



South Australian Country Fire Service

2019-20 Annual Report

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

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

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

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

Mark Jones QFSM
Chief Officer
SA Country Fire Service

Date: 30 September 2020

Signature

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From the Chief Executive



Due to a 2019-20 unprecedented fire season coupled with the COVID-19 pandemic the delivery of the targeted programmes of work was impacted and consequently many programmes have been carried over into the 2020-21 Workforce Plan.

The impact of these events will continue to be felt into 2020-21 due to greater restrictions on the budget and this additional investment into new programmes of work.

SACFS was successful in the 2019-20 budget for funding to support the National Heavy Vehicle Chain of Responsibility (CoR) legislative change implementation. This scheme is administered by the National Heavy Vehicle Regulator (NHVR) and legislated in South Australia by the Heavy Vehicle National Law (SA) Act 2013.

The CoR scheme applies any time SACFS sends or receives goods using a heavy vehicle with a gross vehicle mass of greater than 4.5 tonnes. SACFS has the largest heavy vehicle fleet in SA Government.

For the past two years, the SACFS has worked with major stakeholders across the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands to create a greater level of fire safety across the region.

One of these stakeholders, APY Land Management, teamed up with SACFS in September 2019 and spent five days implementing hazard reduction burns around the community of Watarru, lowering the fuel load in time for the fire danger season to create a bushfire safety zone.

During this reporting period testing for Per/poly-fluoroalkyl substances (PFAS) was carried out by the Environment Protection Authority (EPA), and the State Training Centre (STC) was identified as a contaminated site.

SACFS engaged an independent auditor to work with the EPA, and a PFAS filtration plant has been delivered to the STC to ensure water quality downstream. SACFS engaged with the Crown Solicitor's Office and SAicorp (SA Government Insurance Corporation) regarding community impacts.

As the novel coronavirus threat spread in South Australia, a 'major emergency' was declared and the SACFS stepped up to provide emergency management support to SA Health to help establish their State Control Centre.

A fully functioning emergency management team was established with teams from SACFS, SA Metropolitan Fire Service (SAMFS) SA State Emergency Service, (SASES), SA Police (SAPOL) and the Department for Environment and Water (DEW).

As part of the Australasian Fire and Emergency Service Authorities Council's (AFAC) Pacific Partnerships programme, the relationship between SACFS and the Republic of Kiribati in the Pacific Islands has continued to grow.

Training was provided to a further 26 officers from the Kiribati Police Service in Basic Firefighter skills and Defensive Fire Suppression. This brings the total number of trained firefighters to 50.

Throughout 2020-21, we will see positive planning in the way in which SACFS services are delivered in Australia. This will provide support and highlight exciting opportunities that will enrich the role of volunteers and improve our delivery of planning, preparedness and response to the whole community in collaboration with the Emergency Services Sector. Together we will build a stronger SACFS and continue to protect South Australian lives, property and the environment in partnership with the community.

A handwritten signature in black ink, appearing to read 'Mark Jones', is positioned above the printed name and title.

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

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Overview: about the agency

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

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

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

The SACFS consists of over 170 full-time equivalent employees, and in excess of 13 000 volunteers (firefighters, cadets, operational support) providing a range of fire and emergency services to communities across South Australia. The extraordinary contribution of our volunteers is vital in ensuring the ongoing delivery of fire and emergency services.

In addition, we perform an important role with local government and other government agencies in fuel reduction prescribed burning activities, bushfire prevention, and community bushfire and fire safety education.

Our business is predicated on risk management principles (of which safety is a key priority), and is incorporated into our business planning processes.

SACFS has a strong focus on frontline service delivery to the community and supports communities through the delivery of community programmes and raising awareness of bushfire risk and behaviour. Increasingly the thirst for immediate and accurate public information is a priority, which the SACFS delivers through new media and improved channels of communication.

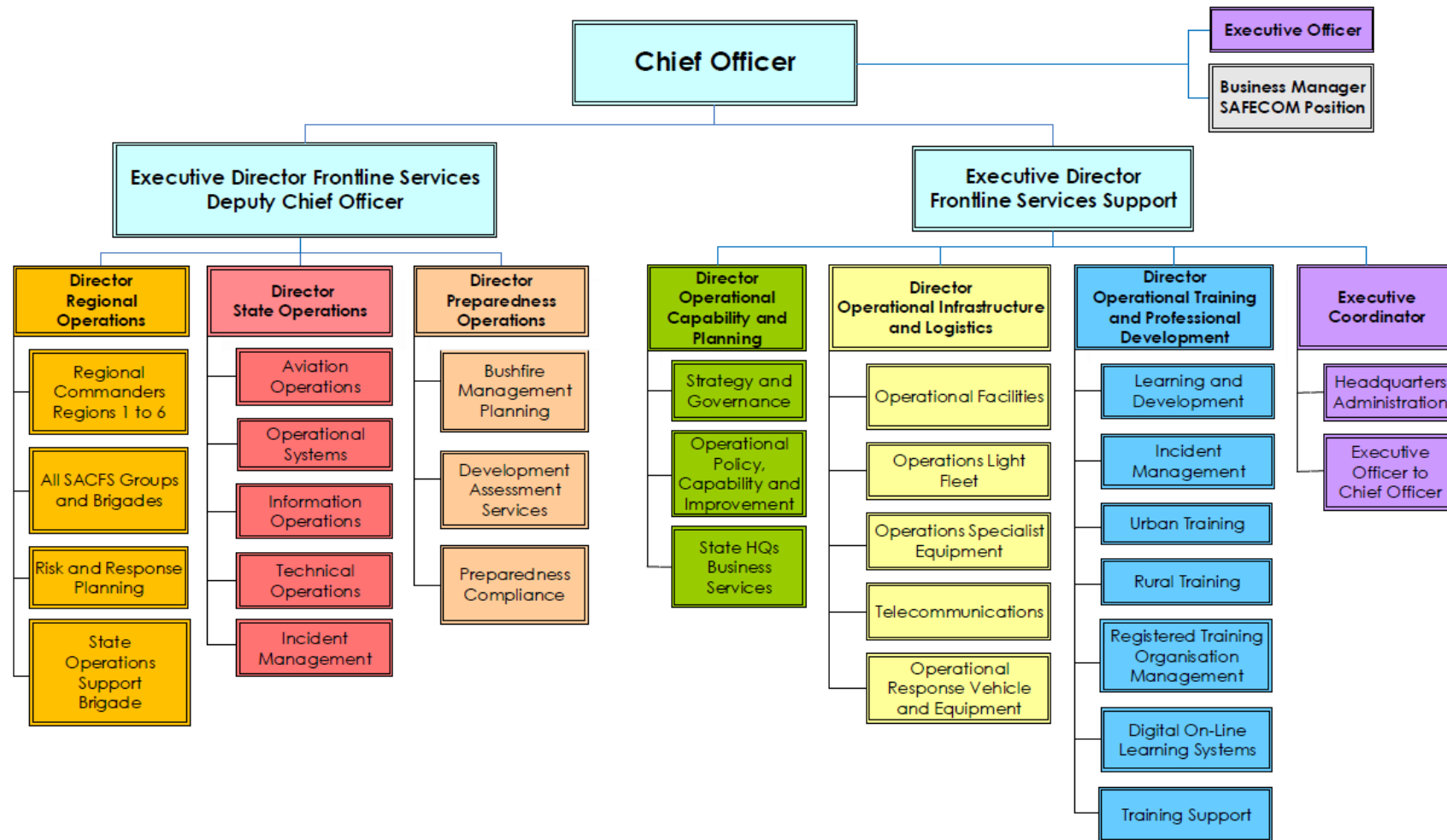
Our frontline service support function delivers state-of-the-art equipment, qualified training, and a range of corporate services to ensure best practice service delivery.

Our strategic focus

Our Purpose	SACFS is an all hazards agency providing response and prevention services to bushfire and structure fires and response services to motor vehicle fires, road crash rescue and hazardous material spills.
Our Vision	A trusted and effective community-based fire and emergency service.
Our Values	<p>SACFS achieve outcomes through our people.</p> <p>We do what we do because we believe in our communities.</p> <p>Our achievements are the result of working together.</p> <p>We will be judged by what we do rather than what we say.</p>
Our functions, objectives and deliverables	<p>SACFS serves communities through dedicated volunteers delivering professional fire and rescue services to outer metropolitan, regional and rural South Australia.</p> <p>Our objectives are to:</p> <ul style="list-style-type: none"> • Protect life, property and environmental assets from fire and other emergencies. • Provide services with the aim of preventing the outbreak of fires, reducing the impact of fires, and preparing communities through comprehensive community engagement programmes. • Provide efficient and responsive frontline services for the purpose of fighting rural and structural fires, provision of road crash and other rescues, and providing specialist response such as with hazardous material incidents. • Provide emergency management capabilities and training to other South Australian government agencies. • Develop and maintain plans to cope with the effects of fires or emergencies. • Provide services or support to assist with recovery in the event of a fire or other emergency.

Our organisational structure

SA Country Fire Service Functional Grouping as at 30 June 2020



Our Minister



The Honourable Vincent Tarzia MP is Minister for Police, Emergency Services and Correctional Services.

Our executive team



Chief Officer - Mark Jones QFSM

The Chief Officer has overall responsibility for SACFS, and provides strategic and executive direction across the Service.

Reporting directly to the Chief Officer:

- Executive Director Frontline Services, and
- Executive Director Frontline Services Support

Chief Officer Jones took up his position in October 2019.



Executive Director and Deputy Chief Officer - Andrew Stark AFSM

Responsible for Frontline Services including:

- Preparedness Operations,
- Regional Operations, and
- State Operations.



Executive Director - Ann De Piaz

Responsible for Frontline Services Support including:

- Executive Services,
- Operational Capability Planning,
- Operational Infrastructure & Logistics, and
- Operational Training and Professional Development.

Legislation administered by the agency

- *Fire and Emergency Services Act 2005*

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

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

The agency's performance

Performance at a glance

For 2019-20, the Australian nation faced one of the most significant fire seasons in recent history. SACFS commenced the 2019-20 Fire Danger Season (FDS) responding to a request to support the State of Queensland, followed by New South Wales.

SACFS, supported by the other SA agencies (DEW, SA Ambulance Service (SAAS), SAMFS and SASES) sent firefighters and incident management personnel in several rotations. Overall over 1 300 personnel were deployed (with the vast majority being our volunteers) and for NSW, 18 strike team vehicles were sent for nearly two months.

As the season progressed, South Australia experienced numerous days of extreme and catastrophic fire weather, resulting in a series of devastating fires. Collectively, over 278 000 ha were burnt, three persons lost their lives, nearly 68 000 stock and 196 homes were destroyed. Despite this, and due to the excellent work of our people and those of our sister agencies, over 1 300 properties were saved.

Once the season abated, the next challenge for the Service and community was that of the COVID-19 pandemic. SACFS implemented a taskforce to oversee changes in operational and business work arrangements in line with government directions. We maintained the ability to respond to emergencies and continue our business activities, while maintaining the safety of our personnel and the community.

Also, the Service provided an incident management capability throughout much of the emergency to supplement the SA Health emergency management team, concurrently with providing a similar capability to Primary Industries and Regions SA (PIRSA) in response to their fruit fly response operations.

There was a major commitment to post operations activities. Apart from the agency's own post season review and reporting, SACFS provided support to the Natural Disasters Royal Commission, the SA Independent Review into South Australia's 2019-20 Bushfire Season, and SAPOL investigations to support the State Coroner.

2019-20 caused special challenges for personnel development. Both the protracted FDS and the COVID-19 pandemic has interfered with training and development plans. Despite this, there was a significant uptake with online training, and other programmes such as the casual administrative pool that has promoted new flexibility to our workforce, and provided opportunities for suitably qualified volunteers. Plans commenced for enhanced incident management training pathways to provide a depth in our capability and to provide skills and succession for our people.

Other ongoing programmes continued, with the conduct of community engagement to enhance community preparedness for bushfires, the support to the Republic of Kiribati's response capability development, and building protection and other fire safety advice.

A major focus was on programmes to improve facilities and vehicles. Project Renew, the project to make urgent facility repairs and upgrades, was completed with 140 brigades across the state benefitting. Under the Fire truck Safety Systems project, a further 55 fire appliances were retrofitted with external and in-cab protection systems, making a significant improvement to crew safety.

Work was undertaken on the National Fire Danger Rating System to ensure its implementation by the 2021-22 FDS. This will maximise a common understanding of fire danger rating no matter which State or Territory community members are in.

SACFS is part of the sector sponsorship of the new Emergency Services Headquarters project, due to be delivered in late 2021.

Major interstate deployments of volunteers and staff

Queensland fires	<p>With around 1 200 fires breaking out across south-east and central Queensland in the first two weeks of September 2019, Queensland fire agencies were stretched for resources and requested support to assist with the fires.</p> <p>SACFS personnel – along with personnel from DEW, SAAS, and SAMFS – deployed across three rotations over eight days to aid firefighting efforts. In total, 130 SACFS personnel travelled to assist Queensland.</p>
NSW fires	<p>By October 2019, NSW Rural Fire Service (RFS) was dealing with its own emergency in northern eastern and central coast areas in the State. A request was made for interstate assistance and our first crews deployed on 10 October.</p> <p>SACFS (supported by DEW, SAAS, SAMFS and SASES) deployed over 1 300 personnel over several rotations between October and the end of December. SACFS also deployed 14 fire response vehicles and four command/logistics vehicles to provide for two strike teams, and these vehicles remained in NSW to support the response effort for over seven weeks. SACFS commitment to NSW was complete by the end of December.</p>

Major South Australian incidents

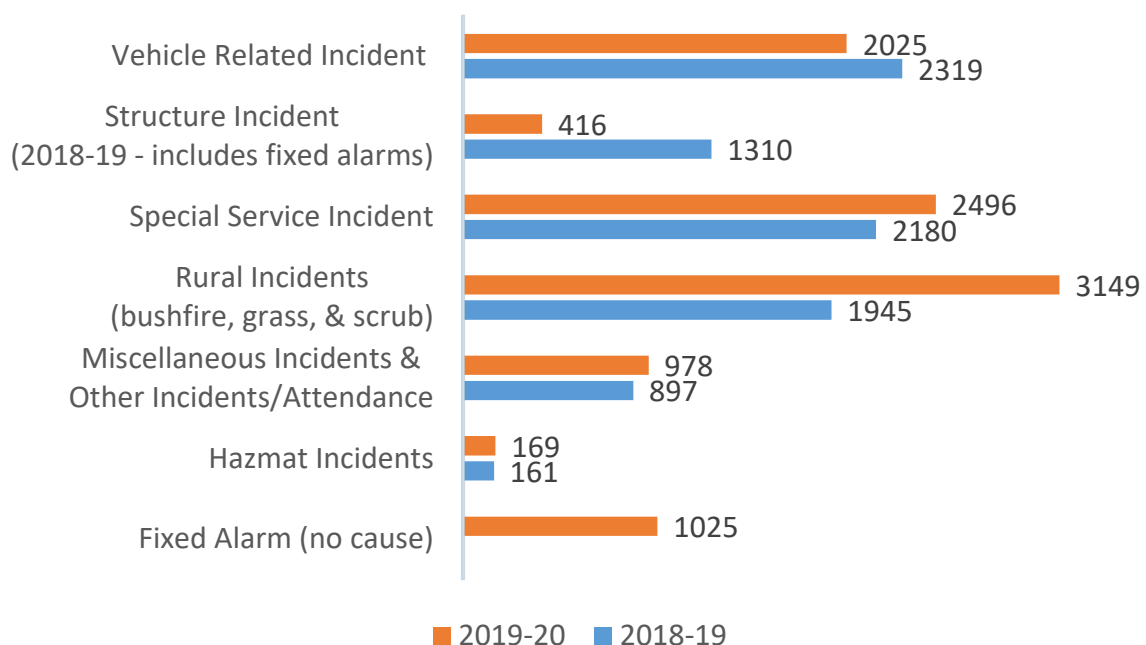
Duck Ponds (Lower Eyre Peninsula)	<p>A stubble fire started at Duck Ponds immediately west of Port Lincoln under catastrophic fire conditions on 11 November 2019. Numerous warning and advice messages were issued to the public on the first day, and had the potential to impact the western outskirts of Port Lincoln.</p> <p>Two homes were destroyed and seven damaged, with two other structures damaged or destroyed and two vehicles damaged or destroyed. The area burnt was 235 ha, and firefighters saved 37 properties. It was declared safe on 21 November.</p>
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<p>Yorketown (Yorke Peninsula)</p>	<p>A grass fire started east of Yorketown in extreme fire weather on 20 November and quickly moved south under strong winds. In the early hours of the next morning it broke containment lines, posing a significant threat to coastal communities including Edithburgh.</p> <p>Eight homes were destroyed and nine damaged, with 11 other structures damaged or destroyed, stock losses of 680, and nearly 6 700 ha of crop and stubble. The fire was declared safe on 29 November.</p>
<p>Cudlee Creek (Mount Lofty Ranges)</p>	<p>The Cudlee Creek fire started on 20 December on a catastrophic fire danger day, and resulted in the tragic loss of one life, 51 firefighter injuries and 86 dwellings, 542 sheds/outbuildings, and 325 vehicles destroyed.</p> <p>Towns and localities impacted include: Brukunga, Harrogate, Lobethal, Mount Torrens and Woodside.</p> <p>The area burnt was over 23 000 ha, and firefighters saved over 900 properties. It was declared controlled on 3 January 2020, and safe on 22 January.</p>
<p>Kangaroo Island Complex</p>	<p>Major fires started on Kangaroo Island (KI) due to lightning at Duncan and Menzies on 20 December, with a further fire at Ravine igniting on 30 December. A major run of fire on 3 January was the most devastating, with the loss of the Flinders Chase Visitors Centre and Southern Ocean Lodge.</p> <p>These fires resulted in much of western KI consumed and over 211 000 ha burnt. It resulted in two fatalities and losses of nearly 60 000 stock. Firefighters saved 335 properties, but 87 homes were destroyed and 32 damaged, with 332 other structures destroyed or damaged and 322 vehicles lost or damaged.</p> <p>Through its separation from the mainland, there were special challenges to get personnel, vehicles and supplies to the Island, and required the use of both air and sea transport. All SACFS regions provided volunteer crews and incident management personnel for several rotations. The operation was supported by the Island community, DEW, SAAS, SAMFS, SAPOL, SASES, other State Government agencies, local government across the State, and the Australian Defence Force.</p> <p>Air operations was a major component, with more than 14 000 drops completed by a combination of Large Air Tankers, the Helitak helicopter bomber and multiple smaller firebombers.</p> <p>The fire complex was declared safe on 6 February.</p>

Angle Vale (Adelaide Plains)	<p>The Angle Vale fire started under catastrophic conditions on the 20 December, with emergency warnings issued to numerous localities near Gawler and the Northern Expressway. It was declared safe on 20 January.</p> <p>A total area of 43 ha was burnt with one dwelling lost and 10 other structures damaged or destroyed.</p>
Maitland (Yorke Peninsula)	<p>A large grass fire north of Maitland, started by dry lightning strikes on 20 December. As a result a number of emergency warnings were issued to communities including Maitland.</p> <p>Over 1 500 ha were burnt.</p> <p>The fire was declared safe on 30 December.</p>
Coonalpyn (Murraylands)	<p>On 20 December a scrub fire started east of Coonalpyn and adjoining the Carcuma Conservation Park, ultimately burning over 6 800 ha, much of it in the park. The fire response was provided by SACFS and DEW crews, with air support and a level 2 incident team formed to manage.</p> <p>It was declared safe on 30 December.</p>
Bunbury (Upper South East)	<p>Lightning started a scrub and grass fire near Bunbury on 20 December. It broke control lines on 29 December before being contained again on 30 December. Nearly 7 400 ha were burnt, with response from SACFS and DEW crews and 54 aircraft support hours used.</p>
Keilira (Lower South East)	<p>Lightning started a scrub and grass fire near Keilira on 30 December, and was driven by strong winds followed by a shift in wind direction. Wind and smoke conditions on the first day severely hampered firefighting response, and prevented use of aerial bombers.</p> <p>It resulted in one home destroyed, with five other structures damaged or destroyed, stock losses of over 3 600, and over 37 000 ha of crop and stubble burnt.</p> <p>The fire was finally declared safe on 9 January.</p>
Miltalie (Eastern Eyre Peninsula)	<p>Lightning started a fire near the Sheoak Conservation Park on 30 December, with concerns of impacting the main electricity transmission line to Port Lincoln, and the Iron Duke mine site.</p> <p>Total area burnt was more than 10 000 ha, and some telecommunications infrastructure was impacted.</p> <p>The fire was declared safe on 9 January.</p>

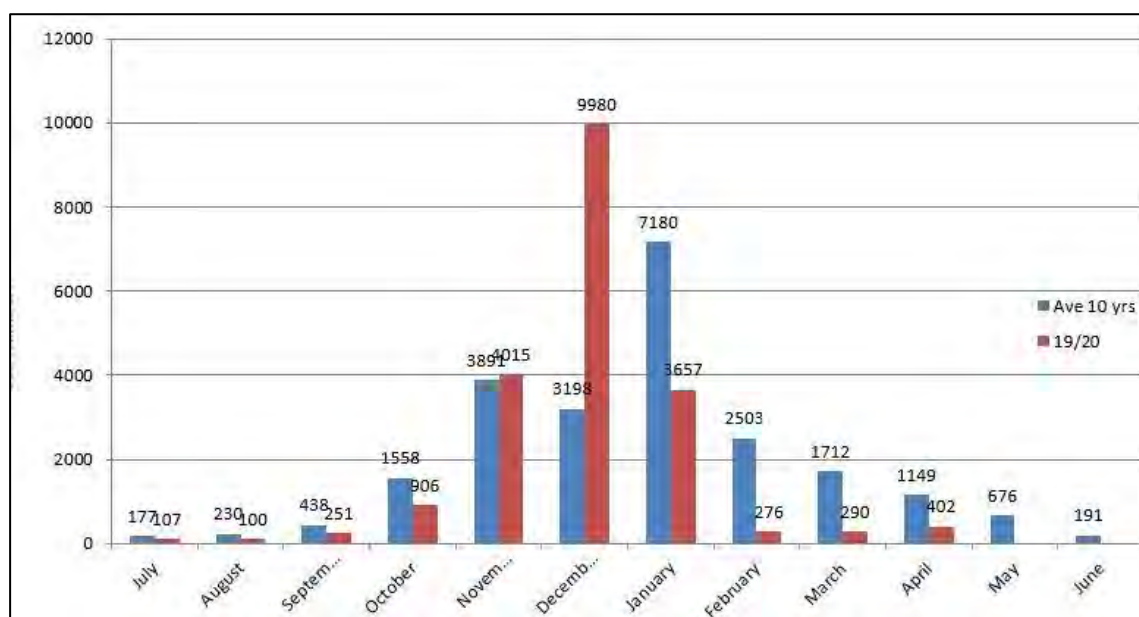
Culburra (Murraylands)	<p>On 20 March 2020, SACFS crews responded to a truck rollover on the Dukes Highway, which then became a serious hazardous material incident.</p> <p>The B-double truck was carrying a mixed load including 1 000 L of sodium hydroxide, 2 000 L of ethanol, plus refrigerant gases, chlorine, acids and paints.</p> <p>The operation lasted for 21 hours, with the main threat being flammability. Personnel from specialist HazMat and general brigades, as well as staff resources and SASES support were directly involved.</p>
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SACFS volunteers responded to 10,258 incidents during 2019-20



Increase in number of responses (11%) over the 2019-20 financial year to rural incidents were mostly due to the responses to significant fires experienced across the state during 2019-20 fire season (Duck Pond, Yorketown, Cudlee Creek, Kangaroo Island).

Bushfire Hotline calls 2019-20 (number of calls vs month)



Agency contribution to whole of Government objectives

Key objective	Agency's contribution
More jobs	<ul style="list-style-type: none"> Project Renew was finalised at the end of the financial year, after completing 223 projects and \$5 million of investments in two years. Over this period 140 brigades across the state received funding to upgrade their station infrastructure or amenities. Heavy vehicle CoR requirements has seen the appointing of eight additional positions to ensure legislative compliance for our heavy fleet (as the largest heavy fleet operator in the State Government).
Lower costs	<ul style="list-style-type: none"> SACFS contractor procurement is aligned with government protocols to achieve best value for money.

Key objective	Agency's contribution
Better Services	<ul style="list-style-type: none"> SACFS continued to provide significant response and incident management services to the State of South Australia during times of major crisis, as experienced through the 2019-20 FDS and COVID-19 response. In the latter case, SACFS expertise was applied to enhance the emergency management capability within SA Health. In June 2020, SACFS entered the 'Be Bushfire Ready' campaign into the national Emergency Media and Public Affairs (EMPA) Awards which promotes and recognises excellence in communication. The campaign won in the category of Emergency Communication – Readiness and Resilience.

Agency specific objectives and performance

Agency objectives	Indicators	Performance
National Fire Danger Ratings and Public Warning Framework delivery	The National Fire Danger Ratings and Public Warning Framework is proposed for implementation for the 2021-22 FDS.	Development progresses to meet its deadline.
Complete Bushfire Management Area Plans (BMAPs)	<p>All nine BMAPs for the State have been completed.</p> <p>A BMAP identifies assets at risk from bushfire, assessing the impact of bushfire and allocating mitigating treatments.</p>	<p>The Outback BMAP was approved in the 2019-20 financial year, and completes the development of all BMAPs.</p> <p>A review cycle has now commenced, with the Lower Eyre Peninsula BMAP now under review.</p>
Review Risk and Capability Framework	The new Risk and Capability Framework uses a risk based approach to determine the optimum capability needs of SACFS groups and brigades.	The Risk and Capability Framework has been developed from formerly approved Standards of Fire and Emergency Cover policies. There are 12 capability streams aligned to the SACFS Operational Doctrine Framework, and will be progressively released with operational doctrine.

Agency objectives	Indicators	Performance
Implement new national requirements for the Public Safety Training Package	<p>The units and qualifications used by the SACFS to deliver accredited training from this training package were updated in July 2019.</p> <p>The SACFS is required to update all accredited course materials and transition to the new units and qualifications by July 2021.</p>	Course material is under review and updates on track, and prioritised according to course training schedule.
Capital planning and station delivery	<p>Procurement and construction of four new fire stations at:</p> <ul style="list-style-type: none"> • Maitland (Region 2) • Mount Burr (Region 5) • Tailem Bend (Region 3) • Tarlee (Region 2) 	<p>Tarlee station was completed.</p> <p>Tailem Bend and Mount Burr's stations are nearing practical completion in the 2020-21 financial year.</p> <p>Land was procured for the Maitland SACFS station and group centre. This will be a shared facility with SASES.</p>
Fire truck safety systems retrofit	Retrofit to 50 fire trucks.	Fifty five fire trucks were refitted.
Replacement vehicles	Deliver new fire trucks and command vehicles to brigades and groups.	<p>Thirty seven fire trucks in production and 46 new trucks were delivered into service in 2019-20.</p> <p>Thirteen new incident command vehicles were delivered into service.</p>
Heavy vehicle chain of responsibility implementation	Hire of new positions to ensure CoR compliance.	<p>Seven vehicle fleet officers, with six located in regional offices, and a senior asset planning officer were appointed.</p> <p>The fleet officers will oversee and support operational fleet servicing and maintain the CoR programme.</p> <p>A senior asset planner will manage the fleet planning aspects and long term planning.</p>

Corporate performance summary

Programme name	Performance
FDS response and recovery actions	<p>In addition to the direct response by both volunteer and employed personnel, there was a significant impost on staff labour to deploy personnel to assist fires interstate and locally, and on maintaining the operational rosters for fire danger days.</p> <p>SACFS has been providing assistance to two police investigations underway on behalf of the Coroner, into the three deaths in relation to the bushfires in South Australia.</p> <p>SACFS also supported recovery operations for communities affected by the bushfires.</p>
Other response actions	<p>SACFS supported the State response to the COVID-19 pandemic, both in terms of providing incident management capability to SA Health, but also other agency requirements for assistance, such as SAAS need for emergency driver support in rural areas.</p> <p>SACFS maintained a Business Continuity Taskforce, to ensure synchronisation with other sector agencies, and to maintain focus on the needed changes in work and response practices, including working from home requirements for staff. Risk mitigation plans have been maintained during the emergency, including:</p> <ul style="list-style-type: none"> • supply chain management, • cleaning protocols for both vehicles and facilities, • crew safety when responding, and • changes to training, and preseason preparations. <p>As requested by PIRSA, SACFS deployed incident management personnel to support their fruit fly response.</p>
Natural Disasters Royal Commission	<p>The Royal Commission made numerous ‘notices to give’ and ‘final notices’ to SACFS, and the agency provided responses in accordance with identified timeframes.</p>

Programme name	Performance
Independent Review into the 2019-20 South Australian Bushfire Season	<p>SACFS provided a senior officer to support Michael Keelty AO, in the conduct of this review. The review was delivered to Government in June 2020.</p> <p>Senior personnel had engaged with Mr Keelty and provided a formal response to the review. SACFS has a plan in place to respond to actions levied on the agency – these responses and actions will commence in the 2020-21 financial year, with key actions complete before the 2020-21 FDS.</p>
2021-2025 SACFS Strategic Plan	<p>Preliminary work was completed in relation to community surveys and development of strategic intent.</p> <p>The implementation framework is under development.</p>
Fire and Emergency Services (Miscellaneous) Amendment Bill 2018 and supporting regulations.	<p>The Amendment Bill has been assented and the supporting regulations have been drafted. Workplace implications are being assessed by affected directorates.</p>
Kiribati Fire and Emergency Service capability development	<p>Under the twinning arrangement with the Kiribati Fire and Emergency Service, SACFS continues to provide training and resources to develop the Kiribati response capability.</p> <p>SACFS delivered a number of initiatives, including:</p> <ul style="list-style-type: none"> • four fire trucks to provide a response capability, and trained 50 personnel to nationally accredited basic firefighting standards; • a firetruck maintenance programme to prolong the life of delivered trucks; • a pilot course (with training instruction) in incident management and emergency centre operations; and • scoping of a second response and resilience programme to be conducted on the next largest island and community in Kiribati.

Programme name	Performance
State Training Centre (STC)	<p>Major redesign of parts of the STC at Brukunga were done to achieve COVID-19 compliance, in particular in relation to on-site training and residential facilities.</p> <p>As a result of testing by the EPA, the STC was identified to be subject to PFAS contamination. The SACFS continues to work with testing laboratories and the EPA to determine the geographic extent of the problem.</p> <p>A PFAS Filtration Plant was delivered to the STC. Over the coming months, this plant will be connected to both SACFS and to the Department for Energy and Mining water sources and be subject to water quality testing.</p>
Development Assessment Services (DAS) - development control in bushfire prone areas.	<p>During 2019-20 DAS processed 876 residential and 293 commercial applications. Of these, 92 per cent were completed within the legislative timeframes, a small number granted extensions by the planning authority and the remainder delayed by staff workload and operational duties.</p>
Bushfire Safer Places (BSR)	<p>One hundred and six BSRs have been established throughout South Australia. These are located in areas which have been assessed as at a satisfactory distance from vegetation to be safe from radiant heat and bushfire attack. Given landscape and population changes, particularly in the Mt Lofty Ranges, the location and siting of some of these BSRs are currently being reviewed.</p> <p>SACFS is targeting an additional ten bushfire safer places scattered through the Outback and the Flinders Ranges areas, particularly in the APY Lands.</p>
Native Vegetation Clearance	<p>SACFS made 23 native vegetation clearance decisions (two of which were refused), resulting in 69 ha of private land cleared, and a further 87 ha in relation to the Burning on Private Land project.</p>
Fire Safety Inspections	<p>Sixteen triennial building fire safety inspections of health facilities were conducted, compliant with the inspection programme.</p>
Operational Doctrine – Tranche 3	<p>Implementation of the remaining six sections of operational doctrine is underway with a completion target of December 2020.</p>

Programme name	Performance
Regional Operations Capability and Capacity review	Operations Capability Planning and Regional Operations are currently reviewing risk and capability information along with developing 5-year plans to inform appliance and station replacement programmes.
Regional Headquarters relocation	Region 3 Headquarters in Murray Bridge and Region 4 Headquarters in Port Augusta will be moving to new premises in their respective locations before the next FDS. Planning is well underway.
Asset management planning	Work on the Strategic Asset Management Framework commenced with the Asset Management Improvement Plan defined to 30 June 2022. Several other asset management plans and initiatives are under development to enhance forward planning and provide an effective asset management environment.

Employment opportunity programmes

Programme name	Performance
Project Renew	This project delivered the Government's \$5m election commitment over two years to invest in facilities upgrades used by SACFS volunteers, and concluded on 30 June 2020. Local suppliers were used where possible to deliver these upgrades, providing a boost to local employment in regional South Australia.
Fire Truck Safety Systems	This project delivers a retrofit of safety systems to many dual cab appliances in the SACFS heavy fleet and includes other repair work being identified during initial inspections. The work is being performed in Murray Bridge, providing a boost to that region's economy.

Programme name	Performance
<p>Skilling SA Government Apprenticeship and Traineeship</p>	<p>The programme links to the Skilling South Australia initiative and policy to help more people to obtain qualifications to build lasting careers and meet the needs of industry.</p> <p>SACFS provided a graduate rotation opportunity to an employee from the Department for Infrastructure and Transport employee during this financial year.</p> <p>Each year, SACFS attracts new volunteers and provides them with the training, education and skills required to provide emergency response services to the community, while building life skills and qualifications.</p> <p>SACFS also supports its Youth Advisory Council (YAC) whereby young volunteers can develop enduring skills such as leadership, while providing advice on optimising our business from a youth perspective.</p>
<p>Breaking Barriers</p>	<p>The Breaking Barriers series includes topics on succession planning, recruitment, diversity and ageism, and progression to leadership. Sessions in 2019-20 included those on women's recruitment, leadership and development.</p> <p>The programme has been held over due to the agency response commitments and COVID-19, and will recommence in 2020-21.</p>
<p>SACFS casual administration pool</p>	<p>A casual administration pool was initiated in 2019-20. The casual pool is being used as a preference over contractors to ensure financial savings and provides a means of attraction and succession planning for the agency.</p> <p>Casual administrative officers have been actively engaged in SACFS work, and are supporting delivery schedules.</p>

Agency performance management and development systems

Performance management and development system	Performance
Australian Institute of Police Management (AIPM) programmes	<p>The Graduate Diploma in Executive Leadership (Policing and Emergency Services) is a nationally accredited qualification and is recognised as a cornerstone programme in the development of public safety leaders that prepares participants for more complex roles within their organisation.</p> <p>One staff member was funded to attend in 2019-20.</p>
Personnel professional development	<p>COVID-19 has caused impacts on a number of proposed courses (internal and external), both in terms of conduct and attendance, severely curtailing opportunities for staff and members.</p> <p>SACFS shifted its focus to the delivery of online training for all personnel, with a significant uptake by agency personnel, particularly volunteers.</p> <p>There were 18 approved staff professional development funding applications for 2019-20.</p>
Incident management training (over two years)	<p>Planning is underway to deliver a <i>whole of staff</i> incident management development programme, including targeted training to achieve development pathways for all staff to meet SACFS operational outputs, from entry level training, through to development of State Duty Commanders and Level 3 Incident Controllers.</p>
Orientation/Induction Package	<p>The SACFS induction package continues to be progressed for all members, and includes a focus on key responsibilities and expectations for leadership positions.</p> <p>Packs for all new personnel, both staff and volunteers, are being delivered, which will include an online application.</p>
Disability Access and Inclusion Plan in accordance with the <i>Disability Inclusion Act 2018</i>	<p>SACFS is supporting SAFECOM in the development of the Emergency Services Sector Disability Access and Inclusion Plan.</p>

Work health, safety and return to work programmes

Programme name	Performance
<p>Sector Wellbeing Intervention Programme incorporating:</p> <p>Employee Assistance Programme (EAP) for volunteers and staff, including Critical Incident Response for volunteers</p>	<p>Since 2017, SAFECOM has contracted with a panel of three external providers to deliver the EAP for staff, volunteers and their families, and the Critical Incident Stress response for volunteers following a potentially traumatic event.</p> <p>During the 2019-20 financial year 137 new referrals were processed for SACFS staff and volunteers, and 67 Critical Incident Stress group sessions were delivered.</p> <p>The majority of these were conducted during the 2019-20 fire season.</p>
<p>Mental Health First Aid Training (MHFA)</p>	<p>The MHFA training was funded through the Natural Disaster Resilience Programme (NDRP) for SACFS and SASES since 2017, and ceased in February 2020.</p> <p>A project officer was employed to coordinate the programme and deliver the training with other internal accredited trainers.</p> <p>A total of nine workshops were delivered to 174 SACFS volunteers and 24 SACFS staff.</p> <p>SACFS has three accredited MHFA trainers within the organisation.</p>
<p>Volunteer Peer Support Programme</p>	<p>The SAFECOM Volunteer Peer Support Programme has continued to recruit volunteers who have been inducted into the programme. SACFS has 15 volunteers as peer support officers. Training continued to be delivered under the current COVID-19 restrictions. Recruitment and retention of peers continues to be a high priority.</p> <p>During the fire season the Peer Support Officers were put on stand-by to be deployed to the Staging Area of a fire to offer Psychological First Aid to firefighters and the Incident Management Team.</p> <p>Peer Support attended the Yorketown Fire for two days, from 21 November, the Cudlee Creek fire for five days from 21 December, and the KI Complex fires from 28 December, through to 24 February 2020.</p> <p>In March 2020, the 3-month anniversary of the major fires, all captains in the Kangaroo Island and the Hills brigades received a welfare check and a reminder about the welfare services available.</p>

Programme name	Performance
Major campaign deployment and follow up welfare check of volunteers and staff	<p>The Peer Support team were very active with supporting the Critical Incident Stress group Sessions and the telephone follow up calls during the deployment to Queensland, New South Wales, Kangaroo Island and Cudlee Creek fires.</p> <p>As a response to the Queensland/New South Wales deployment, from October 2019 to December 2019, the peers conducted in excess of 750 welfare checks by telephone for the majority of the volunteers who were deployed interstate.</p>
Staff welfare checks and counselling support	<p>Staff welfare checks and counselling support continued pre and post fire season for all SACFS Staff.</p> <p>State and regional staff groups were offered a group session following the fire season. Five sessions were conducted, three of which were cancelled due to COVID-19 restrictions in March and April.</p>
Stress, Trauma and Suicide Prevention session for volunteers	<p>A 90-minute interactive education session has been developed for volunteers and their partners and is mostly delivered by the Health and Wellbeing Consultant and experienced peer support officers on training nights. These sessions include discussion on suicide prevention.</p> <p>In 2019-20, ten sessions were delivered to SACFS volunteers across the state.</p>
Stress Prevention and Management (SPAM) 24/7 rostered helpline for volunteers and staff	<p>The Stress SPAM helpline publications were updated and distributed to all regional offices, group officers, brigades and regional offices and online.</p> <p>The SPAM helpline received in excess of 460 calls during 2019-20 and has four facilitators who are rostered on-call, one week in every month. The facilitators manage the calls in combination with their usual employment.</p>
Development of online information and links to other services	<p>Mental health information, resources and a mental health directory was continually updated online during the fire season, and during the COVID-19 restrictions.</p>
Work Health and Safety (WHS) Workplace and Asbestos Inspection Programme	<p>Over 150 WHS workplace and asbestos inspections were scheduled and undertaken at SACFS facilities (including groups and brigades) across the state as part of a rolling safety inspection programme. Project Renew accelerated the asbestos removal in at-risk sites.</p>

Programme name	Performance
State WHS Consultation Programme	There are over 60 health and safety representatives elected to represent both volunteers and staff on state and regional WHS committees, as well as volunteer management committees.

Workplace injury claims	Current year 2019-20	Past year 2018-19	% Change (+ / -)
Total new workplace injury claims	68	49	+38.8%
Fatalities	1	0	+100%
Seriously injured workers*	0	0	0%
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	44.30	13.16	+236.6%

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

Work health and safety regulations	Current year 2019-20	Past year 2018-19	% Change (+ / -)
Number of notifiable incidents (<i>Work Health and Safety Act 2012, Part 3</i>)	6	8	-25.0%
Number of provisional improvements, and prohibition notices (<i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i>)	0	1	-100%

Return to work costs**	Current year 2019-20 \$	Past year 2018-19 \$	% Change (+ / -)
Total gross workers compensation expenditure (\$)	1 188 857	1 318 997	-10%
Income support payments – gross (\$)	372 321	670 337	-44%

***before third-party recovery*

Data for previous years is available at: [the SACFS webpage at Data SA](#).

Executive employment in the agency

Executive classification	Number of executives
EXEEOA	1
EXECOB	1
EXECOC	1

Data for previous years is available at [the SACFS webpage at Data SA](#).

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

Financial performance at a glance

The information is unaudited. Full audited financial statements for 2019-20 are provided at Appendix A.

Statement of Comprehensive Income	2019-20 Budget \$000s	2019-20 Actual \$000s	Variation \$000s	2018-19 Actual \$000s
Total Income ¹	99 626	125 840	(26 214)	101 727
Total Expenses ²	79 361	102 769	(23 408)	96 215
Net Result	20 265	23 071	(2 806)	5 512

Statement of Financial Position	2019-20 Budget \$000s	2019-20 Actual \$000s	Variation \$000s	2018-19 Actual \$000s
Current assets	17 576	37 014	(19 438)	30 312
Non-current assets	193 142	208 055	(14 913)	180 731
Total assets³	210 718	245 069	(34 351)	211 043
Current liabilities	12 142	11 615	527	15 962
Non-current liabilities	67 736	19 788	47 948	22 802
Total liabilities⁴	79 878	31 403	48 475	38 764
Net assets	130 840	213 666	(82 826)	172 279

SACFS is primarily funded by contributions from the Community Emergency Services Fund. Other income sources include Commonwealth grant contributions towards the cost of aerial firefighting, fees and charges (for example from development assessment services), one off project grants and fundraising by brigades.

¹ Total income for the SACFS was higher in 2019-20 mainly due to additional funding provided from the Community Emergency Services Fund for extraordinary bushfire response costs.

² Total expenses for the SACFS were higher in 2019-20 mainly due to extraordinary bushfire response costs. Total expenses include depreciation, Government Radio Network charges, employee expenses, the provision of protective clothing, operational consumables, minor equipment, fuel, repairs and maintenance, travel and other day to day costs of running SACFS.

³ Total assets consist of cash, receivables, financial assets, assets held for sale and property, plant and equipment owned by the SACFS. There was no material variation in 2019-20 in total assets for the SACFS.

⁴ Total liabilities consist of creditors, accrued expenses, employment on-costs, financial liabilities, employee benefit liabilities and provisions. Total liabilities for the SACFS were higher in 2019-20 mainly due to decreases in the provision for workers' compensation and additional compensation as provided by an independent actuary engaged by the Office of the Commissioner for Public Sector Employment.

Consultants disclosure

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

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

Consultancies	Purpose	\$ Actual
Combined	Various	18 386

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

Consultancies	Purpose	\$ Actual
GHD P/L	PFAS contamination testing	226 065
Metrix Consulting	National Fire Danger Rating System evaluation	57 550
Liquid Pacific	Valuation of assets	29 091
FYFE P/L	Site contamination audit	12 860
	Total	325 566

Data for previous years is available at [the SACFS webpage at Data SA](#).

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

Contractors disclosure

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

Contractors with a contract value below \$10,000

Contractors	Purpose	\$ Actual
Combined	Various	67 802

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

Contractors	Purpose	\$ Actual
PC Australia	Air tanker mix	495 282
Bureau of Meteorology	Fire weather briefing and support services	204 410
Tree Crew	Emergency advanced response	88 417
Paul's Tree and Garden	Removal of vegetation	74 009
Protexion Consulting P/L	Air operations activity for FDS.	74 286
Operational Support Services	Air operations activity for FDS.	55 558
Booth Transport	Transportation hire	48 862
Phil Richards	Air operations activity for FDS.	44 574
LHD Group	Apparel and PPE management.	39 600
James Blackmore	Air operations activity for FDS.	34 223
Neil Ackland	Air operations activity for FDS.	29 253
Metrix Consulting	System evaluation	24 725
T & J Jenkin	Air operations activity for FDS.	13 867
Attard Psychology P/L	Develop programme for use in workshops	10 235
	Total	1 237 301

Data for previous years is available at [the SACFS webpage at Data SA](#).

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

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

Risk management

Risk and audit at a glance

SACFS participates in the SAFECOM Audit and Risk Committee pursuant to section 19(1) of the *Fire and Emergency Services Act 2005* and provides independent assurance and assistance to the SAFECOM Board on the Emergency Sector's risk, control and compliance framework and its external accountability responsibilities

Fraud detected in the agency

Category/nature of fraud	Number of instances
Type of fraud	0

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

Strategies implemented to control and prevent fraud

SACFS maintains a governance structure and internal controls that are designed to prevent and minimise the impact of fraud including:

- Ensuring policies, procedures and systems are in place to prevent, detect and report on fraud and dishonesty.
- Maintaining an asset register of attractive items and stocktakes this register on a regular basis.
- Undertaking an independent audit of credit card transactions annually of all staff and a percentage of randomly selected volunteers.
- Conducting a Volunteer annual returns process.
- Receipt of an unqualified audit report for this financial year.

Data for previous years is available at [the SACFS webpage at Data SA](#).

Public interest disclosure

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

Number of instances	nil
---------------------	-----

Data for previous years is available at [the SACFS webpage at Data SA](#).

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

Reporting required under any other act or regulation

Act or Regulation	Requirement
Nil	

Reporting required under the *Carers' Recognition Act 2005*

N/A

Public complaints

Number of public complaints reported

Complaint categories	Sub-categories	Example	Number of Complaints 2019-20
Service delivery	Access to services	Service difficult to find; location poor; facilities/ environment poor standard; not accessible to customers with disabilities	1
Service quality	Access to information	Information difficult to understand, hard to find or difficult to use; not plain English	2
		Total	3

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

**Note: The SACFS currently does not record this type of data centrally*

Data for previous years is available at [the SACFS webpage at Data SA](#).

Service Improvements resulting from complaints or consumer suggestions over 2019-20
Development of Standard Administrative Procedures for: <ul style="list-style-type: none"> • Code of Conduct • Complaints Handling procedures

Appendix A: Audited financial statements for 2019-20

South Australian Country Fire Service (CFS)

Financial Statements

For the year ended 30 June 2020

South Australian Country Fire Service
Certification of the Financial Statements
for the year ended 30 June 2020

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 relevant Australian Accounting Standards
- are in accordance with the accounts and records of the South Australian Country Fire Service
- present a true and fair view of the financial position of the South Australian Country Fire Service as at 30 June 2020 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.



Mark Jones, QFSM

Chief Officer

South Australian Country Fire Service

18 September 2020



Lisa Lew

Business Manager

South Australian Country Fire Service

18 September 2020

South Australian Country Fire Service
Statement of Comprehensive Income
for the year ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
Income			
Contributions from the Community Emergency Services Fund	2.1	113 145	93 151
Grants and contributions	2.3	5 103	2 723
Intra-government transfer	2.4	2 587	2 500
Fees and charges	2.2	2 748	2 695
Interest	2.5	48	87
Donated assets	2.6	34	-
Net gain from the disposal of non-current and other assets	4.5	-	19
Other income	2.7	2 175	552
Total income		125 840	101 727
Expenses			
Supplies and services	4.1	72 753	56 358
Employee benefits	3.3	15 361	27 916
Depreciation and amortisation	4.2	13 602	11 499
Grants and subsidies	4.4	986	442
Borrowing costs	4.3	62	-
Net loss from the disposal of non-current and other assets	4.5	5	-
Total expenses		102 769	96 215
Net Result		23 071	5 512
Other Comprehensive Income			
<i>Items that will not be reclassified to net result</i>			
Changes in property, plant and equipment asset revaluation surplus		18 316	-
Total other comprehensive income		18 316	-
Total comprehensive result		41 387	5 512

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

South Australian Country Fire Service
Statement of Financial Position
as at 30 June 2020

		2020	2019
	Note	\$'000	\$'000
Current assets			
Cash and cash equivalents	6.1	26 080	21 811
Receivables	6.2	8 137	5 581
Other financial assets	6.3	2 055	2 178
Non-current assets held for sale	6.4	742	742
Total current assets		37 014	30 312
Non-current assets			
Property, plant and equipment	5.1	207 886	180 731
Intangible assets	5.4	169	-
Total non-current assets		208 055	180 731
Total assets		245 069	211 043
Current liabilities			
Payables	7.1	5 408	10 447
Financial liabilities	7.2	1 199	-
Employee benefits	3.4	3 024	2 738
Provisions	7.3	1 984	2 777
Total current liabilities		11 615	15 962
Non-current liabilities			
Payables	7.1	370	397
Financial liabilities	7.2	2 118	-
Employee benefits	3.4	3 893	4 242
Provisions	7.3	13 407	18 163
Total non-current liabilities		19 788	22 802
Total liabilities		31 403	38 764
Net assets		213 666	172 279
Equity			
Asset revaluation surplus		64 019	45 703
Retained earnings		149 647	126 576
Total equity		213 666	172 279

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

South Australian Country Fire Service
Statement of Changes in Equity
for the year ended 30 June 2020

	Note	Revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2018		45 703	121 064	166 767
Net result for 2018-19		-	5 512	5 512
Total comprehensive result for 2018-19		-	5 512	5 512
Balance at 30 June 2019		45 703	126 576	172 279
Net result for 2019-20		-	23 071	23 071
Gain on revaluation of land and buildings during 2019-20		7 001	-	7 001
Gain on revaluation of vehicles during 2019-20		9 226	-	9 226
Gain on revaluation of plant and equipment during 2019-20		2 089	-	2 089
Total comprehensive result for 2019-20		18 316	23 071	41 387
Balance at 30 June 2020		64 019	149 647	213 666

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

South Australian Country Fire Service
Statement of Cash Flows
for the year ended 30 June 2020

		2020 (Outflows) Inflows \$'000	2019 (Outflows) Inflows \$'000
Cash flows from operating activities	Note		
Cash inflows			
Contributions from the Community Emergency Services Fund		113 145	93 151
Intra-government transfers		2 587	2 529
Fees and charges		4 269	1 591
Receipts from grants and contributions		34	2 694
Interest received		48	87
GST recovered from the ATO		8 913	4 502
Receipts for paid parental leave scheme		38	-
Other receipts		2 178	553
Cash generated from operations		131 212	105 107
Cash outflows			
Employee benefits payments		(21 283)	(19 135)
Supplies and services		(85 663)	(58 875)
Grants and subsidies payments		(756)	(442)
Payments for paid parental leave scheme		(38)	-
Interest paid		(62)	-
Cash used in operations		(107 802)	(78 452)
Net cash provided by / (used in) operating activities	8.2	23 410	26 655
Cash flows from investing activities			
Cash inflows			
Proceeds from sale of property, plant and equipment		496	338
Cash generated from investing activities		496	338
Cash outflows			
Purchase of investments		123	239
Purchase of property, plant and equipment		(18 501)	(17 108)
Cash used in investing activities		(18 378)	(16 869)
Net cash provided by / (used in) investing activities		(17 882)	(16 531)
Cash outflows			
Repayment of leases		(1 259)	-
Cash used in financing activities		(1 259)	-
Net increase / (decrease) in cash and cash equivalents		4 269	10 124
Cash and cash equivalents at the beginning of the reporting period		21 811	11 687
Cash and cash equivalents at the end of the reporting period	6.1	26 080	21 811

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 2020

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South Australian Country Fire Service
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South Australian Country Fire Service

Notes to and forming part of the financial statements

for the year ended 30 June 2020

1. About the South Australian Country Fire Service

Under the *Fire and Emergency Services Act 2005* (the Act), the South Australian Country Fire Service (CFS) is a body corporate, an agency of the Crown and part of the consolidated emergency services sector.

The financial statements include all the controlled activities of CFS.

1.1. Basis of preparation

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

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

For the 2019-20 financial statements the CFS adopted AASB 15 – *Revenue from Contracts with Customers*, AASB 16 – *Leases* and AASB 1058 – *Income of Not-for-Profit Entities*. Further information is provided in Note 9.

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

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

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

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

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.

1.2. Objectives and programs

Objectives

The CFS is a volunteer based, not-for-profit body corporate established under the Act and is responsible under the Act for the following functions:

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

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

South Australian Country Fire Service
Notes to and forming part of the financial statements
for the year ended 30 June 2020

1.2. Objectives and programs (continued)

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

Programs

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 'Country Fire Service'. These services are predominantly delivered by volunteers.

1.3. Impact of COVID-19 pandemic on the CFS

The COVID-19 pandemic has impacted on the operations of the agency and the impacts are included under the relevant disclosure notes. The key impacts in 2019-20 were:

- Additional expenditure to keep personnel safe while maintaining service delivery to the community.
- Additional expenditure to support the South Australian response to the COVID-19 pandemic.
- Reduced capital expenditure due to supplier business restrictions.
- Increased expected credit losses on fees and charges resulting from the impact of the COVID-19 pandemic on businesses.

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

South Australian Country Fire Service
Notes to and forming part of the financial statements
for the year ended 30 June 2020

1.4. Budget performance

The budget performance table compares CFS's outcomes against budget information presented to Parliament (2019-20 Budget Paper 4). The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

		Original budget 2020 \$'000	Actual 2020 \$'000	Variance \$'000
Statement of Comprehensive Income	Note			
Income				
Contributions from the Community Emergency Services Fund	a	92 835	113 145	20 310
Fees and charges		1 370	2 748	1 378
Grants and contributions		1 926	5 103	3 177
Interest		153	48	(105)
Donated assets		-	34	34
Intra-government transfers		2 500	2 587	87
Other income		861	2 175	1 314
Total income		99 645	125 840	26 195
Expenses				
Supplies and services	b	49 848	72 753	22 905
Employee benefits		18 029	15 361	(2 668)
Depreciation and amortisation	c	10 265	13 602	3 337
Grants and subsidies		641	986	345
Borrowing costs		-	62	62
Net loss from the disposal of non-current and other assets		19	5	(14)
Other expenses		578	-	(578)
Total expenses		79 380	102 769	23 389
Net result		20 265	23 071	2 806
Other comprehensive income				
Changes in revaluation surplus	d	-	18 316	18,316
Total comprehensive result		20 265	41 387	21,122

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

- (a) Actual contributions from the Community Emergency Services Fund were higher than the original budget due to extraordinary bushfire costs.
- (b) Actual supplies and services were higher than the original budget predominantly due to extraordinary bushfire costs.
- (c) Actual depreciation was higher than the original budget due to an increased non-current asset base.
- (d) The movement is the result of an independent asset revaluation undertaken in 2019-20

South Australian Country Fire Service
Notes to and forming part of the financial statements
for the year ended 30 June 2020

1.4. Budget performance (continued)

		Original budget 2020 \$'000	Actual 2020 \$'000	Variance \$'000
Investing expenditure summary	Note			
Total existing projects		2 500	3 182	682
Total annual programs		17 475	15 319	(2,156)
Total investing expenditure		19 975	18 501	(1 474)

1.5. Significant transactions with government related entities

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

- Payment to the Attorney-General's Department for the government radio network of \$11.42 million
- Contributions from the Community Emergency Services Fund (refer note 2.1)

South Australian Country Fire Service
Notes to and forming part of the financial statements
for the year ended 30 June 2020

2. Income

2.1. Contributions from Community Emergency Services Fund

	2020	2019
	\$'000	\$'000
Community Emergency Services Fund	113 145	93 151
Total Contributions from the Community Emergency Services Fund	113 145	93 151

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

For details on the expenditure associated with the operational funding and capital funding refer notes 4.1, 4.3, 4.4 and 5.1.

2.2. Revenues from fees and charges

	2020	2019
	\$'000	\$'000
Fire alarm attendance fees	305	358
Fire alarm monitoring fees	260	254
Fire safety fees	164	215
Rent of premises	187	275
Incident cost recoveries	1 781	1 556
Other recoveries	51	37
Total revenues from fees and charges	2 748	2 695

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

2.3. Grants and contributions

	2020	2019
	\$'000	\$'000
Commonwealth Government	264	289
Private industry and local government	4 839	2 434
Total grants and contributions	5 103	2 723

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

Private industry revenues include contributions towards aerial firefighting costs through the National Aerial Firefighting Centre Ltd and Commonwealth Government revenue includes once-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.

South Australian Country Fire Service
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2.4. Intra-government transfers

	2020	2019
	\$'000	\$'000
Project Renew	2 500	2,500
Embed BOM Meteorologist	83	-
Department of Treasury and Finance supplement	4	-
Total Intra-government transfers	2 587	2 500

2.5. Interest

	2020	2019
	\$'000	\$'000
Interest on deposit accounts	48	87
Total interest revenues	48	87

2.6. Donated assets

	2020	2019
	\$'000	\$'000
Donated assets	34	-
Total Donated assets	34	-

The CFS received an appliance that was donated and is fully operational within Region 1.

CFS volunteer members give a significant number of hours to providing frontline emergency response services to the community and in other support roles. A value for volunteers is not recognised in the financial statements as the recognition criteria of AASB 1058 *Income of Not-For-Profit Entities* has not been met.

2.7. Other income

	2020	2019
	\$'000	\$'000
Group/Units Fundraising	1 862	-
Sundry revenues	243	332
Donations	13	11
Insurance recoveries	6	48
Salary recoveries	1	6
Other	50	155
Total other income	2 175	552

South Australian Country Fire Service
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3. Board, committees and employees

3.1. Key management personnel

Key management personnel of CFS include the Minister, the Chief Officer, the Deputy Chief Officer and Executive Director of the agency, who has responsibility for the strategic direction and management of the agency. Total compensation for key management personnel was \$674 000 in 2019-20 and \$764 000 in 2018-19.

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

	2020	2019
	\$'000	\$'000
Compensation		
Salaries and other short-term employee benefits	611	698
Post-employment benefits	63	66
Total compensation	674	764

Transactions with key management personnel and other related parties

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

3.2. Remuneration of board and committee members

Members of boards and committees during 2020 were:

State Bushfire Coordination Committee

A Allen*	S Barone*
N G Bamford*	D Colliar*
G P Benham*	J Crampton*
F Crisci*	J B Drew*
J S Crocker*	F Dunstan*
C B Daniels	K M Egan*
A De Piaz*	J Frizenschaf*
C Gibson*	D S Gilbertson
F J Gill*	H L Greaves
W R McIntosh	M M Healy
M S Jones (appointed 08 October 2019)*	T M W Kelly
J Nairn*	D Leblond*
G H Nettleton (ceased 14 June 2019)*	J D Lindner
E Petrenas*	C W Patterson*
J Psyridis*	J Slcombe*
N Rea	E M Sommerville
S A Reardon	M R Sutton*
M C Roche	I Tanner*
W B Thorley	
P R White	

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

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3.2. Remuneration of board and committee members (continued)

Board and committee remuneration

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

	2020	2019
\$nil	32	31
\$1 - \$19 999	6	6
Total number of members	38	37

The total remuneration received or receivable by members was \$9 000 (2019: \$3 000). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

3.3. Employee benefits expenses

	2020	2019
	\$'000	\$'000
Salaries and wages	16 223	14 507
Workers compensation	(4 902)	10 798
Employment on-costs - superannuation	1 468	1 395
Annual leave	1 221	1 288
Long service leave	(54)	1 184
Payroll tax	926	913
Skills and experience retention leave	72	77
Other employment related expenses	49	26
Board fees	9	6
Additional compensation	349	(2 278)
Total employee benefits	15 361	27 916

Employment on-costs – superannuation

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

Executive remuneration

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

	2020	2019
	Number	Number
\$151 000 to \$154 000*	N/A	2
\$154 001 to \$174 000	9	4
\$174 001 to \$194 000	5	-
\$194 001 to \$214 000	1	1
\$234 001 to \$254 000	-	1
\$254 001 to \$274 000	1	-
\$294 001 to \$314 000	-	1
Total	16	9

* This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2018-19.

The total remuneration received by these employees for the year was \$2.84 million (2019: \$1.72 million).

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

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3.4. Employee benefits liability

	2020	2019
	\$'000	\$'000
Current		
Annual leave	2 126	1 952
Accrued salaries and wages	450	334
Skills and experience retention leave	128	118
Long service leave	320	334
Total current employee benefits	3 024	2 738
Non-current		
Long service leave	3 893	4 242
Total non-current employee benefits	3 893	4 242
Total employee benefits	6 917	6 980

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

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

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

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

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

Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Details about the measurement of long service leave liability is provided as note 11.1.

South Australian Country Fire Service
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4. Expenses

Employee benefits expenses are disclosed in note 3.3.

4.1. Supplies and services

	2020	2019
	\$'000	\$'000
Aerial firefighting	19 795	13 536
Government radio network	12 892	11 417
Vehicles	10 307	6 337
Operational costs	8 550	3 249
Property Costs	4 026	3 943
Travel and training	3 886	2 606
Consultancy, contractor and legal fees	3 474	2 251
Uniforms and protective clothing	2 111	3 842
Communications	2 043	1 962
Computing costs	1 670	1 281
Operating lease costs	-	1 853
Accommodation	761	642
Insurance premiums	315	256
Short term leases	189	-
Shared Services SA payments	11	1
Other expenses	2 723	3 182
Total supplies and services	72 753	56 358

Accommodation

Most of CFS's accommodation is provided by the Department of Planning, Transport and Infrastructure (DPTI) under Memoranda of Administrative Arrangement (MoAA) issued in accordance with Government-wide accommodation policies. MoAA do not meet the definition of lease set out in AASB 16.

In prior years expenses associated with MoAA have been classified as operating lease payments. Expenses associated with MoAA have been re-classified as accommodation expenses for both the current year and the comparative. Further details about this re-classification is set out in note 9.1.

Other

Audit fees paid/payable to the Auditor-General's Department (AGD) relating to work performed under the *Public Finance and Audit Act* were \$31 000 (2019: \$30 000). These costs are recognised in Other expenses above. No other services were provided by AGD.

Consultants

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

	2020	2020	2019	2019
	Number	\$'000	Number	\$'000
Below \$10 000	8	18	4	14
\$10 000 or above	4	325	2	440
Total	12	343	6	454

South Australian Country Fire Service
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4.1. Supplies and Services (continued)

Operating lease payments

	2020 \$'000	2019 \$'000
Operating lease minimum payments	-	1 853
Total operating lease payments	-	1 853

Operating lease payments (less any lease incentives) are recognised on a straight-line basis over the lease term. Operating lease payments do not include payments associated with accommodation MoAA. This information is provided for 2018-19 only, as AASB 16 *Leases* does not distinguish between operating and finance leases for lessees.

4.2. Depreciation and amortisation

	2020 \$'000	2019 \$'000
Depreciation		
Vehicles	7 537	7 004
Buildings	2 412	2 163
Communications	1 736	1 726
Plant	502	579
Computers	8	26
Right-of-use land	1	-
Right-of-use buildings	682	-
Right-of-use vehicles	626	-
Total depreciation	13 504	11 498
Amortisation		
Software	98	1
Total amortisation	98	1
Total depreciation and amortisation	13 602	11 499

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.

Review of accounting estimates

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

Useful life

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

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

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

South Australian Country Fire Service
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4.3. Borrowing costs

	2020	2019
	\$'000	\$'000
Interest expense on lease liabilities	62	-
Total Borrowing Costs	62	-

4.4. Grants and subsidies

	2020	2019
	\$'000	\$'000
Private and not-for-profit recurrent grants	986	442
Total grants and subsidies	986	442

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

	2020	2019
	\$'000	\$'000
Vehicles		
Proceeds from disposal	497	328
Less carrying amount of assets disposed	(501)	(319)
Net gain / (loss) from disposal of vehicles	(4)	9
Plant and equipment		
Proceeds from disposal	(1)	10
Less carrying amount of assets disposed	-	-
Net gain / (loss) from disposal of plant and equipment	(1)	10
Total assets		
Total proceeds from disposal	496	338
Less total carrying amount of assets disposed	(501)	(319)
Total net gain / (loss) from disposal of non-current assets	(5)	19

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

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5. Non-financial assets

5.1. Property, plant and equipment by asset class

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

	2020 \$'000	2019 \$'000
Land		
Land at fair value	15 640	13 268
Total land	15 640	13 268
Buildings		
Buildings at fair value	45 535	49 291
Accumulated depreciation	(1 717)	(12 128)
Total buildings	43 818	37 163
Vehicles		
Vehicles at fair value	107 694	125 816
Accumulated depreciation	(5 167)	(36 230)
Total vehicles	102 527	89 586
Communication (Comms.) equipment		
Communication equipment at fair value	10 587	16 194
Accumulated depreciation	(1 177)	(6 623)
Total communication equipment	9 410	9 571
Computer equipment		
Computer equipment at fair value	35	164
Accumulated depreciation	(5)	(154)
Total computer equipment	30	10
Plant and equipment		
Plant and equipment at fair value	4 723	6 051
Accumulated depreciation	(311)	(2 335)
Total plant and equipment	4 412	3 716
Capital work in progress		
Capital works in progress at cost (deemed fair value)	28 782	27 417
Total capital work in progress	28 782	27 417
Right-of-use land		
Right-of-use land at cost	67	-
Accumulated depreciation	(1)	-
Total right-of-use land	66	-
Right-of-use buildings		
Right-of-use buildings at cost	2 829	-
Accumulated depreciation	(682)	-
Total right-of-use buildings	2 147	-
Right-of-use vehicles		

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Right-of-use vehicles at cost	1 643	-
Accumulated depreciation	(589)	-
Total right-of-use vehicles	1 054	-
Total property, plant and equipment	207 886	180 731

5.2. Property, plant and equipment owned by CFS

Property, plant and equipment owned by agency with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed. Property, plant and equipment owned by agency is recorded at fair value. Detail about the agencies approach to fair value is set out in note 11.2.

impairment

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

Reconciliation 2019-20

	Land	Buildings	Vehicles	Comms. equipment	Computer equipment	Plant and equipment	Capital work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2019	13 268	37 163	89 586	9 571	10	3 716	27 417	180 731
Acquisitions	-	-	-	-	-	-	18 501	18 501
Transfers from capital WIP	-	4 706	11 718	261	-	451	(17 136)	-
Depreciation	-	(2 412)	(7 537)	(1 736)	(8)	(502)	-	(12 195)
Disposals	-	-	(501)	-	-	-	-	(501)
Transfers between asset classes	-	(267)	-	-	-	-	-	(267)
Donated assets	-	-	34	-	-	-	-	34
Revaluation increment	2 372	4 628	9 227	1 314	28	747	-	18 316
Carrying amount at 30 June 2020	15 640	43 818	102 527	9 410	30	4 412	28 782	204 619

Reconciliation 2018-19

	Land	Buildings	Vehicles	Comms. equipment	Computer equipment	Plant and equipment	Capital work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2018	13 116	38 505	87 495	10 783	36	3 464	22 048	175 447
Acquisitions	-	-	11	-	-	37	17 060	17 108
Transfers from capital WIP	152	821	9 403	514	-	794	(11 684)	-
Depreciation	-	(2 163)	(7 004)	(1 726)	(26)	(579)	-	(11 498)
Disposals	-	-	(319)	-	-	-	-	(319)
Other	-	-	-	-	-	-	(7)	(7)
Carrying amount at 30 June 2019	13 268	37 163	89 586	9 571	10	3 716	27 417	180 731

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5.3. Property, plant and equipment leased by CFS

Property, plant and equipment leased by the agency is recorded at cost. Additions to leased property, plant and equipment during 2019-20 were \$0.8 million.

Short-term leases of 12 months or less and low value leases where the underlying asset value is less than \$15,000 are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and are disclosed in note 4.1.

The agency has a limited number of leases:

- 142 motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Motor vehicle lease terms can range from 3 years (60,000km) up to 5 years (100,000km).
- the CFS has 12 commercial leases for land and buildings used for the purpose of CFS brigade and group operational and administrative activities.

The lease liabilities related to the right-of-use assets are disclosed in note 7.2. The agency's maturity analysis of its lease liabilities is disclosed in note 11.3. Expenses related to leases, including depreciation and interest expenses, are disclosed in note 4. Cash outflows related to leases are disclosed in note 8.2.

Impairment

Property, plant and equipment leased by CFS has been assessed for impairment. There was no indication of impairment. No impairment loss or reversal of impairment loss was recognised.

5.4. Intangible assets

	2020 \$'000	2019 \$'000
Software		
Computer software	277	10
Accumulated amortisation	(108)	(10)
Total software	169	-

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

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

	Computer Software \$'000
Transfer between asset classes	267
Amortisation	(98)
Carrying amount at 30 June 2020	169

South Australian Country Fire Service
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6. Financial assets

6.1. Cash and cash equivalents

	2020	2019
	\$'000	\$'000
Deposits with the Treasurer	20 050	17 749
Cash at bank - Groups/Brigades	5 411	3 509
Short-term deposits - Groups/Brigades	607	523
Cash at bank	7	24
Cash on hand	5	6
Total cash and cash equivalents	26 080	21 811

Cash is measured at nominal amounts.

Deposits with the Treasurer

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

Short term deposits

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

6.2. Receivables

	2020	2019
	\$'000	\$'000
Current		
Trade Receivables		
Receivables	5 446	2 502
Less impairment loss on receivables	(1)	(8)
Total trade receivables	5 445	2 494
Prepayments	157	203
Accrued revenue	1 853	1 272
GST input tax recoverable	682	1 612
Total receivables	8 137	5 581

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

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

Refer to note 11.3 for further information on risk management.

Receivables, prepayments and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

The net amount of GST payable to the ATO is included as part of receivables.

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6.2. Receivables (continued)

Allowance for impairment loss on receivables

	2020	2019
	\$'000	\$'000
Carrying amount at the beginning of the period	8	8
Amounts written off	(11)	(1)
Increase/(decrease) in the allowance	4	1
Carrying amount at the end of the period	1	8

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

Refer to note 11.3 for details regarding credit risk and the methodology for determining impairment.

6.3. Other financial assets

	2020	2019
	\$'000	\$'000
Medium term deposits - Groups/Brigades	2 055	2 178
Total other financial assets	2 055	2 178

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

6.4. Non-current assets classified held for sale

	2020	2019
	\$'000	\$'000
Land	742	742
Total non-current assets classified as held for sale	742	742

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

A tender to sell surplus CFS land at Port Lincoln during 2011 failed to be realised, and as at 30 June 2020 the property continues to remain on the market for sale.

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

An independent site valuation was provided by a Certified Practising Valuer for the property upon its classification as held for sale. The valuation was based on recent market transactions for similar unrestricted land and buildings in the area and includes adjustment for factors specific to the land and building such as size and location. This valuation was in accordance with the valuation principles and technique outlined in note 5.2 (i.e. there was no change to valuation technique).

South Australian Country Fire Service
Notes to and forming part of the financial statements
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7. Liabilities

Employee benefits liabilities are disclosed in note 3.4.

7.1. Payables

	2020	2019
	\$'000	\$'000
Current		
Creditors	342	166
Accrued expenses	4 558	9 825
Employment on-costs	508	456
Total current payables	5 408	10 447
Non-current		
Creditors	6	6
Employment on-costs	364	391
Total non-current payables	370	397
Total payables	5 778	10 844

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

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

Employment on-costs

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

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

As a result of an actuarial assessment performed by the Department of Treasury and Finance (DTF), the proportion of long service leave has changed from the 2019 rate (41%) to 42%. The average factor for the calculation of employer superannuation on-costs has remained the same as the 2019 rate (9.8%). These rates are used in the employment on-cost calculation.

South Australian Country Fire Service
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7.2. Financial Liabilities

	2020	2019
	\$'000	\$'000
Current		
Lease liabilities	1 199	-
Total current financial liabilities	1 199	-
Non-current		
Lease liabilities	2 118	-
Total non-current financial liabilities	2 118	-
Total financial liabilities	3 317	-

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

7.3. Provisions

	2020	2019
	\$'000	\$'000
Current		
Provision for workers' compensation	1 944	2 732
Additional compensation	40	45
Total current provisions	1 984	2 777
Non-current		
Provision for workers' compensation	10 474	15 563
Additional compensation	2 933	2 600
Total non-current provisions	13 407	18 163
Total provisions	15 391	20 940

Provision movement

	2020	2019
	\$'000	\$'000
Workers' compensation:		
Carrying amount at the beginning of the period	18 295	8 380
Additional provisions recognised	-	10 798
Reduction arising from payments	(976)	(883)
Reduction resulting from re-measurement	(4 902)	-
Carrying amount at the end of the period	12 417	18 295
Additional compensation:		
Carrying amount at the beginning of the period	2 645	4 955
Reductions resulting from re-measurement	349	(2 277)
Reduction resulting from payments	(20)	(33)
Carrying amount at the end of the period	2 974	2 645

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7.3. Provisions (continued)

Workers' Compensation

A provision has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2020 provided by a consulting actuary engaged through the Office of the Commissioner for the Public Sector. The provision is for the estimated cost of ongoing payments to workers as required under current legislation.

CFS is responsible for the payment of workers compensation claims.

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

The provision increased significantly in 2019 based on observed increases in cancer claims and that those claims tended to receive the maximum benefit payable. Claims experience during 2020 has seen a large reduction in the average outstanding claim size and this has resulted in a significantly lower provision for 2020.

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

Additional compensation was introduced in 2018 and provides continuing benefits to workers who have suffered eligible work-related injuries and whose entitlements have ceased under the statutory workers compensation scheme.

The additional compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2020 provided by a consulting actuary engaged through the Office of the Commissioner for the Public Sector. The provision is for the estimated cost of ongoing payments to workers as required under current arrangements.

CFS is responsible for the payment of additional compensation claims.

There is a degree of uncertainty associated with this estimate. In addition to the general uncertainties associated with estimating future claim and expense payments, the additional compensation provision is impacted by a short claim's history and the evolving nature of the interpretation of, and evidence required to meet, eligibility criteria.

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8. Other disclosures

8.1. Equity

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

8.2. Cash flow

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

	2020 \$'000	2019 \$'000
Leases		
Buildings	641	-
Vehicles	589	-
Total cash outflow for leases	1 230	-
Cash flow reconciliation		
	2020 \$'000	2019 \$'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	26 080	21 811
Balance as per Statement of Cash Flows	26 080	21 811
Reconciliation of net cash provided by / (used in) operating activities to net cost of providing services		
Net cash provided by/(used in) operating activities	23 410	26 655
Add / (less) non-cash items		
Depreciation and amortisation	(13 602)	(11 499)
Donated assets	34	-
Net gain/(loss) from disposal of non-current assets	(5)	19
Movement in assets and liabilities		
Increase/(decrease) in receivables	2 553	2 145
(Increase)/decrease in payables	5 069	(3 152)
(Increase)/decrease in employee benefits	63	(1 051)
(Increase)/decrease in provisions	5 549	(7 605)
Net result	(23 071)	(5 512)

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9. Changes in accounting policy

9.1. AASB 16 Leases

AASB 16 sets out a comprehensive model for lessee accounting that addresses recognition, measurement, presentation and disclosure of leases. Lessor accounting is largely unchanged. AASB 16 *Leases* replaces AASB 117 *Leases* and related interpretations.

The adoption of AASB 16 *Leases* from 1 July 2019 resulted adjustments to the amounts recognised from a lessee perspective in the financial statements:

- AASB 117 *Leases* only required the recognition of an asset and lease liability in relation to finance leases. AASB 16 *Leases* applies a comprehensive model to all leases. Applying AASB 16 will result in leases previously classified as operating leases having right-of-use assets and related lease liabilities being recognised in the Statement of Financial Position
- AASB 117 *Leases* resulted in operating lease payments being recognised as an expense under Supplies and Services. AASB 16 *Leases* largely replaces this with depreciation expenses that represents the use of the right-of-use asset and borrowing costs that represent the cost associated with financing the right-of-use asset.

Impact on retained earnings

The total impact on CFS's retained earnings as at 1 July 2019 is as follows:

	<u>\$'000</u>
Closing retained earnings 30 June 2019 – AASB 117	126 576
<u>Assets</u>	
Right-of-use assets	3 728
<u>Liabilities</u>	
Financial liabilities	3 728
Opening retained earnings 1 July 2019 – AASB 16	126 576

The CFS disclosed in its 2018-19 financial report total undiscounted operating lease commitments of \$5.4 million under AASB 117.

The CFS has accommodation services provided by DPTI under MoAA issued in accordance with Government-wide accommodation policies.

These MoAA do not meet the definition of lease set out either in AASB 16 or in the former standard AASB 117. Accordingly, the 2018-19 undiscounted operating lease commitments should have been disclosed as \$4.6 million under AASB 117. There is no material difference between the revised operating lease commitments when discounted and the financial liabilities recognised as at 1 July 2019.

Commitments related to accommodation services provided by DPTI are included in Note 10.1.

The misclassification did not impact on the Statement of Comprehensive Income or the Statement of Financial Position in prior years. This misclassification impacted items within the supplies and services expenses line. Note 4.1 applies the correct classification for both the current and comparative years.

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9.2. AASB 16 Leases (continued)

Accounting policies on transition

AASB 16 sets out accounting policies on transition in its transitional provisions. The Treasurer's Instructions (Accounting Policy Statements) requires certain choices in those transitional provisions to be taken. The CFS has adopted the following accounting policies:

- to apply AASB 16 retrospectively. The cumulative effect of initially applying the Standard was recognised at 1 July 2019. Comparatives have not been restated.
- at 1 July 2019 AASB 16 was applied only to contracts that were previously identified as containing a lease under AASB 117 and related interpretations.
- the initial measurement of lease liability was the present value of the remaining leases payments discounted using the relevant incremental borrowing published by DTF rate as at 1 July 2019 based on the SA Government's cost of borrowing. The average weighted incremental borrowing rate for this purpose was 1.5%.
- the initial measurement of right-of-use assets has been calculated as an amount equal to the lease liability on transition adjusted for prepaid or accrued lease payments and lease incentive liabilities.
- the initial measurement of lease liabilities and right-of-use assets excludes all leases that ended by 30 June 2020, except for vehicles leased from SAFA.

Ongoing accounting policies

The Treasurer's Instructions (Accounting Policy Statements) specify required accounting policies for public authorities in applying AASB 16. These requirements are reflected in CFS's accounting policies as follows:

- AASB 16 is not applied to leases of intangible assets.
- right-of-use assets and lease liabilities are not recognised for leases of low value assets, being assets, which have a value of \$15 000 or less, nor short-term leases, being those with a lease term of 12 months or less.
- the CFS, in the capacity of a lessee, does not include non-lease components in lease amounts.
- right-of-use assets are not measured at fair value on initial recognition for leases that have significantly below-market terms and conditions principally to enable the public authority to further its objectives.
- right-of-use assets are subsequently measured applying a cost model.

Significant accounting policies relate to the application of AASB 16 are disclosed under relevant notes and are referenced at note 5.3.

9.2. AASB 15 Revenue from Contracts with Customers

AASB 15 *Revenue from Contracts with Customers* establishes a revenue recognition model for revenue arising from contracts with customers. It requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

AASB 15 supersedes AASB 111 *Construction contracts*, AASB 118 *Revenue* and related Interpretations and applies to all revenue arising from contracts with customers.

Impact on retained earnings

On transition, there was no impact on retained earnings.

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9.3. AASB 1058 Income of Not-for-Profit Entities

AASB 1058 *Income of Not-for-Profit Entities* establishes new income recognition requirements for not-for-profit entities. Its requirements apply where the consideration to acquire an asset, including cash, is significantly less than fair value principally to the entity to further its objectives. AASB 1058 also contains requirements for the receipt of volunteer services. AASB 1058 supersedes income recognition requirements in AASB 1004 *Contributions*, AASB 118 *Revenue* and AASB 111 *Construction Contracts*. However, elements of AASB 1004 remain in place, primarily in relation to restructures of administrative arrangements and other contributions and distributions by owners.

Accounting policies on transition

On transition, there was no impact on retained earnings.

9.4. Presentation of Financial Statements

Treasurer's Instructions (Accounting Policy Statements) issued on 1 June 2020 removed the previous requirement for financial statements to be prepared using the net cost of services format. The net cost of services is the total cost of services less any revenue retained by public authorities involved in the provision of services but does not include items classified as revenues from and payments to the South Australian Government.

Presentation of the Statement of Comprehensive Income on an 'income and expense' basis allows information to be presented in such a way that eliminates potential confusion as to the source of funding for the CFS. As well as changes to the format of the Statement of Comprehensive Income, there are presentational changes to remove the net cost of services format from the Statement of Cash Flows. These statements now show income before expenses, and cash receipts before cash payments. Related disclosures also reflect this changed format.

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10. Outlook

10.1. Unrecognised contractual commitments

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

Capital commitments

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

	2020	2019
	\$'000	\$'000
Within one year	6 398	9 927
Total capital commitments	6 398	9 927

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:

	2020	2019
	\$'000	\$'000
No later than one year	7 561	4 851
Later than one year but not later than five years	389	4 125
Total expenditure commitments	7 950	8 976

Contractual commitments relate to accommodation, information technology, aerial firefighting, equipment supply and maintenance contracts, and supply of personal protective clothing.

Operating lease commitments

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

	2020	2019
	\$'000	\$'000
Within one year	-	1 441
Later than one year but not later than five years	-	2 560
Later than five years	-	577
Total operating lease commitments	-	4 578

Operating lease commitments is provided for the comparative year only as AASB 16 *Leases* does not distinguish between operating and finance leases for the lessee. The comparative amount does not include commitments for MoAA with DPTI for accommodation. This has been reclassified and included under expenditure commitments. For more detail about the reclassification see 9.1.

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10.2. Contingent assets and liabilities

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

CFS is aware of a contingent liability of \$0.117 million in relation to two transactions that are possible obligations but the obligation to pay is uncertain.

10.3. Impact of standards and statements not yet effective

The CFS has assessed the impact of new and changed Australian Accounting Standard Board Standards and Interpretations not yet effective.

AASB 1059 Service Concession Arrangements: Grantors

AASB 1059 prescribes the accounting for certain arrangements in which an operator provides public services on behalf of a public sector grantor involving a service concession arrangement. This standard applies to reporting periods beginning on or after 1 January 2020. The agency has assessed its arrangements where operators provide services and has concluded that none of these will be within the scope of AASB 1059.

10.4. COVID-19 pandemic outlook for CFS

The COVID-19 pandemic will continue to impact the operations of the agency in 2020-21. The key expected impacts are:

- Further significant outbreaks of the COVID-19 pandemic in South Australia would see greater response measures with associated additional expenses.
- Additional expenditure may be incurred due to supplier business restrictions.
- Expected credit losses may continue at elevated levels until economic conditions improve.

10.5. Events after the reporting period

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

South Australian Country Fire Service
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11. Measurement and risk

11.1. Long service leave

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

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

AASB 119 *Employee Benefits* requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has decreased from 2019 (1.25%) to 2020 (1.00%).

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 to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$4.231 million and employee benefits expense of \$4.706 million. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions - including the long-term discount rate.

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

11.2. Fair value

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

Initial Recognition

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

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

Revaluation

Property, plant and equipment are subsequently measured at fair value after allowing for accumulated depreciation.

The revaluation process is reviewed by CFS each year.

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

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

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

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

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11.2. Fair Value (continued)

Fair value hierarchy

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

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

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

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

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

During 2020 and 2019, the agency had no valuations categorised into level 1; there were no transfers of assets between level 1 and 2 fair value hierarchy levels and there were no changes in valuation technique.

Fair value classification - non-financial assets at 30 June 2020

		Level 2	Level 3	Total
		\$'000	\$'000	\$'000
Recurring fair value measurements				
Land	5.1	882	14 758	15 640
Buildings	5.1	-	43 818	43 818
Vehicles	5.1	-	102 527	102 527
Communication (Comms.) equipment	5.1	-	9 410	9 410
Computer equipment	5.1	-	30	30
Plant and equipment	5.1	-	4 412	4 412
Total recurring fair value measurements		882	174 955	175 837
Non- recurring fair value measurements				
Land held for sale	6.4	742	-	742
Total non-recurring fair value measurements		742	-	742
Total fair value measurements		1 624	174 955	176 579

Fair value classification - non-financial assets at 30 June 2019

		Level 2	Level 3	Total
		\$'000	\$'000	\$'000
Recurring fair value measurements				
Land	5.1	6 798	6 470	13 268
Buildings	5.1	9 945	27 218	37 163
Vehicles	5.1	-	89 586	89 586
Communication (Comms.) equipment	5.1	-	9 571	9 571
Computer equipment	5.1	-	10	10
Plant and equipment	5.1	-	3 716	3 716
Total recurring fair value measurements		16 743	136 571	153 314
Non- recurring fair value measurements				
Land held for sale	6.4	742	-	742
Total non-recurring fair value measurements		742	-	742
Total fair value measurements		17 485	136 571	154 056

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11.2. Fair value (continued)

Land and buildings

An independent valuation of land and buildings was performed by a Certified Practising Valuer from Liquid Pty Ltd as at 1 November 2019. The CFS did not revalue land and buildings related to peppercorn leased sites. These have been recognised at their carrying amounts from 30 June 2019. The land and buildings values at revaluation were considered relevant for 30 June 2020.

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

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

Plant and equipment

All items of plant and equipment had a fair value at the time of acquisition less than \$1.5 million and had an estimated useful life that less than three years. Plant and equipment have not been revalued in accordance with APS 116.D. The carrying value of these items are deemed to approximate fair value.

Reconciliation of level 3 recurring fair value measurement at 30 June 2020

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

	Land	Buildings	Vehicles	Comms. equipment	Computer equipment	Plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	6 470	27 218	89 586	9 571	10	3 716	136 571
Capitalised asset transfers	-	4 706	11 718	261	-	451	17 136
Donated Asset	-	-	34	-	-	-	34
Transfer to Level 3	5 991	9 945	-	-	-	-	15 936
Transfers between asset classes	-	(267)	-	-	-	-	(267)
Disposals	-	-	(501)	-	-	-	(501)
Gains/(losses) for the period recognised in net result:							
Depreciation	-	(2 412)	(7 537)	(1736)	(8)	(502)	(12 195)
Revaluation increment/(decrement)	2 297	4 628	9 227	1 314	28	747	18 241
Total gains/(losses) recognised in net result	2 297	2 216	1 690	(422)	20	245	6 046
Carrying amount at the end of the period	14 758	43 818	102 527	9 410	30	4 412	174 955

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11.2. Fair value (continued)

Reconciliation of level 3 recurring fair value measurement at 30 June 2019

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

	Land	Buildings	Vehicles	Comm equipment	Computer equipment	Plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	6 318	28 395	87 495	10 783	36	3 464	136 491
Acquisitions	-	-	11	-	-	37	48
Capitalised asset transfers	152	549	9 403	514	-	794	11 412
Disposals	-	-	(319)	-	-	-	(319)
Gains/(losses) for the period recognised in net result:							
Depreciation	-	(1 726)	(7 004)	(1 726)	(26)	(579)	(11 061)
Total gains/(losses) recognised in net result	-	(1 726)	(7 004)	(1 726)	(26)	(579)	(11 061)
Carrying amount at the end of the period	6 470	27 218	89 586	9 571	10	3 716	136 571

11.3. Financial instruments

Financial risk management

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

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

Liquidity risk

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

Refer to notes 7.1 and 7.2 for further information.

Credit risk

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

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

Impairment of financial assets

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

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

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11.3. Financial Instruments (continued)

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

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

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

	Debtor gross carrying amount \$'000	Loss %	Lifetime expected losses \$'000
2020			
Current (not past due)	5 347	0.00%	-
1 - 30 days past due	9	0.21%	-
31 - 60 days past due	4	0.32%	-
61 - 90 days past due	1	1.92%	-
More than 90 days past due	59	2.41%	1
Loss allowance	5 420	0.00%	1

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

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

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

Receivables with a contractual amount of \$10 000 written off during the year are still subject to enforcement activity.

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

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

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

Market risk

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

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

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

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11.3. Financial instruments (continued)

Categorisation of financial instruments

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

Classification of financial instruments

CFS measures all financial instruments at amortised cost.

Category of financial asset and financial liability	Note	Carrying amount / fair value \$'000	2020 Contractual maturities		
			Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets					
Cash and cash equivalents					
Cash and cash equivalents	6.1	26 080	26 080	-	-
Financial assets at amortised cost					
Receivables	6.2	7 297	7 297	-	-
Other financial assets	6.3	2 055	2 055	-	-
Total financial assets		35 432	35 432	-	-
Financial liabilities					
Financial liabilities at amortised cost					
Payables	7.1	4 906	4 900	-	6
Financial liabilities	7.2	3 317	1 199	2 118	-
Total financial liabilities		8 223	6 099	2,118	6

Category of financial asset and financial liability	Note	Carrying amount / fair value \$'000	2019 Contractual maturities		
			Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets					
Cash and cash equivalents					
Cash and cash equivalents	6.1	21 811	21 811	-	-
Loans and receivables					
Receivables	6.2	3 757	3 757	-	-
Held to maturity					
Other financial assets	6.3	2 178	2 178	-	-
Total financial assets		27 746	27 746	-	-
Financial liabilities					
Financial liabilities at amortised cost					
Payables	7.1	9 997	9 991	-	6
Total financial liabilities		9 997	9 991	-	6

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11.3. Financial instruments (continued)

Receivables and payables

The 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; AGD audit fees). In government, certain rights to receive or pay cash may not be contractual and therefore, in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents, they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at amortised cost.

The receivables amount disclosed here excludes prepayments as they are not financial assets. Prepayments are presented in note 6.2.