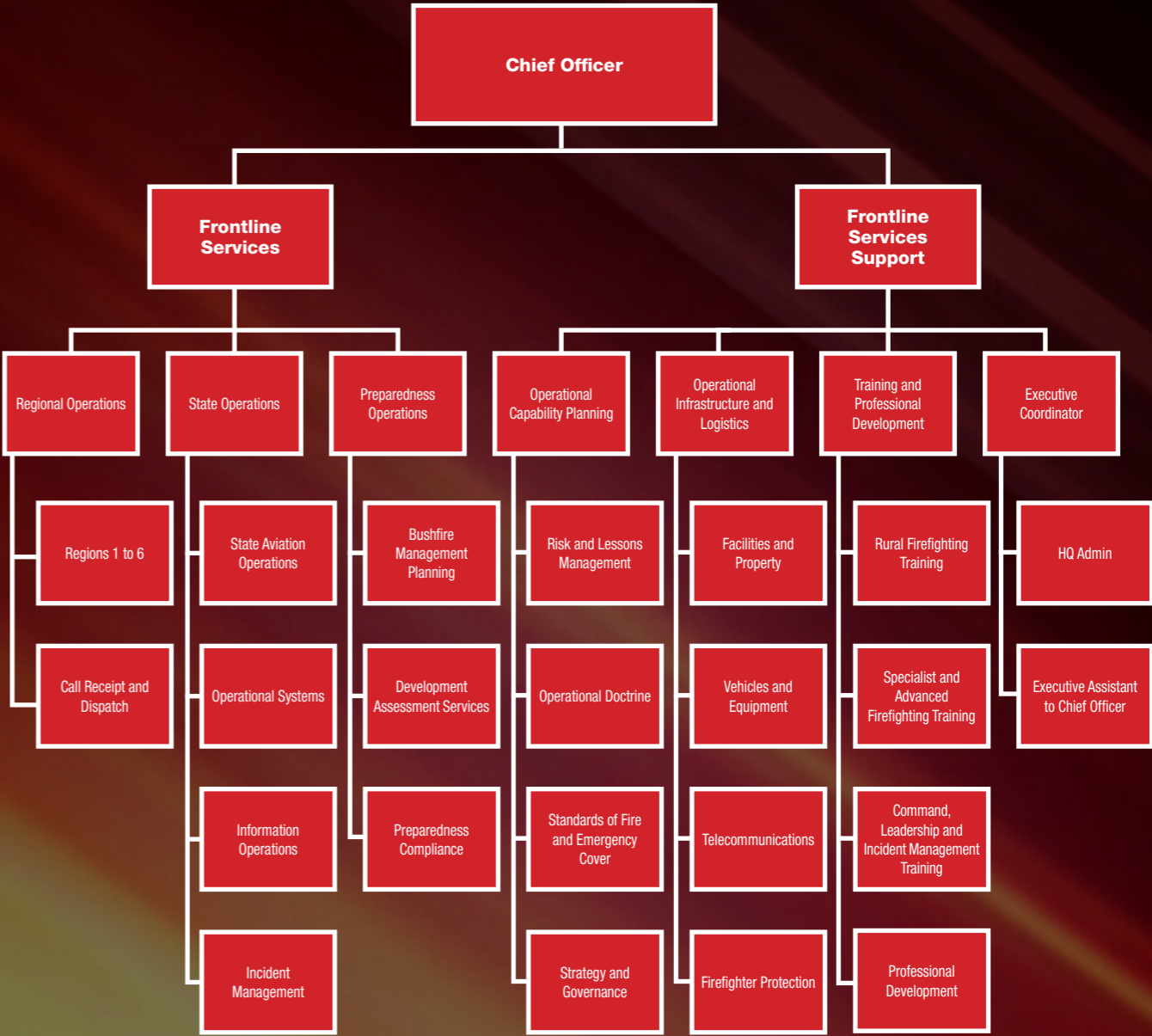
Table 18: Agency Gross Workers Compensation Expenditure for 2015-16 Compared with 2014-15

Workers Compensation Expenditure				
Expenditure	2015-16 (\$)	2014-15 (\$)	Variation (\$) + (-)	% Change + (-)
Income support	183 926	112 460	71 466	63.55
Hospital	17 754	62 903	(45 149)	(71.78)
Medical	134 796	160 396	(25 600)	(15.96)
Rehabilitation/return to work	16 476	3 106	13 370	430.46
Investigations	0	0	0	0
Legal expenses	61 722	18 114	43 608	240.74
Lump sum	1 100 783	496 600	604 183	121.66
Travel	9 885	8 855	1 030	11.63
Other	31 366	9 879	21 487	217.5
Total	1 556 708	872 313	684 395	78.46

¹ Before 3rd party recovery

² Information available from the Self Insurance Management System (SIMS)

Appendix B: Organisational Structure as at 30 June 2016



Appendix C: Administrative Reports

Asbestos Management

Table 19: Asbestos Management

SA Country Fire Service Annual Asbestos Management Report 2015-16				
Category	No. of sites in Category		Category Description	Interpretation
	At Start of Year = 417	At End of Year = 417		
1	8	0	Remove	Should be removed promptly
2	3	3	Remove as soon as practicable	Should be scheduled for removal at a practical time.
3	50	57	Use care during maintenance	May need removal during maintenance work
4	20	21	Monitor Condition	Is present, inspect according to legislation and policy
5	335	336	No asbestos identified/identified asbestos has been removed	(All asbestos identified as per OHS & W 4.2.10(1) has been removed)
6	1	0	Further information required	(These sites not yet categorised)

Category 2

Stirling CFS - station to be replaced

Port Victoria CFS - appliance bay and cable pit - station to be replaced 2016-17

Meadows CFS – existing site with balance land purchased from Council

Freedom of Information

The following information is provided pursuant to the provisions of Section 9 of the Freedom of Information Act 1991.

An application for waiver of the fee should state grounds for such waiver.

A request for access to a document must be made in writing and should be addressed as follows:

Freedom of Information Officer
SA Country Fire Service
GPO Box 2468
ADELAIDE SA 5001

Fees and charges

A request must be accompanied by an application fee of \$32.50. The application fee may be waived in cases where payment is likely to cause financial hardship to the applicant.

Table 20: FOI Requests Received

FOI Requests Received	
New (including transferred in)	37
Total to be processed	37
Completed requests	31

Table 21: Results of FOI Requests

Results of FOI Requests	
Granted in full	26
Granted in part	5
Section 16(a) exempt	0
Fees Received	\$580

Table 22: Days Taken to Process FOI Requests

Days to Process	
0 – 15 days	15
16 – 30 days	14
Over 30 days	2
Total	31

Account Payment Performance

The CFS paid 98 per cent of its accounts within 30 days.

Table 23: Account Payment Performance

	Number of Accounts Paid	Accounts Paid (By Number) (%)	Value in \$A of Accounts Paid	Accounts Paid (By Value) (%)
Paid by due date	22 609	98	64 313 802	96
Paid late, within 30 days of due date	262	1	2 292 859	3
Paid more than 30 days from due date	126	1	70 992	<1
Total	22 997		66 677 653	

Fraud

The CFS has a financial control framework in place that minimises the risk of fraud occurring. The control framework includes a specific policy addressing fraud, clear statements of the CFS values, a code of conduct for CFS personnel, financial policies and procedures and compliance checks designed to detect instances of fraud.

During 2015-16 the CFS became aware of suspected inappropriate expenditure by a staff member. The matter is being investigated.

Consultants

Table 24: Consulting Expenditure

Consultant	Purpose of consultancy	Number	Total (\$)
Value \$10 000 and above			
Noetic Solutions	Lessons learned review of the Pinery Fire	1	65 856
Total		1	65 856

Overseas Travel

Table 25: Overseas Travel

Number of Employees	Destinations	Reasons for Travel	Total Cost to Agency (\$)
3	South Korea	Attendance at the 6th International Wildland Fire Conference	10 063
Total			10 063

Appendix D: Australasian Incident Reporting System (AIRS)

The CFS is a community based fire and emergency service dedicated to protecting the life, property and environmental assets of rural and semi-urban South Australians.

The CFS provides services in the following areas:

- suppression of bushfires;
- suppression of structural fires;
- motor vehicle accidents;
- hazardous materials incidents;
- storm damage, floods and special incidents;
- advice on building fire safety;
- risk and response planning; and
- community education and awareness programs.

The CFS works in close partnership with industry and community groups in high risk areas to increase awareness of fire prevention and develop risk minimisation programs.

The following statistics are a brief representation of the total number of incidents attended and the type of incident and brigade turnouts responded.

Volunteers also expend many hours undertaking other activities including:

- administration;
- brigade and group meetings;
- equipment and station maintenance;
- response planning; and
- training.

The following information is provided using the Australasian Fire Incident Reporting System. The Australian Standard (AS 2577) 'Collection of Data on Fire Incidents' has been adopted by fire authorities in Australia.

Table 26: Incidents by Incident Group and Type

Incident Numbers by Incident Group and Type 2015-16		
Incident Group	Incidents	Turnouts
Fixed Alarm (no cause)	879	1 224
Hazmat Incident	226	419
Miscellaneous Incident	178	252
Other Incidents/Attendance	624	1 330
Rural Incident	2 496	5 548
Special Service Incident	1 745	2183
Structure Incident	468	1 096
Vehicle Related Incident	2 432	4 111
Total	9 048	16 163

Table 27: Fire Cause by Incident Group - Rural

Rural Fire Cause	Number
Unspecified	1 952
BBQ	2
Burning and Burn Offs - With Permit	29
Burning and Burn Offs - Without Permit	57
Campfire	15
Cigarette	3
Deliberate	19
Electrical - Power Lines	16
Fireworks	5
Harvesting - Build Up of Material	2
Harvesting - Engine/Exhaust	3
Harvesting - Mechanical Failure	7
Harvesting - Other	16
Harvesting - Static Electricity	1
Incinerator	3
Lightning	50
Mechanical Cutting Tool	13
Other	15
Rekindle	82
Rubbish Heap	18
Slasher/Mower	16
Spontaneous Combustion	9
Suspicious	36
Train	1
Undetermined	38
Unknown Suspected Lightning	2
Vehicle - Other	10
Vehicle Exhaust (Not Used in Harvesting)	3
Welding	2

Table 28: Fire Cause by Incident Group - Structural

Structural Fire Cause	Number
Unspecified	326
Candles/Lanterns	5
Chemical Reaction	1
Chimney - Build Up of Material	7
Chimney - Installation Fault	3
Cigarette	2
Cooking/Food Preparation	16
Deliberate	12
Electrical - Appliance (Not Including Heaters)	12
Electrical - Other	9
Electrical - Wiring	15
Heater - Electric	3
Heater - Other	5
Industrial Processes	2
Other	8
Smoking Devices	2
Suspicious	11
Undetermined	27
Unknown Suspected Lightning	1

Table 29: Fire Cause by Incident Group - Vehicle

Vehicle Fire Cause	Number
Unspecified	374
Brakes Over Heat	3
Build Up of Combustible Material – Catalytic Converter	1
Build Up of Combustible Material – Other	4
Crash	1
Deliberate	16
Electrical	24
Gas Appliance (not including gas powered engines)	1
Mechanical Malfunction	17
Other	3
Smoking Devices	2
Suspicious	26
Undetermined	17

ANNUAL FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT



Government of South Australia
Auditor-General's Department

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

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

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and subsection 100(2) of the *Fire and Emergency Services Act 2005*, I have audited the accompanying financial report of the South Australian Country Fire Service for the financial year ended 30 June 2016. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2016
- a Statement of Financial Position as at 30 June 2016
- a Statement of Changes in Equity for the year ended 30 June 2016
- a Statement of Cash Flows for the year ended 30 June 2016
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Chief Officer and the Business Manager.

The Chief Officer's responsibility for the financial report

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

Auditor's responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The auditing standards require that the auditor comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Chief Officer, as well as evaluating the overall presentation of the financial report.

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

My report refers only to the financial statements described above and does not provide assurance over the integrity of publication of the financial report on the South Australian Country Fire Service's website nor does it provide an opinion on any other information which may have been hyperlinked to/from these statements.

Opinion

In my opinion, the financial report gives a true and fair view of the financial position of the South Australian Country Fire Service as at 30 June 2016, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

Andrew Richardson
Auditor-General
19 September 2016

South Australian Country Fire Service (CFS)

Financial Statements

For the year ended 30 June 2016

South Australian Country Fire Service Certification of Financial Statements for the year ended 30 June 2016

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

- comply with relevant Treasurer's Instructions issued under Section 41 of the *Public Finance and Audit Act 1987*, and any relevant Australian Accounting Standards;
- are in accordance with the accounts and records of the South Australian Country Fire Service; and
- present a true and fair view of the financial position of the South Australian Country Fire Service as at 30 June 2016 and the results of its operations and cash flows for the financial year.

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



Greg Nettleton
Chief Officer
South Australian Country Fire Service
16 September 2016

Joel Schirmer
Business Manager
South Australian Country Fire Service
16 September 2016

South Australian Country Fire Service
Statement of Comprehensive Income
for the year ended 30 June 2016

	Note	2016 \$'000	2015 \$'000
Expenses			
Employee benefits	5	19 308	15 993
Supplies and services	6	46 955	47 342
Depreciation and amortisation	7	9 984	9 864
Grants and subsidies	8	389	389
Net loss from the disposal of non-current and other assets	9	21	393
Total expenses		76 657	73 981
Income			
Fees and charges	10	1 542	1 233
Grants and contributions	11	2 610	2 475
Interest	12	122	237
Groups/Brigades	13	135	775
Other	14	522	652
Total Income		4 931	5 372
Net cost of providing services		71 726	68 609
Revenues from SA Government:			
Revenues from SA Government	15	74 437	74 943
Total revenues from SA Government		74 437	74 943
Net result		2 711	6 334
Other comprehensive income:			
<i>Items that will not be reclassified to net result</i>			
Net expenses relating to non-current assets held for sale		-	(133)
Total other comprehensive income		-	(133)
TOTAL COMPREHENSIVE RESULT		2 711	6 201

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

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

South Australian Country Fire Service
Statement of Financial Position
as at 30 June 2016

	Note	2016 \$'000	2015 \$'000
Current assets			
Cash and cash equivalents	16	13 127	9 135
Receivables	17	1 900	4 789
Other financial assets	18	2 266	2 208
Non-current assets held for sale	19	742	742
Total current assets		18 035	16 874
Non-current assets			
Property, plant and equipment	20	166 085	160 245
Intangibles	21	5	7
Total non-current assets		166 090	160 252
Total assets		184 125	177 126
Current liabilities			
Payables	23	5 158	2 582
Employee benefits	24	2 081	1 779
Provisions	25	2 562	985
Total current liabilities		9 801	5 346
Non-current liabilities			
Payables	23	334	324
Employee benefits	24	3 565	3 559
Provisions	25	2 461	2 644
Total non-current liabilities		6 360	6 527
Total liabilities		16 161	11 873
Net assets		167 964	165 253
Equity			
Asset revaluation surplus	26	45 703	45 703
Retained earnings	26	122 261	119 550
Total equity		167 964	165 253
The total equity is attributable to the SA Government as owner			
Unrecognised contractual commitments	28		
Contingent assets and liabilities	29		

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

South Australian Country Fire Service
Statement of Changes in Equity
for the year ended 30 June 2016

		Revaluation Surplus	Retained Earnings	Total equity
	Note	\$'000	\$'000	\$'000
Balance at 30 June 2014		45 836	113 216	159,052
Net result for 2014-15		-	6,334	6,334
Net expenses relating to non-current assets held for sale		(133)	-	(133)
Total comprehensive result for 2014-15		(133)	6 334	6 201
Balance at 30 June 2015	26	45 703	119 550	165 253
Net result for 2015-16		-	2,711	2,711
Total comprehensive result for 2015-16		-	2 711	2 711
Balance at 30 June 2016	26	45 703	122 261	167 964

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

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

South Australian Country Fire Service
Statement of Cash Flows
for the year ended 30 June 2016

	Note	2016 \$'000	2015 \$'000
Cash flows from operating activities			
Cash outflows			
Employee benefits payments		(17 499)	(14 938)
Supplies and services		(51 570)	(53 378)
Grants and subsidies payments		(389)	(389)
Payments for paid parental leave scheme		(34)	(15)
Cash used in operations		(69 492)	(68 720)
Cash inflows			
Fees and charges		4 823	1 671
Receipts from grants and contributions		2 980	1 718
Interest received		124	244
GST recovered from the ATO		5 664	4 726
Receipts for paid parental leave scheme		36	17
Other receipts		302	1 267
Cash generated from operations		13 929	9 643
Cash flows from SA government			
Contributions from Community Emergency Services Fund	15	74 389	74 279
Other receipts from SA Government	15	48	664
Cash generated from SA government		74 437	74 943
Net cash provided by operating activities	27	18 874	15 866
Cash flows from investing activities			
Cash outflows			
Purchase of investments		(58)	(361)
Purchase of property, plant and equipment		(15 104)	(16 870)
Net cash (used in) investing activities		(15 162)	(17 231)
Cash inflows			
Proceeds from sale of property, plant and equipment		280	250
Cash generated from investing activities		280	250
Net cash used in investing activities		(14 882)	(16 981)
Net increase/(decrease) in cash and cash equivalents		3 992	(1 115)
Cash and cash equivalents at the beginning of the period		9 135	10 250
Cash and cash equivalents at the end of the period	16	13 127	9 135

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

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2016

1 Objectives and funding

Objectives

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

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

Funding arrangements

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

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

2 Summary of significant accounting policies

(a) Statement of compliance

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

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

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

Except for AASB 2015-7 which CFS has early adopted, Australian Accounting Standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted by CFS for the reporting period ending 30 June 2016 (refer note 3).

(b) Basis of preparation

The preparation of the financial statements requires:

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

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2016

2 (b) Basis of preparation (continued)

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

CFS's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets that were valued in accordance with the valuation policy applicable.

The Statement of Cash Flows has been prepared on a cash basis.

The financial statements have been prepared based on a 12 month period and presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2016 and the comparative information presented.

(c) Reporting entity

Under the Act, CFS is a separate body corporate acting on behalf of the Crown and part of the consolidated emergency services sector.

The financial statements include all the controlled activities of CFS. CFS does not control any other entity and has no interests in unconsolidated structured entities.

CFS has not entered into any contractual arrangements which involve the sharing of control or significant influence over another entity.

(d) Budgeted amounts

Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2015-16 Budget Paper 4). Budget information has been included for the Statement of Comprehensive Income and for Investment Expenditure. Budget information has not been included for the Statement of Financial Position or Statement of Cash Flows as the information in these statements are not budgeted for on the same basis and/or determined in a different manner to financial statement information. These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets. The budget process is not subject to audit.

(e) Comparative information

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

Where presentation or classification of items in the financial statements have been amended, comparative figures have been adjusted to conform to changes in presentation or classification in these financial statements unless impracticable.

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

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2016

2 Summary of significant accounting policies (continued)

(f) Rounding

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

(g) Taxation

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

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

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

The net amount of GST recoverable from, or payable to, the Australian Taxation Office 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 Australian Taxation Office is classified as part of operating cash flows.

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

(h) Events after the reporting period

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

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

(i) Income

Income is recognised to the extent that it is probable that the flow of economic benefits to CFS will occur and can be reliably measured.

Income has been aggregated according to its nature and has not been offset unless required or permitted by a specific accounting standard or where offsetting reflects the substance of the transaction or other event.

The following are specific recognition criteria:

Revenues from SA Government

Contributions from the Fund and other receipts from SA Government are recognised as an asset and income when CFS obtains control over the funding. Control over funding is normally obtained upon receipt.

Grants and contributions

Grants and contributions are recognised as an asset and income when CFS obtains control of revenues or obtains the right to receive the revenues and the income recognition criteria are met (i.e. the amount can be reliably measured and the flow of resources is probable).

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2016

2 (i) Income (continued)

Generally, CFS has obtained control or the right to receive for:

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

All contributions received by CFS have been contributions with unconditional stipulations attached and have been recognised as an asset and income upon receipt.

Fees and charges

Revenues from fees and charges are derived from the provision of goods and services to the public, other SA Government agencies and incident cost recovery. This revenue is recognised upon delivery of the service to the clients or by reference to the stage of completion.

Other income

Other income consists of rent received, insurance recoveries and other minor revenues.

(j) Expenses

Expenses are recognised to the extent that it is probable that the flow of economic benefits from CFS will occur and can be reliably measured.

Expenses have been aggregated according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are specific recognition criteria:

Employee benefits expenses

Employee benefits expenses include all costs related to employment including wages and salaries, non-monetary benefits and leave entitlements. These are recognised when incurred.

Superannuation

The amount charged to the Statement of Comprehensive Income represents the contributions made by CFS to the superannuation plan in respect of current services of current CFS staff. The Department of Treasury and Finance centrally recognises the superannuation liability in the whole of government financial statements for all Government managed funds.

Operating leases

Operating lease payments are recognised as an expense in the Statement of Comprehensive Income on a straight-line basis over the lease term. The straight-line basis is representative of the pattern of benefits derived from the leased assets.

Loss from disposal of non-current assets

Expenses from the disposal of non-current assets are recognised when the control of the asset has passed to the buyer and determined by comparing proceeds with carrying amount. 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 2016

2 (j) Expenses (continued)

Any loss on disposal are recognised at the date control of the asset is passed to the buyer and is determined after deducting the cost of the asset from the proceeds at that time.

Depreciation and amortisation

All non-current assets, having a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. Amortisation is used in relation to intangible assets such as software, while depreciation is applied to tangible assets such as property, plant and equipment.

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

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate, which is a change in accounting estimate.

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

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

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

Grants and subsidies

For contributions payable, the contribution will be recognised as a liability and expense when the entity has a present obligation to pay the contribution and the expense recognition criteria are met.

All contributions paid by CFS have been contributions with unconditional stipulations attached.

(k) Current and non-current classification

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

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

(l) Assets

Assets have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position include cash at bank and on hand and short-term highly liquid investments with maturities of three months or less that are readily converted to cash and which are subject to insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Cash is measured at nominal value.

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2016

2 (l) Assets (continued)

Receivables

Receivables include amounts receivable from goods and services, GST input tax credits recoverable, prepayments and other accruals.

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are generally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that CFS will not be able to collect the debt. Bad debts are written off when identified.

Other financial assets

CFS measures other financial assets at cost. All assets in this category are either short or medium term cash deposits.

Non-current assets held for sale

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

Non-current assets classified as held for sale are presented separately from the other assets in the Statement of Financial Position.

Non-current assets

Acquisition and recognition

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

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

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

Revaluation of non-current assets

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

If at any time management considers that the carrying amount of an asset materially differs from its fair value, the asset is revalued regardless of when the last valuation took place. Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation, where they are revalued to fair value.

Any revaluation increment is credited to the revaluation surplus, except to the extent that it reverses a revaluation decrease of the same asset class previously recognised as an expense, in which case the increase is recognised as income. Any revaluation decrease is recognised as an expense, except to the extent that it offsets a previous revaluation increase for the same asset class, in which case the decrease is debited directly to the revaluation surplus to the extent of the credit balance existing in revaluations surplus for that asset class.

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

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

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2016

2 (l) Assets (continued)

Impairment

All non-current tangible and intangible assets are tested for indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. The recoverable amount is determined as the higher of the asset's fair value less costs of disposal and depreciated replacement costs. An amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

For revalued assets, an impairment loss is offset against the respective revaluation surplus.

Intangible assets

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

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

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

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

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

Fair value measurement

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

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

- Level 1 - traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.
- Level 2 - not traded in active market and are derived from inputs (inputs other than quoted prices included within level 1) that are observable for the asset, either directly or indirectly.
- Level 3 - not traded in active market and are derived from unobservable inputs.

Non-financial assets

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

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

Refer note 22 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

Financial assets

CFS does not recognise any financial assets at fair value.

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2016

2 Summary of significant accounting policies (continued)

(m) Liabilities

Liabilities have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Payables

Payables include creditors, accrued expenses, employment on-costs and Paid Parental Leave Scheme.

Creditors represent the amounts owing for goods and services received prior to the end of the reporting period that are unpaid at the end of the reporting period. Creditors include all unpaid invoices received relating to the normal operations of CFS.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received.

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

All payables are measured at their nominal amount, are unsecured and are normally settled within 30 days from the date of the invoice or date the invoice is first received.

Employee benefits on-costs include superannuation contributions, WorkCover levies and payroll tax in respect of outstanding liabilities for salaries and wages, long service leave, annual leave and skills and experience retention leave.

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

Employee benefits

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

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

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

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

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

Long service leave

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

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2016

2 (m) Liabilities (continued)

The estimated liability for long service leave is based on actuarial assumptions over expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over the police and emergency services sector across government. Expected future payments are discounted using market yields at the end of the reporting period on government bonds with durations that match, as closely as possible, the estimated future cash outflows.

(n) Provisions

Provisions are recognised when CFS has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When CFS expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Comprehensive Income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. If the effect of the time value of money is material, provisions are discounted for the time value of money and the risks specific to the liability.

The workers compensation provision is an actuarial estimate of the outstanding liability as at 30 June 2016 provided by a consulting actuary engaged through the Office for the Public Sector (a division of the Department of the Premier and Cabinet). The provision is for the estimated cost of ongoing payments to CFS personnel as required under current legislation.

CFS is responsible for the payment of workers compensation claims.

(o) Unrecognised contractual commitments and contingent assets and liabilities

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

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

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

3 New and revised accounting standards and policies

CFS did not voluntarily change any of its accounting policies during 2015-16.

Except for AASB 2015-7 which CFS has early adopted, Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by CFS for the period ending 30 June 2016. CFS has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on accounting policies or the financial statements of CFS except as outlined below.

AASB 16 Leases will apply for the first time in the 30 June 2020 financial report. This standard will require all leased items in the statement of financial position to be recognised as assets representing the value of that which is leased, and liabilities representing expected future lease payments. Depending on the lease arrangements entered into by CFS at the time, significant assets and liabilities could be recognised and amortised over the lease terms.

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2016

4 Activities of South Australian Country Fire Service

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

5 Employee benefits expenses

	2016	2015
	\$'000	\$'000
Salaries and wages	12 135	10 879
Annual leave	1 124	942
Skills and experience retention leave	63	64
Long service leave	607	643
Employment on-costs - superannuation	1 289	1 110
Payroll tax	737	682
Workers compensation	3 163	1 416
Other employment related expenses	190	257
Total employee benefits	19 308	15 993

Remuneration of employees

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

	2016	2015
	Number	Number
\$141 500 – \$145 000	N/A	1
\$145 001 – \$155 000	1	1
\$155 001 – \$165 000	2	3
\$165 001 – \$175 000	-	1
\$195 001 – \$205 000	1	1
\$235 001 – \$245 000	-	1
\$295 001 – \$305 000	1	1
\$315 001 – \$325 000	1	-
Total	6	9

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year.

Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any FBT paid or payable in respect of those benefits. The total remuneration received by these employees for the year was \$1.3 million (2015: \$1.7 million).

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2016

6 Supplies and services

	2016	2015
	\$'000	\$'000
Accommodation	136	147
Aerial firefighting	9 074	10,803
Auditor's remuneration	29	30
Communications	1 079	1,023
Computing costs	1 523	1,356
Consultancy, contractor and legal fees	2 483	2,324
Consumables	1 720	2,004
Energy	796	793
Government radio network	10 817	10,553
Insurance premiums	224	223
Minor plant and equipment	1 513	1,381
Operating lease costs	2 492	2,350
Operational costs	1 696	2,455
Repairs and maintenance	6 307	5,511
Travel and training	2 508	2,434
Uniforms and protective clothing	2 232	1,801
Other expenses	2 326	2,154
Total supplies and services	46 955	47 342

Consultants

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

	2016	2015	2016	2015
	Number	Number	\$'000	\$'000
Below \$10 000	-	1	-	5
Above \$10,000	1	-	66	-
Total paid/payable to consultants engaged	1	1	66	5

Auditor's remuneration

	2016	2015
	\$'000	\$'000
Audit fees paid/payable to the Auditor-General's Department relating to the audit of the financial statements	29	30
Total audit fees	29	30

Other services

No other services were provided by the Auditor-General's Department.

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2016

7 Depreciation and amortisation expense

	2016	2015
	\$'000	\$'000
Depreciation		
Buildings	2 204	2,224
Vehicles	6 435	6,522
Computers	37	26
Plant	413	212
Communications	893	878
Total depreciation	9 982	9 862
Amortisation		
Software	2	2
Total amortisation	2	2
Total depreciation and amortisation	9 984	9 864

8 Grants and subsidies

	2016	2015
	\$'000	\$'000
Grants and subsidies	389	389
Total grants and subsidies	389	389

9 Net loss from disposal of non-current assets

	2016	2015
	\$'000	\$'000
Vehicles		
Proceeds from disposal	280	250
Less net book value of assets disposed	(298)	(643)
Net loss from disposal of vehicles	(18)	(393)
Plant and equipment		
Proceeds from disposal	-	-
Less net book value of assets disposed	(3)	-
Net loss from disposal of plant and equipment	(3)	-
Total assets		
Proceeds from disposal	280	250
Less net book value of assets disposed	(301)	(643)
Total net loss from disposal of non-current assets	(21)	(393)

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2016

10 Revenues from fees and charges

	2016	2015
	\$'000	\$'000
Fire alarm attendance fees	308	321
Fire safety fees	133	158
Fire alarm monitoring fees	230	212
Incident cost recoveries	459	98
Training and other recoveries	361	429
Other recoveries	51	15
Total fees and charges	1 542	1 233

11 Grants and contributions

	2016	2015
	\$'000	\$'000
Commonwealth Government	2 012	2 261
State Government	598	214
Total Grants and Contributions	2 610	2 475

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

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

12 Interest revenues

	2016	2015
	\$'000	\$'000
Interest on deposit accounts	122	237
Total interest revenues	122	237

13 Groups/Brigades revenues

	2016	2015
	\$'000	\$'000
Groups/Brigades fundraising	135	775
Total Groups/Brigades revenues	135	775

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2016

14 Other income

	2016	2015
	\$'000	\$'000
Rent received	79	62
Insurance recoveries	157	274
Other	286	316
Total other income	522	652

15 Revenues from SA Government

	2016	2015
	\$'000	\$'000
Contributions from Community Emergency Services Fund	74 389	74 279
Other revenues from SA Government	48	664
Total revenues from SA Government	74 437	74 943

Revenues from SA Government consist of \$59.734m (2015: \$59.039m) for operational funding and \$14.703m (2015: \$15.904m) for capital projects.

For details on the expenditure associated with the operational funding and capital funding refer notes 5, 6, 8, 20 and 21.

16 Cash and cash equivalents

	2016	2015
	\$'000	\$'000
Cash on hand	4	5
Deposits with the Treasurer	8 460	4 390
Cash at bank	443	416
Cash at bank - Groups/Brigades	3 473	3 617
Short-term deposits - Groups/Brigades	747	707
Total cash and cash equivalents	13 127	9 135

Short term deposits

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

Interest rate risk

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

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2016

17 Receivables

	2016 \$'000	2015 \$'000
Current		
Receivables	882	3 432
Less: Allowance for doubtful debts	(25)	(18)
	857	3 414
 Accrued revenue	 34	 84
GST input tax recoverable	1 009	1 291
Total current receivables	1 900	4 789

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

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

Movements in the allowance for doubtful debts (impairment loss)

	2016 \$'000	2015 \$'000
Carrying amount at the beginning of the period	(18)	(12)
Amounts written off	5	4
Increase in the allowance	(12)	(10)
Carrying amount at the end of the period	(25)	(18)

Interest rate and credit risk

Receivables are raised for all goods and services provided for which payment has not been received. Receivables are normally settled within 30 days. Receivables, prepayments and accrued revenues are non-interest bearing. Other than as recognised in the allowance for doubtful debts, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

Maturity analysis of receivables and categorisation of financial instruments and risk exposure information

Refer note 34.

18 Other financial assets

	2016 \$'000	2015 \$'000
Medium term deposits - Groups/Brigades	2 266	2 208
Total other financial assets	2 266	2 208

Maturity analysis of receivables and categorisation of financial instruments and risk exposure information

Refer note 34.

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2016

19 Non-current assets held for sale

	2016 \$'000	2015 \$'000
Land	742	742
Total non-current assets held for sale	742	742

Land at Port Lincoln is surplus to requirements and continues to remain on the market for sale as at 30 June 2016.

20 Property, plant and equipment

	2016 \$'000	2015 \$'000
Land		
At valuation	12 811	12 761
At cost (deemed fair value)	342	250
Total land	13 153	13 011
 Buildings		
At valuation	42 195	42 195
At cost (deemed fair value)	1 910	1 123
Less accumulated depreciation	(5 552)	(3 348)
Total buildings	38 553	39 970
 Vehicles		
At valuation	79 986	80 326
At cost (deemed fair value)	19 746	9 972
Less accumulated depreciation	(16 180)	(9 786)
Total vehicles	83 552	80 512
 Communication (Comms.) equipment		
At valuation	4 849	4 849
At cost (deemed fair value)	2 072	1 279
Less accumulated depreciation	(2 187)	(1 295)
Total communication equipment	4 734	4 833
 Computer equipment		
At valuation	30	30
At cost (deemed fair value)	133	80
Less accumulated depreciation	(69)	(33)
Total computer equipment	94	77
 Plant and equipment		
At valuation	1 156	1 164
At cost (deemed fair value)	3 471	587
Less accumulated depreciation	(719)	(310)
Total plant and equipment	3 908	1 441
 Capital work in progress		
At cost (deemed fair value)	22 091	20 401
Total capital work in progress	22 091	20 401
 Total property, plant and equipment	166 085	160 245

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2016

20 Property, plant and equipment (continued)

Valuation of Assets

As at 30 June 2016 in accordance with South Australian Fire and Emergency Services Commission (SAFECOM) policy, a review of the valuations was undertaken by a suitability qualified officer of SAFECOM which indicated that there was no material difference between the fair value and carrying amount of the assets. Consequently it was determined no revaluation adjustment were required at this time.

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

Impairment

There were no indications of impairment for property, plant and equipment as at 30 June 2016.

Movement reconciliation of property, plant and equipment

	Land	Buildings	Vehicles	Comms. equipment	Comp equipment	Plant and equipment	Capital work in progress	Total
2016	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	13 011	39 970	80 512	4 833	77	1 441	20 401	160 245
Acquisitions	-	-	-	-	-	-	16 123	16 123
Transfers to/(from) capital works in progress	142	787	9 773	794	54	2 883	(14 433)	-
Depreciation	-	(2 204)	(6 435)	(893)	(37)	(413)	-	(9 982)
Disposals	-	-	(298)	-	-	(3)	-	(301)
Carrying amount at the end of the period	13 153	38 553	83 552	4 734	94	3 908	22 091	166 085

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2016

20 Property, plant and equipment (continued)

	Land	Buildings	Vehicles	Comms. equipment	Comp equipment	Plant and equipment	Capital work in progress	Total
2015	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	12 649	41 512	85 423	4 432	103	1 066	8 891	154 076
Acquisitions	-	-	-	-	-	-	16 558	16 558
Transfers to/(from) capital works in progress	250	678	2 254	1 279	-	587	(5 048)	-
Depreciation	-	(2 224)	(6 522)	(878)	(26)	(212)	-	(9 862)
Disposals	-	-	(643)	-	-	-	-	(643)
Transfers from non current asset held for resale	112	4	-	-	-	-	-	116
Carrying amount at the end of the period	13 011	39 970	80 512	4 833	77	1 441	20 401	160 245

21 Intangible Assets

	2016	2015
	\$'000	\$'000
Computer software	10	21
Less accumulated amortisation	(5)	(14)
Total intangible assets	5	7

Movement reconciliation of intangible assets

	2016	2015
	\$'000	\$'000
Carrying amount at the beginning of the period	7	9
Amortisation expense	(2)	(2)
Carrying amount at the end of the period	5	7

Asset details and amortisation

Intangible assets detailed above relate to computer software externally acquired.

Impairment

There were no indications of impairment of intangible assets at 30 June 2016.

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2016

22 Fair value measurement

Fair Value Hierarchy

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

Fair value measurements recognised in the balance sheet are categorised into the following levels at 30 June 2016. CFS had no valuations categorised into level 1.

Fair value measurements at 30 June 2016

	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements			
Land (note 20)	6 843	6 310	13 153
Buildings (note 20)	8 353	30 200	38 553
Vehicles (note 20)	-	83 552	83 552
Communication (Comms.) equipment (note 20)	-	4 734	4 734
Computer equipment (note 20)	-	94	94
Plant and equipment (note 20)	-	3 908	3 908
Total recurring fair value measurements	15 196	128 798	143 994
Non- recurring fair value measurements			
Land held for sale (note 19)	742	-	742
Total non-recurring fair value measurements⁽¹⁾	742	-	742
Total	15 938	128 798	144 736

¹ CFS has measured land and building held for sale at fair value less costs to sell in accordance with AASB 5 because the assets' fair value less costs to sell is lower than its carrying amount.

Fair value measurements at 30 June 2015

	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements			
Land (note 20)	6 751	6 260	13,011
Buildings (note 20)	8 741	31 229	39,970
Vehicles (note 20)	-	80 512	80,512
Communication (Comms.) equipment (note 20)	-	4 833	4,833
Computer equipment (note 20)	-	77	77
Plant and equipment (note 20)	-	1 441	1,441
Total recurring fair value measurements	15 492	124 352	139 844
Non- recurring fair value measurements			
Land held for sale (note 19)	742	-	742
Total non-recurring fair value measurements⁽¹⁾	742	-	742
Total	16 234	124 352	140 586

There were no transfers of assets between level 1 and 2 fair value hierarchy levels in 2016. CFS's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

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

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2016

22 Fair value measurement (continued)

Valuation techniques and inputs

Valuation techniques and inputs used to derive level 2 and 3 fair values are at note 20. There were no changes in the valuation techniques during 2016.

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

Buildings that are specialised are classified as Input Level 3.

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

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

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

Reconciliation of Level 3 recurring fair value measurement at 30 June 2015

Opening balance at the beginning of the period	6 260	33 072	85 423	4 432	103	1 066	130 356
Capitalised subsequent expenditure	-	-	2 254	1 279	-	587	4 120
Depreciation	-	(1 843)	(6 522)	(878)	(26)	(212)	(9 481)
Disposals	-	-	(643)	-	-	-	(643)
Closing balance at the end of the period	6 260	31 229	80 512	4 833	77	1 441	124 352
Carrying amount at 30 June	6 260	31 229	80 512	4 833	77	1 441	124 352

23 Payables

	2016 \$'000	2015 \$'000
Current payables		
Accrued expenses	1 429	861
Creditors	3 367	1 394
Paid Parental Leave Scheme payable	4	2
Employee on-costs	358	325
Total current payables	5 158	2 582
Non-current payables		
Creditors	4	3
Employment on-costs	330	321
Total non-current payables	334	324

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2016

23 Payables (continued)

Employment on-costs

The actuarial assessment performed by the Department of Treasury and Finance, has resulted in the percentage of the proportion of long service leave taken increasing from 2015 (37%) to 2016 (40%) and the average factor for the calculation of employer superannuation cost on-cost has decreased from 2015 (10.3%) to 2016 (10.2%). These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is an increase in the employment on-cost of \$0.009 million and employee benefit expense of \$0.009 million. The estimated impact on future periods is not expected to be materially different to the effect on the current period as shown above.

Interest rate and credit risk

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

Maturity analysis of payables and categorisation of financial instruments and risk exposure information

Refer note 34.

24 Employee benefits

	2016 \$'000	2015 \$'000
Current employee benefits		
Accrued salaries and wages	220	121
Annual leave	1 595	1 460
Skills and experience retention leave	151	135
Long service leave	115	63
Total current employee benefits	2 081	1 779
Non-current employee benefits		
Long service leave	3 565	3 559
Total non-current employee benefits	3 565	3 559
Total employee benefits	5 646	5 338

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2016

24 Employee benefits (continued)

AASB 119 contains the calculation methodology for long service leave liability. The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave.

AASB 119 requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has decreased from 2015 (3.0%) to 2016 (2.0%).

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

The net financial effect of the changes in the current financial year is an increase in the long service leave liability of \$0.234 million and employee benefits expense of \$0.234 million. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions - a key assumption is the long-term discount rate.

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 4% for long service leave liability and 3% for annual leave and skills, experience and retention leave liability.

25 Provisions

	2016 \$'000	2015 \$'000
Current provisions		
Provision for workers compensation	2 562	985
Total current provisions	2 562	985
Non-current provisions		
Provision for workers compensation	2 461	2 644
Total non-current provisions	2 461	2 644
Total provisions	5 023	3 629
Provision movement		
Carrying amount at the beginning of the period	3 629	3 163
Additional provisions recognised	3 166	1 413
Reduction arising from payments	(1 772)	(947)
Carrying amount at the end of the period	5 023	3 629

Presumptive workers compensation coverage for firefighters for a range of cancers came into effect from 1 July 2013. The workers compensation provision as at 30 June 2016 is based on a valuation prepared by an actuary that assesses all known claims. While further firefighters may be eligible to make a claim, a reliable estimate of further liabilities cannot be presently made to satisfy the conditions for recognition of liabilities under accounting standards. A contingent liability disclosure has been made at note 29 to the financial statements. Consequently, there may be a significant increase in the workers compensation provision in future years as further claims are received and assessed.

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2016

26 Equity

	2016	2015
	\$'000	\$'000
Retained earnings	122 261	119 550
Asset revaluation surplus	45 703	45 703
Total equity	167 964	165 253

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

27 Cash flow reconciliation

	2016	2015
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents disclosed in the Statement of Financial Position	13,127	9,135
Balance as per Statement of Cash Flows	13 127	9 135
Reconciliation of net cash provided by operating activities to net cost of providing services		
Net cash provided by operating activities	18,874	15,866
Less revenues from SA Government	(74,437)	(74,943)
Add/(less) non-cash items		
Depreciation and amortisation	(9,984)	(9 864)
Net loss from disposal of non-current assets	(21)	(393)
Movements in assets and liabilities		
(Decrease) / increase in receivables	(2,889)	1 595
(Increase) / decrease in payables	(1,567)	130
(Increase) / decrease in employee benefits	(308)	(535)
(Increase) / decrease in provisions	(1,394)	(466)
Net cost of providing services	(71 726)	(68 610)

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2016

28 Unrecognised contractual commitments

Operating lease commitments

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

	2016	2015
	\$'000	\$'000
Within one year	1 746	1 778
Later than one year but not later than five years	1 431	2 587
Total operating lease commitments	3 177	4 365

The above-mentioned operating lease payments are not recognised in the financial statements as liabilities. These non-cancellable leases relate to vehicle and property leases, with rental payable monthly.

Capital commitments

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

	2016	2015
	\$'000	\$'000
Within one year	3 870	8 006
Later than one year but not later than five years	-	1 585
Total capital commitments	3 870	9 591

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

Expenditure commitments

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

	2016	2015
	\$'000	\$'000
No later than one year	6 554	6 226
Later than one year but not later than five years	6 197	12 186
Total expenditure commitments	12 751	18 412

Contractual commitments relate to information technology, aerial firefighting and equipment maintenance contracts.

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2016

29 Contingent assets and liabilities

Contingent assets

CFS is not aware of any contingent assets.

CFS has previously reported that in 2009-10, prepayments were made for capital works projects of \$855 800 for works that did not materialise and that recovery of the prepayments had been sought. Recovery of the amount is now no longer possible.

Contingent liabilities

Presumptive workers compensation coverage to CFS for firefighters for a range of cancers came into effect from 1 July 2013. The workers compensation provision as at 30 June 2016 recognises a liability for all known claims based on a valuation prepared by an actuary. Further firefighters may be eligible to make a claim, however, a reliable estimate of the liability relating to those potential claims cannot be presently made.

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

CFS is not aware of any other contingent liabilities.

30 Remuneration of board and committee members

Members of boards and committees during 2016 were:

State Bushfire Coordination Committee

Ann De Piaz *	Joseph Keynes
Bruce Hull	Justin Cook *
Bryan Fahy *	Katherine Stanley-Murray
Chris Zafiropoulos * (Appointed 1 July 2015)	Kylie Egan
Donald Gilberston	Maurice Roche
Fiona Dunstan *	Mark Langham * (Appointed 1 July 2015)
Franco Crisci *	Mark Sutton *
Glenn Benham *	Naomi Rea (Appointed 1 July 2015)
Graham Gates	Peter White
Grant Pelton *	Scott Thompson *
Gregory Nettleton *	Stephen Pascale *
Gregory Saunder *	Suzanne Mickan
Jacqueline Frizenchaf * (Appointed 1 July 2015)	Timothy Kelly (Appointed 1 July 2015)
James Crocker *	Wayne Thorley
Jayne Bates	William McIntosh
Jeffrey Wiseman *	Will Zacharin * (Appointed 1 July 2015)
John Naim	

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2016

30 Remuneration of board and committee members (continued)

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

	2016 \$'000	2015 \$'000
\$nil	30	24
\$1 - \$9 999	3	4
Total number of members	33	28

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received or receivable by members was \$618 (2015: \$3 127).

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

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

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

31 Events after the reporting period

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

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2016

32 Transactions with SA Government

	Note	SA Government		Non-SA Government		Total	
		2016	2015	2016	2015	2016	2015
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses							
Employee benefits expenses	5	4 124	2 355	15,184	13,638	19 308	15 993
Supplies and services	6						
Accommodation		92	86	44	61	136	147
Aerial firefighting		28	18	9,046	10,785	9 074	10 803
Auditor's remuneration		29	30	-	-	29	30
Communications		27	28	1,052	995	1 079	1 023
Computing costs		336	308	1,187	1,048	1 523	1 356
Consultancy, contractor and legal fees		125	192	2,358	2,132	2 483	2 324
Consumables		198	236	1,522	1,768	1 720	2 004
Energy		11	8	785	785	796	793
Government radio network		10 817	10 553	-	-	10 817	10 553
Insurance premiums		178	177	46	46	224	223
Minor plant and equipment		5	-	1,508	1,381	1 513	1 381
Operating lease costs		1 667	1 459	825	891	2 492	2 350
Operational costs		66	79	1,630	2,376	1 696	2 455
Repairs and maintenance		224	99	6,083	5,412	6 307	5 511
Travel and training		75	23	2,433	2,411	2 508	2 434
Uniforms and protective clothing		-	-	2,232	1,801	2 232	1 801
Other expenses		254	259	2,072	1,895	2 326	2 154
Depreciation and amortisation	7	-	-	9,984	9,864	9 984	9 864
Grants and subsidies	8	-	-	389	389	389	389
Net loss from disposal of non-current assets	9	-	-	21	393	21	393
Total expenses		18 256	15 910	58 401	58 071	76 657	73 981

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2016

32 Transactions with SA Government (continued)

	Note	SA Government		Non-SA Government		Total	
		2016	2015	2016	2015	2016	2015
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income							
Revenues from fees and charges	10						
Fire alarm attendance fees		94	97	214	224	308	321
Fire safety fees		5	5	128	153	133	158
Fire alarm monitoring fees		57	51	173	161	230	212
Incident cost recoveries		-	15	459	83	459	98
Training and other recoveries		242	146	119	283	361	429
Other recoveries		9	-	42	15	51	15
Grants and contributions	11						
Commonwealth Government		-	-	2,012	2,261	2 012	2,261
State Government		598	214	-	-	598	214
Interest revenues	12	122	237	-	-	122	237
Groups/Brigades revenues	13	-	-	135	775	135	775
Other income	14						
Rent received		-	-	79	62	79	62
Insurance recoveries		111	268	46	6	157	274
Other		192	226	94	90	286	316
Revenues from SA Government	15	74 437	74 943	-	-	74 437	74,943
Total income		75 867	76 202	3 501	4 113	79 368	80 315

		SA Government		Non-SA Government		Total	
		2016	2015	2016	2015	2016	2015
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets							
Receivables	17						
Receivables		121	759	736	2 655	857	3 414
Accrued revenue		16	18	18	66	34	84
GST input tax recoverable		-	-	1 009	1 291	1 009	1 291
Other financial assets	18	-	-	2 266	2 208	2 266	2 208
Total financial assets		137	777	4 029	6 220	4 166	6 997
Financial liabilities							
Payables	23						
Accrued expenses		1 204	120	225	741	1 429	861
Creditors		547	77	2 824	1 320	3 371	1 397
Paid Parental Leave Scheme payable		-	-	4	2	4	2
Employee on-costs		340	335	348	311	688	646
Total financial liabilities		2 091	532	3 401	2 374	5 492	2 906

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2016

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

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

		Original Budget ¹ 2016 \$'000	Actual 2016 \$'000	Variance \$'000
Statement of Comprehensive Income	Note			
Expenses				
Employee benefits	(a)	14 416	19 308	4,892
Supplies and services	(b)	41 362	46 955	5,593
Depreciation and amortisation		12 285	9 984	(2,301)
Grants and subsidies		412	389	(23)
Net loss from the disposal of non-current and other assets		19	21	2
Total expenses		68 494	76 657	8 163
Income				
Fees and charges		1 193	1 542	349
Grants and contributions		1 875	2 610	735
Interest		-	122	122
Groups/Brigades		-	135	135
Other		1 207	522	(685)
Total income		4 275	4 931	656
Net cost of providing services		64 219	71 726	7 507
Revenues from (payments to) SA government				
Revenues from SA Government		76 638	74 437	(2,201)
Net revenues from SA Government		76 638	74 437	(2 201)
Net result		12 419	2 711	(9 708)

¹ The budget process is not subject to audit. Budget information refers to the amounts presented to Parliament in the original budget financial statements in respect of the reporting period (2015-16 Budget Paper 4). These original budget amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets.

- (a) Actual employee benefits were higher than the original budget primarily due to workers compensation expenses and nine new training positions announced in the 2015-16 Budget but initially funded under SAFECOM (the funding was transferred to CFS during the year).
- (b) While actual supplies and services exceeded the original budget, the actual is in line with approved budget increases during the year to reflect the transfer of new initiative funding for support to volunteers initially funded under SAFECOM and additional response costs incurred during the 2015-16 bushfire season, in particular for the Pinery fire.

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2016

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

		Original Budget ¹ 2016 \$'000	Actual 2016 \$'000	Variance \$'000
Investing expenditure summary	Note			
Total existing projects		-	689	689
Total annual programs		15 179	15 179	-
Total investing expenditure		15 179	15 868	689

¹ The budget process is not subject to audit. Budget information refers to the amounts presented to Parliament in the original budget financial statements in respect of the reporting period (2015-16 Budget Paper 4). These amounts have not been adjusted to reflect revised budgets.

There were no variances where the variance exceeds the greater of 10% of the original budget amount and 5% of original budgeted total investing expenditure.

34 Financial risk management/financial instruments

34.1 Financial risk management

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

CFS is exposed to financial risk - liquidity risk, credit risk and market risk. There have been no changes in risk exposure since the last reporting period.

34.2 Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in note 2.

Refer note 34.3 for the carrying amounts of each of the following categories of financial assets and liabilities: Held-to-maturity investments; receivables and payables measured at cost.

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

- The carrying value less impairment provisions of receivables and payables is a reasonable approximation of their fair values due to the short-term nature of these (refer notes 2, 17, 23).
- Held-to-maturity investments are initially recognised at fair value, then subsequently held at amortised cost. This is the most representative of fair value in the circumstances (refer notes 2 and 18).

34.3 Liquidity risk

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

CFS settles undisputed accounts within 30 days from the date of the invoice or date the invoice is first received. In the event of a dispute, payment is made 30 days from resolution.

CFS's exposure to liquidity risk is insignificant based on past experience and current assessment of risk.

The carrying amounts recorded in table 34.3 represent CFS's maximum exposure.

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2016

34 Financial risk management/financial instruments (continued)

The following table discloses the carrying amount of each category of financial instrument held by CFS including the contractual maturity analysis for financial assets and liabilities (i.e. liquidity risk).

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Table 34.3 Categorisation and maturity analysis of financial assets and liabilities

Category of financial asset and financial liability	Notes	2016 Carrying amount/fair value \$'000	2016 Contractual maturities			
			Current \$'000	Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets						
Cash and cash equivalents	16	13 127	13 127	-	-	-
Receivables ⁽¹⁾⁽²⁾	17	877	877	-	-	-
Other financial assets	18	2 266	2 266	-	-	-
Total financial assets		16,270	16,270	-	-	-
Financial liabilities						
Payables ⁽¹⁾	23	4 464	4 460	-	-	4
Total financial liabilities		4,464	4,460	-	-	4

Category of financial asset and financial liability	Notes	2015 Carrying amount/fair value \$'000	2015 Contractual maturities			
			Current \$'000	Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets						
Cash and cash equivalents	16	9 135	9 135	-	-	-
Receivables ⁽¹⁾⁽²⁾	17	3 511	3 511	-	-	-
Other financial assets	18	2 208	2 208	-	-	-
Total financial assets		14,854	14,854	-	-	-
Financial liabilities						
Payables ⁽¹⁾	23	2 230	2 227	-	-	3
Total financial liabilities		2,230	2,227	-	-	3

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

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

South Australian Country Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2016

34 Financial risk management/financial instruments (continued)

34.4 Credit risk

Credit risk arises when there is the possibility of CFS's debtors defaulting on their contractual obligations resulting in financial loss to the department. CFS measures credit risk on a fair value basis and monitors risk on a regular basis.

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

Allowances for impairment of financial assets are calculated on past experience and current and expected changes in credit rating. Other than receivables, there is no evidence to indicate that financial assets are impaired. Refer note 17 for information on the allowance for impairment in relation to receivables.

The carrying amount of financial assets as detailed in note 34.3 represents CFS's maximum exposure to credit risk.

Table 34.4 Ageing analysis of financial assets

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

	Current (not overdue) \$'000	Overdue for less than 30 days \$'000	Overdue for 30-60 days \$'000	Overdue for more than 60 days \$'000	Total \$'000
2016					
Not impaired					
Receivables ⁽¹⁾	96	591	8	157	852
Other financial assets	2 266	-	-	-	2 266
Impaired					
Receivables	-	-	-	25	25
2015					
Not impaired					
Receivables ⁽¹⁾	3 324	55	13	101	3 493
Other financial assets	2 208	-	-	-	2 208
Impaired					
Receivables	-	-	-	18	18

¹ The receivable amounts disclosed here exclude amounts relating to statutory receivables (amounts owing from Government taxes). They are carried at cost.

34.5 Market risk

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

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

Sensitivity disclosure analysis

A sensitivity analysis has not been undertaken for the interest rate risk of CFS as it has been determined that the possible impact on profit and loss or total equity from fluctuations in interest rates is immaterial.



This page left blank intentionally

This page left blank intentionally



Government
of South Australia

