



**Government
of South Australia**

South Australian
Fire and Emergency
Services Commission

South Australian Fire and Emergency Services Commission **2016-17 Annual Report**

South Australian Fire and Emergency Services Commission

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To: Hon Chris Picton MP

Minister for Police

Minister for Correctional Services

Minister for Emergency Services

Minister for Road Safety

Minister Assisting the Minister for Health

Minister Assisting the Minister for Mental Health and Substance Abuse


This annual report is presented to Parliament to meet the statutory reporting requirements of the *Fire and Emergency Services Act 2005* and meets the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

This report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.

Submitted on behalf of the South Australian Fire and Emergency Services Commission by:

Malcolm Jackman

Chief Executive



23 October 2017

Signature

Date

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Section A: Reporting required under the *Public Sector Act 2009*, the *Public Sector Regulations 2010* and the *Public Finance and Audit Act 1987*

Agency purpose or role

The South Australian Emergency Services Sector (ESS), comprising the South Australian Fire and Emergency Services Commission (SAFECOM), Country Fire Service (CFS), Metropolitan Fire Service (MFS) and State Emergency Service (SES), protects South Australian lives, property and environment.

The ESS plays an essential role in the safety of all South Australians. Funded wholly by the people of South Australia, the ESS has a responsibility to deliver benefits and cost efficiency to those it serves and returns an increasing value on their trusted investment.

The primary role of the ESS is to prevent the loss of life, property, environment and infrastructure through reducing the impact of fires and other emergencies on our community. Not only is this achieved through an ongoing investment in emergency response equipment and trained personnel, but as importantly the ESS is committed to providing emergency warning systems and awareness materials that enable all South Australians to be as prepared and resilient to the dangers of fire and other emergencies as possible.

SAFECOM provides 'corporate' support services that are integral in allowing the ESOs – CFS, MFS and SES – to provide the frontline services that directly support and protect the community of South Australia.

SAFECOM is governed by the SAFECOM Board which comprises the SAFECOM Chief Executive (Presiding Member), the Chief Officers of the three emergency service agencies, a representative of the United Firefighters Union, representatives from the SES Volunteer Association and CFS Volunteer Association and two independent members appointment by the Minister for Emergency Services.

Objectives

SAFECOM was established in 2005 to:

- Develop and maintain a strategic and policy framework across the ESS
- Develop and implement a framework of sound corporate governance across the ESS;
- Ensure that appropriate strategic, administrative and other support services are provided to the three emergency services organisations (CFS, MFS and SES);
- Ensure that appropriate strategic and business plans are developed, maintained and implemented across the ESS;
- Provide for the effective allocation of resources within the ESS; and
- Support the emergency services agencies.

SAFECOM works with the agencies to:

- Ensure governance and accountability for the sector through common, strategically aligned goals;
- Provide consolidated and integrated support services;
- Maintain a balanced focus on prevention, preparedness, response and recovery services;
- Pursue opportunities for efficiencies and reforms and reinvest savings from within the sector; and
- Enhance participation and support of volunteers within local communities.

SAFECOM is responsible for:

- Providing key emergency management leadership, particularly in the area of mitigation;
- Representing the State Government at national emergency management forums;
- Managing the expenditure of the Community Emergency Services Fund; and
- Key capabilities such as Public Information and Warnings, and the State Emergency Information Call Centre Capability.

Key strategies and their relationship to SA Government objectives

Key strategy	SA Government objective
<p>Review and update the sector's Performance Management and Development program.</p> <p>Goal:</p> <p>Improve our non-operational workforce capabilities through the implementation of performance management and development policies and practices.</p> <p>Outcomes:</p> <ul style="list-style-type: none"> • Continuous process improvement and benchmarking of our performance development guidelines and supporting documentation. • Managers effectively manage all dimensions of performance development process. • Development program directly supports employees in building key individual and organisational capabilities identified. • Performance development is recognised throughout the sector as an opportunity for developing skills, knowledge and attributes to support the sector achieve operational success. • Number of employees who have: <ul style="list-style-type: none"> ○ Participated in two formal performance conversations in one year. ○ An individual performance development plan in place. 	<p>Premier's Directive in relation to Performance Management and Development requiring agencies by 1 July 2016, <i>"to implement a performance management and development system that, at a minimum, incorporates:</i></p> <ul style="list-style-type: none"> • <i>Performance management and development reviews with all employees including executives at least biannually; and</i> • <i>Reporting of the percentage of performance management and development reviews that have occurred within the agency, to the Commissioner for Public Sector Employment at least biannually."</i>

Key strategy	SA Government objective
<p>Implement a workplace inspection schedule across the sector.</p> <p>Goal:</p> <p>100% of the planned inspections completed and corrective actions arising from the reports are implemented and reviewed.</p> <p>Outcomes:</p> <p>Address safety risks and mitigate those risks by using a safety management approach including AS/NZS 4801 (OHS Management Systems) and AS/NZS 31000 (Risk Management).</p>	<p>South Australian Strategic Plan Target 21 Greater Safety at Work</p> <p>People in the community support and look after one another.</p> <p>Building Safety Excellence in the Public Sector Strategy 2015-2020</p> <p>Comment</p> <p>All the scheduled inspections occurred and corrective action plans were developed.</p> <p>Hazards rates above low risk were included on a register and responsibilities were attached.</p> <p>A review mechanism was established to validate the remedial actions.</p>
<p>Attract, recruit and retain high quality emergency service volunteers to meet current and future workforce needs, representative of and responsive to the community it serves.</p> <p>Relevant programs and initiatives run in 2016-17 to achieve this strategy:</p> <ul style="list-style-type: none"> • Recruitment assistance, support and planning sessions delivered to 37 CFS brigades and SES units. • Managed and implemented projects specific to volunteer management to guide recruitment, retention, management and recognition of volunteers. • Coordinated and supported CFS and SES youth programs including the management of the CFS Youth Advisory Council and CFS and SES cadet attendance at the ANZAC Eve Youth Vigil. • Delivery of non-operational training sessions to CFS brigades and SES units focussing on people skills that promote effective and harmonious CFS brigades and SES units – 41 training sessions delivered in 2016-17. 	<p>This strategy supports the South Australian Strategic Plan Target 24</p> <p>Volunteering: maintain a high level of formal or informal volunteering in SA at 70% participation rate and its primary goal “we value and support our volunteers and carers”.</p>

Key strategy	SA Government objective
<p>Employ a continuous improvement approach to support and enhance public information and warning services and practices in South Australia.</p> <p>Outcomes:</p> <ul style="list-style-type: none"> • South Australians are effectively informed/warned of hazards, fostering greater community resilience and public safety. • Government authorities have adequate training and access to public information and warning services to fulfil their operational and legislative obligations. • Public information and warning services are resilient, robust and represent public value. 	<p>South Australia's seven strategic priorities:</p> <p><i>"Safe Communities, Healthy Neighbourhoods"</i></p>

Agency programs and initiatives and their effectiveness and efficiency

Program name	Indicators of performance/effectiveness/efficiency	Comments
Emergency Service Support	SAFECOM provides support to the emergency services sector operational agencies – CFS, MFS and SES. This includes people, finance, ICT, capability and public information and warnings together with policy and strategic framework, governance and risk management.	SAFECOM has developed a strategic framework for the emergency services sector and continues to provide corporate support to the emergency services organisations which enables the provision of emergency services to the public.
Emergency Management	SAFECOM provides emergency management initiatives across the state as well as administering a range of joint state and Commonwealth Government funded initiatives.	SAFECOM has provided strategic leadership of whole of government emergency management in SA, effective management of Commonwealth and State Government Grants Programs and jurisdictional representation in a range of national reviews and initiatives.

Legislation administered by the agency

Fire and Emergency Services Act 2005

Organisation of the agency

Governance, Board and Executive Support

Finance

People

Emergency Management

ICT

Capability

Volunteer Services

WHS&IM

Public Information and Warnings

Other agencies related to this agency (within the Minister's area/s of responsibility)

SA Country Fire Service (CFS)

SA Metropolitan Fire Service (MFS)

SA State Emergency Service (SES)

Employment opportunity programs

Program name	Result of the program
Recruitment in APY Lands (jointly managed with CFS)	315 registered members

Agency performance management and development systems

Performance management and development system	Assessment of effectiveness and efficiency
Individual Performance Management and Development	Currently under review

Occupational health, safety and rehabilitation programs of the agency and their effectiveness

Occupational health, safety and rehabilitation programs	Effectiveness
Employee Assistance Program	Increased usage when compared to the last seven years due to improved communication and promotion (supports our early intervention strategy).
Staff Welfare Checks	Provision of regular confidential face to face counselling of employees to support early intervention. 70% of workforce engaged.
Flu Vaccination Program	70% of workforce voluntarily participated.
Workstation Ergonomics Program	All new staff have completed. Any adjustments identified are actioned promptly with no injury claims arising.

Fraud detected in the agency

Category/nature of fraud	Number of instances
Nil	Nil

Strategies implemented to control and prevent fraud

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

- Fraud, corruption, misconduct and maladministration policy, procedure and control plan in place.
- Financial and human resource policies and procedures.
- An Audit and Risk Committee that reports to the SAFECOM Board.
- Regular financial monitoring and reporting.

Data for the past five years is available at: [Data.SA](#)

Whistle-blowers' disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Whistle-blowers' Protection Act 1993*

0

Data for the past five years is available at: [Data.SA](#)

Executive employment in the agency

Executive classification	Number of executives
Chief Executive (EXECD)	1

Data for the past five years is available at: [Data.SA](#)

For further information, the [Office for the Public Sector](#) has a [data dashboard](#) for further information on the breakdown of executive gender, salary and tenure by agency.

Consultants

The following is a summary of external consultants that have been engaged by the agency, the nature of work undertaken and the total cost of the work undertaken.

Consultants	Purpose	Value
All consultancies below \$10,000 each	Advice regarding telephone system replacement	\$5,855
Consultancies above \$10,000 each		
Rhumb Consulting	Operational facilities study	\$25,322
Total all consultancies		\$31,177

Data for the past five years is available at: [Data.SA](#)

See also <https://www.tenders.sa.gov.au/tenders/index.do> for a list of all external consultancies, including nature of work and value. See also the Consolidated Financial Report of the Department of Treasury and Finance <http://treasury.sa.gov.au/> for total value of consultancy contracts across the SA Public Sector.

Financial performance of the agency

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2016-17 are attached to this report.

	2016-17 \$'000	2015-16 \$'000
Expenses	15 949	18 682
Income	17 553	15 789
Net Result	1 604	(2 893)

SAFECOM expenses were lower in 2016-17 than in 2015-16 primarily due to:

- The transfer of Zone Emergency Management officers from SAFECOM to SES
- The timing of Natural Disaster Resilience Program grant payments
- One-off funding in 2015-16 for the upgrade of the national Emergency Alert system

Income was higher in 2016-17 primarily due to:

- State matching funding for the Natural Disaster Resilience Program grants

Other financial information

The attached audited financial statements include the consolidated Emergency Services Sector financial result in addition to the SAFECOM entity.

The attached audited financial statements also include the Community Emergency Services Fund which is administered by SAFECOM. Emergency services in South Australia are funded by the Emergency Services Levy (ESL). All collections are paid into the Community Emergency Services Fund (CESF) which makes payments to government agencies and non-government organisations for the provision of emergency services and associated activities as stipulated in the Emergency Services Funding Act 1998 (the Act).

Other information requested by the Minister(s) or other significant issues affecting the agency or reporting pertaining to independent functions

Nil to report.

Section B: Reporting required under any other act or regulation

Name and date of act or regulation
Nil

Section C: Reporting of public complaints as requested by the Ombudsman

Summary of complaints by subject

Public complaints received by Human Resources	
Category of complaints by subject	Number of instances
Nil	Nil

Data for the past five years is available at: [Data.SA](#)

Complaint outcomes

Nature of complaint or suggestion	Services improved or changes as a result of complaints or consumer suggestions
Nil	Nil

Appendix: Audited financial statements 2016-17

INDEPENDENT AUDITOR'S REPORT



Government of South Australia
Auditor-General's Department

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

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 21(2) of the *Fire and Emergency Services Act 2005*, I have audited the financial report of the South Australian Fire and Emergency Services Commission and the consolidated entity comprising the South Australian Fire and Emergency Services Commission and the emergency services sector for the financial year ended 30 June 2017.

Opinion

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the South Australian Fire and Emergency Services Commission as at 30 June 2017, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2017
- a Statement of Financial Position as at 30 June 2017
- a Statement of Changes in Equity for the year ended 30 June 2017
- a Statement of Cash Flows for the year ended 30 June 2017
- notes, comprising significant accounting policies and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2017
- a Statement of Administered Financial Position as at 30 June 2017
- a Statement of Administered Changes in Equity for the year ended 30 June 2017
- a Statement of Administered Cash Flows for the year ended 30 June 2017
- notes, comprising significant accounting policies and other explanatory information for administered items
- a Certificate from the Presiding Officer, the acting Chief Executive and the Manager Financial Services.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the South Australian Fire and Emergency Services Commission and the emergency services sector. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants have been met.

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

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

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

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

Auditor's responsibilities for the audit of the financial report

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

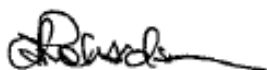
As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

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

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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



Andrew Richardson
Auditor-General
21 September 2017

South Australian Fire and Emergency Services Commission (SAFECOM)

Financial Statements


For the year ended 30 June 2017

South Australian Fire and Emergency Services Commission
Statement of Comprehensive Income
for the year ended 30 June 2017

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

- comply with relevant Treasurer's Instructions issued under Section 41 of the *Public Finance and Audit Act 1967*, and relevant Australian Accounting Standards;
- are in accordance with the accounts and records of the South Australian Fire and Emergency Services Commission; and
- present a true and fair view of the financial position of the South Australian Fire and Emergency Services Commission as at 30 June 2017 and the results of its operations and cash flows for the financial year.

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



Greg Crossman
Presiding Officer
South Australian Fire and Emergency Services Commission Board
18 September 2017



Glenn Benham
A/Chief Executive
South Australian Fire and Emergency Services Commission
18 September 2017



Joel Schirmer
Manager Financial Services
South Australian Fire and Emergency Services Commission
18 September 2017

South Australian Fire and Emergency Services Commission
Statement of Comprehensive Income
for the year ended 30 June 2017

	Note	Consolidated		SAFECOM Entity	
		2017	2016	2017	2016
		\$'000	\$'000	\$'000	\$'000
Expenses					
Employee benefits	5	154 869	163 609	7 468	8 009
Supplies and services	6	73 510	74 885	5 348	6 803
Depreciation and amortisation	7	20 877	20 350	890	841
Grants and subsidies		2 789	3 219	2 243	3 029
Total expenses		252 025	262 043	15 949	18 682
Income					
Fees and charges	9	6 467	6 508	636	708
Grants and contributions	10	5 531	5 455	2 088	2 088
Interest	11	229	288	67	53
Resources received free of charge	12	62	20	-	-
Net gain (loss) from disposal of non-current assets	8	10	(166)	-	-
Other	13	2 433	1 542	21	43
Total income		14 732	13 647	2 812	2 892
Net cost of providing services		237 293	248 396	13 137	15 790
Revenues from SA Government					
Revenues from SA Government	14	247 283	240 084	14 741	12 897
Total revenues from SA Government		247 283	240 084	14 741	12 897
Total comprehensive result		9 990	(8 312)	1 604	(2 893)

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

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

South Australian Fire and Emergency Services Commission
Statement of Financial Position
as at 30 June 2017

		Consolidated		SAFECOM Entity	
	Note	2017	2016	2017	2016
		\$'000	\$'000	\$'000	\$'000
Current assets					
Cash and cash equivalents	15	29 368	22 705	5 379	4 492
Receivables	16	4 218	3 686	1 524	439
Other financial assets	17	2 772	2 657	-	-
Non-current assets classified as held for sale	18	742	996	-	-
Total current assets		37 090	30 044	6 903	4 931
Non-current assets					
Property, plant and equipment	19	352 471	346 066	665	322
Intangible assets	20	1 274	1 951	1 052	1 852
Total non-current assets		353 745	348 017	1 717	2 174
Total assets		390 835	378 061	8 620	7 105
Current liabilities					
Payables	22	13 608	13 529	1 207	1 256
Employee benefits	23	19 136	15 772	986	987
Provisions	24	8 613	8 746	21	31
Total current liabilities		41 357	38 047	2 214	2 274
Non-current liabilities					
Payables	22	2 754	2 485	166	167
Employee benefits	23	29 599	26 638	1 797	1 806
Provisions	24	10 314	14 069	21	40
Total non-current liabilities		42 668	43 192	1 984	2 013
Total liabilities		84 023	81 239	4 198	4 287
Net assets		306 812	296 822	4 422	2 818
Equity					
Retained earnings	25	241 966	231 976	4 422	2 818
Revaluation surplus	25	64 846	64 846	-	-
Total equity		306 812	296 822	4 422	2 818

Total equity is attributable to the SA Government as owner

Unrecognised contractual commitments	28
Contingent assets and liabilities	29

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

South Australian Fire and Emergency Services Commission
Statement of Changes in Equity
for the year ended 30 June 2017

Consolidated			
Note	Revaluation Surplus \$'000	Retained Earnings \$'000	Total \$'000
Balance at 30 June 2015	64 846	240 288	305 134
Net result for 2015-16	-	(8 312)	(8 312)
Net income or expenses relating to non-current assets held for sale	-	-	-
Total comprehensive result for 2015-16	-	(8 312)	(8 312)
Balance at 30 June 2016	25 64 846	231 976	296 822
Net result for 2016-17	-	9 990	9 990
Gain on revaluation of plant and equipment during 2016-2017	-	-	-
Total comprehensive result for 2016-17	-	9 990	9 990
Balance at 30 June 2017	25 64 846	241 966	306 812

SAFECOM Entity			
Note	Revaluation Surplus \$'000	Retained Earnings \$'000	Total \$'000
Balance at 30 June 2015	-	5 711	5 711
Net result for 2015-16	-	(2 893)	(2 893)
Total comprehensive result for 2015-16	-	(2 893)	(2 893)
Balance at 30 June 2016	25 -	2 818	2 818
Net result for 2016-17	-	1 604	1 604
Total comprehensive result for 2016-17	-	1 604	1 604
Balance at 30 June 2017	25 -	4 422	4 422

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

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

South Australian Fire and Emergency Services Commission
Statement of Cash Flows
for the year ended 30 June 2017

		Consolidated		SAFECOM Entity	
	Note	2017	2016	2017	2016
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Cash outflows					
Employee benefit payments		(152 718)	(153 343)	(7 515)	(7 950)
Payments for supplies and services		(84 091)	(83 806)	(7 332)	(9 863)
Payments of grants and subsidies		(2 970)	(2 975)	(2 444)	(2 785)
Payments for paid parental leave scheme		(131)	(88)	(9)	-
Cash used in operations		(239 910)	(240 212)	(17 300)	(20 598)
Cash inflows					
Receipts from fees and charges		7 955	8 569	657	865
Receipts from grants and contributions		4 487	5 695	1 044	2 088
Interest received		229	273	68	60
GST recovered from the ATO		9 811	10 424	2 097	2 166
Receipts for paid parental leave scheme		134	85	12	-
Other receipts		2 379	1 506	20	44
Cash generated from operations		24 995	26 552	3 898	5 223
Cash flows from SA Government					
Contributions from Community Emergency Services Fund		244 539	237 917	12 250	10 795
Other receipts from SA Government		2 744	2 167	2 491	2 102
Cash generated from SA Government		247 283	240 084	14 741	12 897
Net cash provided by operating activities	27	32 368	26 424	1 339	(2 478)
Cash flows from investing activities					
Cash outflows					
Purchase of property, plant and equipment		(26 480)	(29 049)	(452)	(483)
Purchase of investments		(115)	(109)	-	-
Payments for the disposal of property		(7)	(33)	-	-
Cash used in investing activities		(26 602)	(29 191)	(452)	(483)
Cash inflows					
Proceeds from the sale of property, plant and equipment		887	414	-	-
Cash generated from investing activities		887	414	-	-
Net cash used in investing activities		(25 715)	(28 777)	(452)	(483)
Net increase / (decrease) in cash and cash equivalents		6 653	(2 353)	887	(2 981)
Cash and cash equivalents at the beginning of the period		22 705	25 058	4 492	7 453
Cash and cash equivalents at the end of the period	15	29 358	22 705	5 379	4 492

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

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2017

1 Establishment, objectives and funding arrangements

Establishment

The South Australian Fire and Emergency Services Commission (SAFECOM) is established under the *Fire and Emergency Services Act 2005* (the Act).

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

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

The Act requires consolidated statements of accounts be prepared for the emergency services sector.

Objectives

SAFECOM has the following objectives:

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

Funding arrangements

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

2 Significant accounting policies

(a) Statement of compliance

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

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

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

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2017

2 Significant accounting policies (continued)

(b) Basis of preparation

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgement in the process of applying SAFECOM's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements, are outlined in the applicable notes.
- accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported.
- compliance with Accounting Policy Statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the Accounting Policy Statements require the following note disclosures, which have been included in this financial report:
 - (a) revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature. A threshold of \$100 000 for separate identification of these items may be utilised. SAFECOM has elected not to utilise this threshold; that is all revenue, expense, financial assets and liabilities relating to SA Government have been separately disclosed
 - (b) expenses incurred as a result of engaging consultants
 - (c) employees whose normal remuneration is equal to or greater than the base executive remuneration level (within \$10 000 bandwidths) and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the entity to those employees
 - (d) board/committee member and remuneration information, where a board/committee member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

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

(c) Principles of consolidation

The financial statements incorporate the assets and liabilities of all entities comprising the emergency services sector as at 30 June 2017 and the results of these entities for the year then ended. The effects of all transactions between entities in the consolidated entity are eliminated in full.

(d) Reporting entity

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

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

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

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2017

2 Significant accounting policies (continued)

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

Transactions and balances relating to the trust assets are not recognised as SASES's income, expenses, assets and liabilities, but are disclosed in note 35 as 'Trust Funds'.

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

(e) Comparative information

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

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

(f) Rounding

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

(g) Taxation

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

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

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

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

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

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

(h) Events after the reporting period

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

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

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2017

2 Significant accounting policies (continued)

(i) Current and non-current classification

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

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

(j) Non-current Assets

Acquisition and recognition

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

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

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

Depreciation and amortisation

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

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

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

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

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

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

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
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2 Significant accounting policies (continued)

Revaluation of non-current assets

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

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

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

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

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

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

Impairment

SAFECOM holds its property, plant and equipment and intangible assets for their service potential (value in use).

All non-current tangible assets are valued at fair value. Specialised assets would rarely be sold and typically any costs of disposal would be negligible, accordingly the recoverable amount will be close to or greater than fair value.

SAFECOM also expects for all other non-current tangible assets that any costs of disposal will be negligible and the recoverable to be close to or greater than fair value.

Intangible assets

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

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

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

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

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

Fair value measurement

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

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2017

2 Significant accounting policies (continued)

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

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

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

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

Refer note 21 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

(k) Liabilities

Employee benefits

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

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

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

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

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

Long service leave

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

The estimated liability for long service leave is based on actuarial assumptions over expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over the police and emergency services sector.

Expected future payments are discounted using market yields at the end of the reporting period on government bonds with durations that match, as closely as possible, the estimated future cash outflows.

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2017

2 Significant accounting policies (continued)

(i) Unrecognised contractual commitments and contingent assets and liabilities

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

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

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

3 New and revised accounting standards and policies

SAFECOM did not voluntarily change any of its accounting policies during 2016-17.

Accounting standards

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by SAFECOM for the period ending 30 June 2017.

AASB 16 *Leases* will apply for the first time for the year to reporting periods beginning on or after 1 Jan 2019. The amended standard introduces a single accounting model for lessees, eliminating the distinction between operating and finance leases.

The standard requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

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

It is anticipated that there will be a marginal impact on net result due to recognition of depreciation and interest on lease liabilities as expenses.

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

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

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

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

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2017

3 New and revised accounting standards and policies (continued)

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

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

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

4 Activities of South Australian Fire and Emergency Services Commission

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

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2017

5 Employee benefits expenses

	Consolidated		SAFECOM Entity	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Salaries and wages	107 944	103 305	5 481	5 811
Annual leave	13 258	12 525	480	564
Skills and experience retention leave	1 021	918	36	38
Long service leave	6 637	5 511	188	239
Employment on-costs - superannuation	15 217	14 725	927	1 006
Payroll tax	7 060	6 697	320	349
Workers compensation	3 038	19 244	10	(21)
Other employment related expenses	694	684	26	23
Total employee benefits expenses	154 869	163 609	7 468	8 009

Remuneration of employees

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

	Consolidated		SAFECOM Entity	
	2017	2016	2017	2016
	Number	Number	Number	Number
\$145 000 – \$147 000*	N/A	6	N/A	-
\$147 001 – \$157 000	42	8	-	-
\$157 001 – \$167 000	17	21	-	-
\$167 001 – \$177 000	11	3	-	-
\$177 001 – \$187 000	12	5	-	-
\$187 001 – \$197 000	6	4	-	-
\$197 001 – \$207 000	2	1	-	-
\$207 001 – \$217 000	1	1	-	-
\$227 001 – \$237 000	1	-	-	-
\$237 001 – \$247 000	1	-	-	-
\$247 001 – \$257 000	-	3	-	-
\$257 001 – \$267 000	1	-	-	-
\$267 001 – \$277 000	-	1	-	-
\$297 001 – \$307 000	2	2	-	-
\$307 001 – \$317 000	1	-	-	-
\$317 001 – \$327 000	-	1	-	-
\$377 001 – \$387 000	-	1	-	1
\$387 001 – \$397 000	1	-	1	-
Total number of executives / employees	96	57	1	1

* This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration 2015-16.

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 fringe benefits tax paid or payable in respect of those benefits. The total remuneration received by these employees for the year was SAFECOM entity \$0.4 million (2016: \$0.4million) and SAFECOM Consolidated \$16.9 million (2016: \$10.4 million).

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2017

6 Supplies and services

	Consolidated		SAFECOM Entity	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Accommodation	368	424	-	-
Aerial support costs	7 092	9 074	-	-
Auditor's remuneration	198	202	112	117
Communications	3 000	3 854	1 061	1 941
Computing costs	3 923	3 644	775	820
Consultancy, contractor and legal fees	3 911	4 547	295	855
Consumables	3 183	2 978	57	48
Energy	1 623	1 598	9	9
Government radio network	15 015	14 649	-	-
Insurance premiums	602	725	10	9
Minor plant and equipment	3 214	2 968	24	1
Operating lease costs	4 234	4 178	417	416
Operational costs	2 085	2 040	5	14
Repairs and maintenance	10 590	10 493	137	90
Shared Services SA payments	1 708	1 597	1 708	1 597
Travel and training	4 220	3 813	200	139
Uniforms and protective clothing	4 703	3 893	4	-
Other expenses	3 843	4 188	534	747
Total supplies and services	73 510	74 865	5 348	6 803

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, as it is representative of the pattern of benefits derived from the leased assets.

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

Audit fees paid / payable to the Auditor-General's Department relating to work performed under the PFAA were \$198 000 (2016: \$202 000). No other services were provided by the Auditor-General's Department.

Consultancy fees

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

	Consolidated				SAFECOM Entity			
	2017 No.	2017 \$'000	2016 No.	2016 \$'000	2017 No.	2017 \$'000	2016 No.	2016 \$'000
Below \$10 000	-	-	6	34	-	-	-	-
Above \$10 000	4	169	3	159	1	31	1	75
Total paid/payable to consultants engaged	4	169	9	193	1	31	1	75

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
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7 Depreciation and amortisation

	Consolidated		SAFECOM Entity	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Depreciation				
Buildings	5 442	5 436	3	3
Vehicles	11 802	11 636	3	-
Computers	413	370	50	55
Plant and equipment	968	838	34	47
Communications	1 426	1 308	-	-
Total depreciation	20 051	19 588	90	105
Amortisation				
Computer software	826	762	800	736
Total amortisation	826	762	800	736
Total depreciation and amortisation	20 877	20 350	890	841

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
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8 Net gain (loss) from disposal of non-current assets

	Consolidated		SAFECOM Entity	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Land and buildings				
Proceeds from disposal	527	-	-	-
Less net book value of assets disposed	(409)	-	-	-
Less costs of disposal	(3)	(33)	-	-
Net loss from disposal of land and buildings	115	(33)	-	-
Vehicles				
Proceeds from disposal	360	414	-	-
Less net book value of assets disposed	(454)	(543)	-	-
Net loss from disposal of vehicles	(84)	(129)	-	-
Communication equipment				
Less net book value of assets disposed	(7)	-	-	-
Net loss from disposal of communication equipment	(7)	-	-	-
Plant and equipment				
Less net book value of assets disposed	(4)	(4)	-	-
Net loss from disposal of plant and equipment	(4)	(4)	-	-
Total assets				
Total proceeds from disposal	887	414	-	-
Less net book value of assets disposed	(874)	(547)	-	-
Less costs of disposal	(3)	(33)	-	-
Total net loss from disposal of non-current assets	10	(166)	-	-

9 Revenues from fees and charges

	Consolidated		SAFECOM Entity	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Fire alarm attendance fees	2 659	2 306	-	-
Fire safety fees	380	453	-	-
Fire alarm monitoring fees	2 374	2 305	-	-
Incident cost recoveries	-	510	-	29
Training and other recoveries	318	181	-	-
Salary recovery	722	737	631	679
Other recoveries	14	16	5	-
Total revenues from fees and charges	6 467	6 508	636	708

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.

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
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10 Grants and contributions

	Consolidated		SAFECOM Entity	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Commonwealth Government	5 246	5 198	2 088	2 088
State Government	279	244	-	-
Private industry and local government	6	13	-	-
Total grants and contributions	5 531	5 455	2 088	2 088

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

Generally, the department has obtained control or the right to receive:

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

Commonwealth grant funding for SAFECOM relates to the Natural Disaster Resilience Program.

Contributions which have conditions of expenditure still to be met as at reporting date were \$2.533 million (2016: \$3.494 million). These contributions relate to the Natural Disaster Resilience Program.

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

Restrictions attached to these contributions include completion of progress reports and final project acquittal.

11 Interest revenues

	Consolidated		SAFECOM Entity	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Interest on deposit accounts	229	288	67	53
Total interest revenues	229	288	67	53

12 Resources received free of charge

	Consolidated		SAFECOM Entity	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Asset received free of charge	62	20	-	-
Total resources received free of charge	62	20	-	-

South Australian Fire and Emergency Services Commission
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13 Other Income

	Consolidated		SAFECOM Entity	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Donations	6	1	-	-
Groups/Brigades/Units fundraising	321	221	-	-
Rent received	458	467	-	-
Insurance recoveries	159	179	-	-
Other	1 489	674	21	43
Total other income	2 433	1 542	21	43

14 Revenues from SA Government

	Consolidated		SAFECOM Entity	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Revenues from SA Government				
Contributions from Community Emergency Services Fund	244 539	237 917	12 250	10 795
Other revenues from SA Government	2 744	2 167	2 491	2 102
Total revenues from SA Government	247 283	240 084	14 741	12 897

Revenues from SA Government for SAFECOM entity consist of \$14.512 million (2016: \$12.686 million) for operational funding and \$0.229 million (2016: \$0.211 million) for capital projects.

Revenues from SA Government for the consolidated sector comprised \$218.376 million (2016: \$213.327 million) for operational funding and \$28.907 million (2016: \$26.757 million) for capital projects.

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

For details on the expenditure associated with the operational funding and capital funding refer notes 5, 6, 19 and 20.

15 Cash and cash equivalents

	Consolidated		SAFECOM Entity	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Cash on hand	10	12	-	-
Deposits with the Treasurer	23 566	17 104	5 379	4 492
Cash at bank	564	584	-	-
Cash at bank - Groups/Brigades/Units	4 278	4 162	-	-
Short-term deposits - Groups/Brigades/Units	886	796	-	-
Short-term deposits	54	47	-	-
Total cash and cash equivalents	29 358	22 705	5 379	4 492

Cash is measured at nominal amounts.

Deposits with the Treasurer

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

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
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15 Cash and cash equivalents (continued)

Short term deposits

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

Interest rate risk

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

16 Receivables

	Consolidated		SAFECOM Entity	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Current				
Receivables	1 842	1 561	1 055	29
Less: Allowance for doubtful debts	(92)	(102)	-	-
	1 750	1 459	1 055	29
 Accrued revenues	99	56	6	5
GST input tax recoverable	2 369	2 171	463	405
Total receivables	4 218	3 686	1 524	439

Movement in the allowance for doubtful debts

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

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

	Consolidated		SAFECOM Entity	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Movement in the allowance for doubtful debts (impairment loss)				
Carrying amount at beginning of the period	(102)	(50)	-	-
Increase in the allowance	(6)	(58)	-	-
Amounts written off	16	6	-	-
Carrying amount at the end of the period	(92)	(102)	-	-

Interest rate and credit risk

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

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17 Other financial assets

	Consolidated		SAFECOM Entity	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Current				
Medium Term Deposits - Groups/Brigades/Units	2 772	2 657	-	-
Total current other financial assets	2 772	2 657	-	-

18 Non-current assets classified as held for sale

	Consolidated		SAFECOM Entity	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Land	742	982	-	-
Buildings	-	14	-	-
Total non-current assets classified as held for sale	742	996	-	-

A tender to sell surplus SACFS land at Port Lincoln during 2011 failed to be realised, and as at 30 June 2017 the property continues to remain on the market for sale.

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19 Property, plant and equipment

	Consolidated		SAFECOM Entity	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Land				
At valuation	64 685	63 040	-	-
At cost (deemed fair value)	342	342	-	-
Total land	65 027	63 382	-	-
Buildings				
At valuation	113 433	113 849	29	29
At cost (deemed fair value)	20 814	13 811	-	-
Less accumulated depreciation	(18 801)	(13 374)	(11)	(8)
Total buildings	115 446	114 286	18	21
Vehicles				
At valuation	120 781	121 224	-	-
At cost (deemed fair value)	45 758	30 230	26	26
Less accumulated depreciation	(40 584)	(28 872)	(3)	-
Total vehicles	125 935	122 582	23	26
Communication (Comms.) equipment				
At valuation	6 604	6 741	-	-
At cost (deemed fair value)	12 785	3 391	-	-
Less accumulated depreciation	(4 449)	(3 154)	-	-
Total communication equipment	14 940	6 978	-	-
Computer equipment				
At valuation	53	53	18	18
At cost (deemed fair value)	2 235	2 026	448	240
Less accumulated depreciation	(871)	(457)	(146)	(96)
Total computer equipment	1 417	1 622	320	162
Plant and equipment				
At valuation	2 917	2 936	209	209
At cost (deemed fair value)	6 363	5 497	19	19
Less accumulated depreciation	(2 652)	(1 702)	(149)	(115)
Total plant and equipment	6 628	6 731	79	113
Capital work in progress				
Capital work in progress	23 078	30 485	225	-
Total capital work in progress	23 078	30 485	225	-
Total property, plant and equipment	352 471	346 066	665	322

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

Valuation of assets

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

Impairment

There were no indications of impairment for property, plant and equipment as at 30 June 2017.

Movement reconciliation of property, plant and equipment

	Land	Buildings	Vehicles	Comms. equip	Computer equip	Plant & equip	Capital work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2017: Consolidated								
Carrying amount at the beginning of the period	63 382	114 286	122 582	6 978	1 622	6 731	30 485	346 086
Additions	1 747	(1)	1	-	(1)	-	25 499	27 245
Disposals	(123)	(32)	(454)	(7)	-	(4)	-	(620)
Assets reclassified (to) / from assets held for sale	-	-	-	-	-	-	-	-
Transfers (to) / from capital WIP	21	6 635	15 628	9 395	209	869	(32 767)	-
Assets received free of charge	-	-	(20)	-	-	-	-	(20)
Depreciation	-	(5 442)	(11 802)	(1 428)	(413)	(988)	-	(20 051)
Transfer to/(from) intangibles	-	-	-	-	-	-	(149)	(149)
Net revaluation increment/(decrement)	-	-	-	-	-	-	-	-
Carrying amount at the end of the period	65 027	115 446	125 935	14 940	1 417	6 626	23 078	352 471

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19 Property, plant and equipment (continued)

	Land	Buildings	Vehicles	Comms. equip	Computer equip	Plant & equip	Capital work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2016: Consolidated								
Carrying amount at the beginning of the period	63 439	109 757	119 600	7 293	1 617	3 707	32 249	337 662
Additions	-	-	26	-	-	-	29 031	29 057
Disposals	-	-	(507)	-	-	(4)	(36)	(547)
Assets reclassified (to) / from assets held for sale	(200)	(14)	-	-	-	-	-	(214)
Transfers (to) / from capital WIP	143	9 979	15 079	993	375	3 866	(30 437)	(2)
Assets received free of charge	-	-	20	-	-	-	-	20
Depreciation	-	(5 436)	(11 638)	(1 308)	(370)	(838)	-	(19 588)
Transfer to/(from) intangibles	-	-	-	-	-	-	(322)	(322)
Carrying amount at the end of the period	63 382	114 286	122 582	6 978	1 622	6 731	30 485	346 066

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

	Land	Buildings	Vehicles	Comms. equip	Computer equip	Plant & equip	Capital work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2016: SAFECOM								
Carrying amount at the beginning of the period	-	24	-	-	217	141	-	382
Acquisitions	-	-	26	-	-	-	341	367
Transfers (to) / from Capital WIP	-	-	-	-	-	19	(19)	-
Transfer to/(from) intangibles	-	-	-	-	-	-	(322)	(322)
Depreciation	-	(3)	-	-	(55)	(47)	-	(105)
Carrying amount at the end of the period	-	21	26	-	162	113	-	322

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20 Intangible Assets

	Consolidated		SAFECOM Entity	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Computer software				
At cost	4 918	4 784	4 004	4 004
Less accumulated amortisation	(3 644)	(2 833)	(2 952)	(2 152)
Total computer software	1 274	1 951	1 052	1 852
Total intangible assets	1 274	1 951	1 052	1 852

Movement reconciliation of intangible assets

	Consolidated		SAFECOM Entity	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	1 951	2 391	1 852	2 268
Transfers from capital WIP	149	322	-	322
Amortisation	(826)	(762)	(800)	(736)
Carrying amount at the end of the period	1 274	1 951	1 052	1 852

Asset details and amortisation

Intangible assets detailed above relate to computer software externally acquired.

Impairment

There were no indications of impairment of intangible assets at 30 June 2017.

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21 Fair value measurement

Fair Value Hierarchy

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

Fair value measurements recognised in the balance sheet are categorised into the following levels at 30 June 2017.

SAFECOM had no valuations categorized into level 1.

Fair value measurements at 30 June 2017	Consolidated			SAFECOM Entity		
	Level 2	Level 3	Total	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Recurring fair value measurements						
Land (note 19)	15 080	49 947	65 027	-	-	-
Buildings (note 19)	19 545	95 901	115 446	-	18	18
Vehicles (note 19)	-	125 935	125 935	-	23	23
Communication (Comms.) equipment (note 19)	-	14 940	14 940	-	-	-
Computer equipment (note 19)	-	1 417	1 417	-	320	320
Plant and equipment (note 19)	-	8 628	8 628	-	79	79
Total recurring fair value measurements	34 625	294 768	329 393	-	440	440
Non-recurring fair value measurements						
Land held for sale (note 18)	742	-	742	-	-	-
Building held for sale (note 18)	-	-	-	-	-	-
Total non-recurring fair value measurements	742	-	742	-	-	-
Total fair value measurements	35 367	294 768	330 135	-	440	440

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Fair value measurements at 30 June 2016	Consolidated			SAFECOM Entity		
	Level 2	Level 3	Total	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Recurring fair value measurements						
Land (note 19)	13 443	49 939	63 382	-	-	-
Buildings (note 19)	13 859	100 427	114 286	-	21	21
Vehicles (note 19)	-	122 581	122 581	-	26	26
Communication (Comms.) equipment (note 19)	-	6 978	6 978	-	-	-
Computer equipment (note 19)	-	1 622	1 622	-	162	162
Plant and equipment (note 19)	-	6 731	6 731	-	113	113
Total recurring fair value measurements	27 302	288 278	315 580	-	322	322
Non-recurring fair value measurements						
Land held for sale (note 18)	982	-	982	-	-	-
Building held for sale (note 18)	14	-	14	-	-	-
Total non-recurring fair value measurements	996	-	996	-	-	-
Total fair value measurements	28 298	288 278	316 576	-	322	322

There were no transfers of assets between level 1 and 2 fair value hierarchy levels in 2017. SAFECOM's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

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

Valuation techniques and inputs

Valuation techniques and inputs used to derive level 2 and 3 fair values are at note 20. There were no changes in the valuation techniques during 2017.

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

Buildings that are specialised are classified as Input Level 3.

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

2017: Consolidated

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

	Land	Buildings	Vehicles	Comms. equip	Computer equip	Plant & equip	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	49 939	100 427	122 581	6 978	1 622	6 731	288 278
Capitalised asset transfers	-	267	15 610	9 395	209	869	26 350
Assets received free of charge	22	40	-	-	-	-	62
Depreciation	-	(4 801)	(11 803)	(1 426)	(414)	(968)	(19 412)
Disposals	(14)	(32)	(453)	(7)	-	(4)	(510)
Total gains / (losses) recognised in net result	8	(4 526)	3 354	7 962	(205)	(103)	6 490
Closing balance at the end of the period	49 947	95 901	125 935	14 940	1 417	6 628	294 768

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21 Fair value measurement (continued)

2017: SAFECOM Entity

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

	Land \$'000	Buildings \$'000	Vehicles \$'000	Comms. equip \$'000	Computer equip \$'000	Plant & equip \$'000	Total \$'000
Opening balance at the beginning of the period	-	21	26	-	162	113	322
Capitalised asset transfers	-	-	-	-	208	-	208
Depreciation	-	(3)	(3)	-	(50)	(34)	(90)
Total gains / (losses) recognised in net result	-	(3)	(3)	-	158	(34)	118
Closing balance at the end of the period	-	18	23	-	320	79	440

2016: Consolidated

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

	Land \$'000	Buildings \$'000	Vehicles \$'000	Comms. equip \$'000	Computer equip \$'000	Plant & equip \$'000	Total \$'000
Opening balance at the beginning of the period	50 126	95 331	119 600	7 293	1 617	3 707	277 674
Capitalised asset transfers	53	9 979	15 193	993	375	3 866	30 459
Assets reclassified to assets held for sale	(240)	(14)	-	-	-	-	(254)
Assets received free of charge	-	-	20	-	-	-	20
Depreciation	-	(4 869)	(11 636)	(1 308)	(370)	(838)	(19 021)
Disposals	-	-	(596)	-	-	(4)	(600)
Total gains / (losses) recognised in net result	(187)	5 096	2 981	(315)	5	3 024	10 604
Closing balance at the end of the period	49 939	100 427	122 581	6 978	1 622	6 731	288 278

2016: SAFECOM Entity

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

	Land \$'000	Buildings \$'000	Vehicles \$'000	Comms. equip \$'000	Computer equip \$'000	Plant & equip \$'000	Total \$'000
Opening balance at the beginning of the period	-	24	-	-	217	141	382
Capitalised asset transfers	-	-	26	-	-	19	45
Depreciation	-	(3)	-	-	(55)	(47)	(105)
Total gains / (losses) recognised in net result	-	(3)	26	-	(55)	(28)	(60)
Closing balance at the end of the period	-	21	26	-	162	113	322

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22 Payables

	Consolidated		SAFECOM Entity	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Current				
Creditors	7 754	6 902	505	595
Accrued expenses	2 455	2 858	528	483
Paid parental leave scheme payable	6	3	3	-
Employment on-costs	3 393	3 766	171	178
Total current payables	13 608	13 529	1 207	1 256
Non-current				
Creditors	8	6	-	-
Employment on-costs	2 746	2 479	166	167
Total non-current payables	2 754	2 485	166	167
Total payables	16 362	16 014	1 373	1 423

Employment on-costs

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

The actuarial assessment performed by the Department of Treasury and Finance, has resulted in the percentage of the proportion of long service leave taken remain unchanged from 40%, and the average factor for the calculation of employer superannuation cost on-cost has decreased from 2016 (10.2%) to 2017(10.1%). These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is decrease in the employment on-cost of SAFECOM \$0.002 million, Consolidated \$0.027 million and employee benefit expense of SAFECOM \$0.002 million, Consolidated \$0.027 million. The estimated impact on future periods is not expected to be materially different to the effect on the current period as shown above.

Interest rate and credit risk

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

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23 Employee benefits

	Consolidated		SAFECOM Entity	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Current				
Accrued salaries and wages	2 619	876	128	98
Annual leave	12 530	11 335	634	661
Skills and experience retention leave	1 502	1 288	60	61
Long service leave	2 485	2 273	164	167
Total current employee benefits	19 136	15 772	986	987
Non-current				
Long service leave	29 598	26 638	1 797	1 806
Total non-current employee benefits	29 598	26 638	1 797	1 806
Total employee benefits	48 734	42 410	2 783	2 793

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

AASB 119 requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has increased from 2016 (2.0%) to 2017 (2.5%).

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

The net financial effect of the changes in the current financial year is decrease in the long service leave liability of SAFECOM \$0.060 million, Consolidated \$1.294 million and employee benefits expense of SAFECOM \$0.060 million, Consolidated \$1.294 million.

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

In 2017 the SAMFS identified an error in the long service leave liability estimate for 30 June 2016. The subsequent correction of this error in 2017 largely explains the increase in the liability.

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24 Provisions

	Consolidated		SAFECOM Entity	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Current				
Provision for workers compensation	8 613	8 746	21	31
Total current provisions	8 613	8 746	21	31
Non-current				
Provision for workers compensation	10 314	14 069	21	40
Total non-current provisions	10 314	14 069	21	40
Total provisions	18 927	22 815	42	71
Provision movement				
Carrying amount at the beginning of the period	22 815	13 701	71	94
Additional provision recognised	3 027	19 241	11	(22)
Reductions arising from payments	(6 915)	(10 127)	(40)	(1)
Carrying amount at the end of the period	18 927	22 815	42	71

A liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2017 provided by a consulting actuary engaged through the Office for the Public Sector (a division of the Department of the Premier and Cabinet). The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

Presumptive workers compensation coverage for firefighters for a range of cancers came into effect from 1 July 2013. The workers compensation provision as at 30 June 2017 includes an actuarial assessment of firefighters cancer claims. The actuary has included an estimate for injuries incurred but not reported. The actuarial assessment is sensitive to changes in assumptions and as claim costs are received and assessed, assumptions will be based on more extensive experience.

25 Equity

	Consolidated		SAFECOM Entity	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Retained earnings	241 966	231 976	4 422	2 818
Asset revaluation surplus	64 846	64 846	-	-
Total equity	306 812	296 822	4 422	2 818

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

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26 Related party transactions

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

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

Significant transactions with government related entities

SAFECOM had no Individually significant transactions with government related entities.

Collectively, but not Individually significant transactions with government related entities

Quantitative information about transactions and balances between Consolidated, SAFECOM and other SA Government controlled entities are disclosed at note 32.

Key management personnel

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

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

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

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

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

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.

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27 Cash flow reconciliation

	Consolidated		SAFECOM Entity	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period:				
Cash and cash equivalents disclosed in the Statement of Financial Position	29 358	22 705	5 379	4 492
Balance as per Statement of Cash Flows	29 358	22 705	5 379	4 492
Reconciliation of net cash provided by / (used in) operating activities to net cost of providing services				
Net cash provided by / (used in) operating activities	32 368	26 424	1 339	(2 478)
Less revenues from SA Government	(247 283)	(240 084)	(14 741)	(12 887)
Payments to SA Government	-	-	-	-
Add / less non-cash items				
Depreciation and amortisation	(20 877)	(20 350)	(890)	(841)
Assets received free of charge	-	-	-	-
Assets received free of charge	62	20	-	-
Net revaluation decrement recognised in Statement of Comprehensive Income	-	-	-	-
Net gain / (loss) from disposal of non-current assets	10	(166)	-	-
Movements in assets and liabilities				
(Decrease) / increase in receivables	532	(1 223)	1 085	(190)
(Increase) / decrease in payables	152	(3 583)	31	645
(Increase) / decrease in employee benefits	(6 145)	(320)	10	(52)
(Increase) / decrease in provisions	3 888	(9 114)	29	23
Net cost of providing services	(237 293)	(248 396)	(13 137)	(15 790)

28 Unrecognised contractual commitments

Operating lease commitments

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

	Consolidated		SAFECOM Entity	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Within one year	2 478	3 216	197	429
Later than one year but not later than five years	2 514	3 416	3	191
Later than five years	249	528	-	-
Total operating lease commitments	5 239	7 160	200	620

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

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28 Unrecognised contractual commitments (continued)

Capital commitments

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

	Consolidated		SAFECOM Entity	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Within one year	2 324	7 025	177	140
Total capital commitments	2 324	7 025	177	140

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

Expenditure commitments

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

	Consolidated		SAFECOM Entity	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Within one year	11 253	8 290	2 928	1 327
Later than one year but not later than five years	2 804	8 687	148	2 471
Total expenditure commitments	14 057	16 977	3 076	3 798

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

29 Contingent assets and liabilities

Contingent assets

SAFECOM entity is not aware of any contingent assets.

SAFECOM consolidated

CFS is currently in negotiation to resolve a leave dispute with a small group of CFS employees that resulted in the overpayment of leave entitlements. As at 30 June 2017, no resolution had been reached, therefore an estimate of expected repayments cannot be determined at this stage. The value of leave accrued in excess of entitlements was \$638,000.

SES has a contingent asset in the form of an unresolved litigation. However, the outcome cannot be reliably determined at this stage.

Contingent liabilities

SAFECOM entity is not aware of any contingent liabilities.

SAFECOM consolidated

CFS is currently investigating an issue relating to the underpayment of 31 CFS employees. On resolution there is a high probability that back payment of wages will be required; but as at 30 June 2017 a reliable estimate cannot be made.

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

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2017

30 Remuneration of board and committee members

Members of boards and committees during 2017 were:

South Australian Fire and Emergency Services Commission Board

Mr A Wood (term expired 26 May 2017)
Ms A De Piaz * (term expired 26 May 2017)
Mr C Beattie *
Dr D Keenan (term expired 26 May 2017)
Mr D Barry * (term expired 26 May 2017)
Mr G Crossman AFSM *
Mr G Nettleton *
Mr G Northcott (term expired 26 May 2017)
Ms H Chalmers **
Mr Malcolm Jackman *
Ms M Adlam (term expired 26 May 2017)
Mr M Morgan AFSM * (term expired 26 May 2017)
Mr R Flavell (term expired 26 May 2017)
Ms S Caracoussis (term expired 26 May 2017)
Ms V Hickey
Mr W Hicks ESM (term expired 26 May 2017)

South Australian Fire and Emergency Services Commission Audit and Risk Committee

Mr A Chia ***
Ms H Chalmers **
Ms V Hickey

South Australian Metropolitan Fire Service Disciplinary Committee

Mr C Bailes (term expired 31 Jan 2017)
Mr C Smith * (retired 15 Mar 2017)
Mr L Holland (appointed 15 Mar 2017)
Mr M Vander-Jeugd *
Mr P Kilsby *
Mr S Smithson *

State Bushfire Coordination Committee

Mr A Harvey * (appointed 1 Jul 2016)
Mr A Gear * (appointed 1 Jul 2016)
Ms A De Piaz
Mr C Daniels (appointed 1 Jul 2016)
Mr D Collar * (appointed 1 Jul 2016)
Mr D Gilbertson (appointed 1 Jul 2016)
Ms F Dunstan *
Mr F Crisci *
Mr G Pelton *
Mr G Nettleton *
Ms J Frizenschaf *
Mr J Crocker *
Mr J O'Hehir * (appointed 1 Jul 2016)
Mr J Wiseman *
Mr J Nairn *
Mr J Neal (appointed 1 Jul 2016)
Ms K Stanley-Murray
Ms K Egan
Mr M Peters * (appointed 1 Jul 2016)
Mr M Sutton *
Mr M Winters * (appointed 1 Jul 2016)
Mr M Healy * (appointed 1 Jul 2016)
Mr M Roche
Ms N Rea
Mr N Barnford * (appointed 1 Jul 2016)
Mr P White
Mr P Kilsby * (appointed 1 Jul 2016)
Mr R Tretheway (appointed 1 Jul 2016)
Mr S Duval * (appointed 1 Jul 2016)
Mr S Pascale *
Mr S Barone (appointed 1 Jul 2016)
Ms S Micken
Mr T Kelly
Mr W Thorley
Mr W McIntosh

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2017

30 Remuneration of board and committee members (continued)

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

	Consolidated		SAFECOM Entity	
	2017	2016	2017	2016
	No. of	No. of	No. of	No. of
	employees	employees	employees	employees
\$nil	45	46	12	15
\$1 - \$9 999	5	5	-	1
\$20 000 - \$29 999	4	3	4	3
\$30 000 - \$39 999	1	2	1	2
Total	55	56	17	21

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received or receivable by members was SAFECOM Consolidated \$135 800 (2016: \$153 100) and SAFECOM \$129 000 (2016: \$147 100).

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

**Board member commenced employment as a government employee as of 14th March 2017 and therefore ceased to be entitled to any remuneration from that date in accordance with the Premier and Cabinet's Circular Number 016.

***Board member ceased to be employment as a government employee as of 31st March 2017 and therefore is entitled to remuneration from that date in accordance with the Premier and Cabinet's Circular Number 016.

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

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

31 Events after the reporting period

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

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2017

32 Transactions with SA Government – Consolidated

	Note	SA Government		Non-SA Government		Total	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Expenses							
Employee benefits expense	5	10 631	26 809	144 238	136 800	154 869	163 609
Supplies and services	6						
Accommodation		3	350	363	74	366	424
Aerial support costs		50	29	7 042	9 045	7 092	9 074
Auditor's remuneration		198	202	-	-	198	202
Communications		990	105	2 010	3 749	3 000	3 854
Computing costs		638	991	3 285	2 653	3 923	3 644
Consultancy, contractor and legal fees		528	660	3 383	3 987	3 911	4 547
Consumables		250	213	2 933	2 765	3 183	2 978
Energy		67	50	1 556	1 548	1 623	1 598
Government radio network		15 015	14 649	-	-	15 015	14 649
Insurance premiums		536	659	66	66	602	725
Minor plant and equipment		9	5	3 205	2 963	3 214	2 968
Operating lease costs		3 186	3 187	1 048	991	4 234	4 178
Operational costs		49	68	2 036	1 972	2 085	2 040
Repairs and maintenance		2 110	2 151	8 480	8 342	10 590	10 483
Shared Services SA payments		1 763	1 597	(55)	-	1 708	1 597
Travel and training		243	88	3 977	3 725	4 220	3 813
Uniforms and protective clothing		16	1	4 685	3 892	4 703	3 893
Other expenses		704	617	3 139	3 571	3 843	4 188
Depreciation and amortisation expense	7	-	-	20 877	20 350	20 877	20 350
Grants and subsidies		642	294	2 127	2 925	2 769	3 219
Net gain (loss) from disposal of non-current assets	8	6	29	(16)	137	(10)	166
Total expenses		37 636	52 654	214 379	209 555	252 015	252 209
Income							
Revenues from fees and charges	9						
Fire alarm attendance fees		569	479	2 070	1 827	2 659	2 306
Fire safety fees		10	18	370	435	380	453
Fire alarm monitoring fees		272	271	2 102	2 034	2 374	2 305
Incident cost recoveries		-	51	-	459	-	510
Training and other recoveries		165	63	153	118	318	181
Salary recovery		722	692	-	45	722	737
Other recoveries		5	9	9	7	14	16
Grants and contributions	10						
Commonwealth Government		-	-	5 246	5 198	5 246	5 198
Private industry and local government		-	-	6	13	6	13
State Government		279	244	-	-	279	244
Interest revenues	11	229	288	-	-	229	288
Resources received free of charge	12	-	-	62	20	62	20
Other income	13						
Donations		-	-	6	1	6	1
Groups/Brigades/Units fundraising		-	-	321	221	321	221
Rent received		-	-	458	467	458	467
Insurance recoveries		139	116	20	63	159	179
Other		616	193	873	481	1 489	674
Revenues from SA Government	14						
Revenues from SA Government		247 283	240 084	-	-	247 283	240 084
Total income		250 309	242 508	11 696	11 389	262 005	253 897

2016-17 ANNUAL REPORT for the South Australian
Fire and Emergency Services Commission

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2017

32 Transactions with SA Government - Consolidated (continued)

	Note	SA Government		Non-SA Government		Total	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Financial assets							
Cash and cash equivalents	15	23 577	17 115	5 782	5 590	29 359	22 705
Receivables	16						
Receivables		87	194	1 755	1 367	1 842	1 561
Less: Allowance for doubtful debts		-	-	(92)	(102)	(92)	(102)
Accrued revenues		43	31	56	25	99	56
GST input tax recoverable		-	-	2 369	2 171	2 369	2 171
Other financial assets	17	-	-	2 772	2 657	2 772	2 657
Total financial assets		23 707	17 340	12 642	11 708	36 349	29 048
Financial liabilities							
Payables	22						
Creditors		2 249	1 289	5 513	5 619	7 762	6 908
Accrued expenses		759	2 165	1 696	693	2 455	2 858
Paid parental leave scheme payable		-	-	6	3	6	3
Employment on-costs		3 133	2 955	3 006	3 290	6 139	6 245
Total financial liabilities		6 141	6 409	10 221	9 605	16 362	16 014

Transactions with SA Government - SAFECOM

	Note	SA Government		Non-SA Government		Total	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Expenses							
Employee benefits expense	5	374	392	7 094	7 617	7 468	8 009
Supplies and services	6						
Auditor's remuneration		112	117	-	-	112	117
Communications		897	37	164	1 904	1 061	1 941
Computing costs		77	169	698	651	775	820
Consultancy, contractor and legal fees		48	291	247	564	295	855
Consumables		6	12	51	36	57	48
Energy		9	9	-	-	9	9
Insurance premiums		10	9	-	-	10	9
Minor plant and equipment		-	-	24	1	24	1
Operating lease costs		417	411	-	5	417	416
Operational costs		-	-	5	14	5	14
Repairs and maintenance		98	79	39	11	137	90
Shared Services SA payments		1 708	1 597	-	-	1 708	1 597
Travel and training		3	5	197	134	200	139
Uniforms and protective clothing		-	-	4	-	4	-
Other expenses		4	8	530	739	534	747
Depreciation and amortisation expense	7	-	-	890	841	890	841
Grants and subsidies		672	920	1 571	2 109	2 243	3 029
Total expenses		4 435	4 056	11 514	14 626	15 949	16 682

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2017

32 Transactions with SA Government – SAFECOM (continued)

		SA Government		Non-SA Government		Total	
	Note	2017	2016	2017	2016	2017	2016
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income							
Revenues from fees and charges	9						
Salary recovery		631	679	-	-	631	679
Incident cost recoveries		-	29	-	-	-	29
Other recoveries		-	-	5	-	5	-
Grants and contributions	10						
Commonwealth Government		-	-	2 088	2 088	2 088	2 088
Interest revenues	11	67	53	-	-	67	53
Other income	13						
Other		-	-	21	43	21	43
Revenues from SA Government	14						
Revenues from SA Government		14 741	12 897	-	-	14 741	12 897
Total income		15 439	13 658	2 114	2 131	17 553	15 789
Financial assets							
Cash and cash equivalents	15	5 379	4 492	-	-	5 379	4 492
Receivables	16						
Receivables		5	29	1 050	-	1 055	29
Accrued revenues		6	5	-	-	6	5
GST input tax recoverable		-	-	463	405	463	405
Total financial assets		5 390	4 526	1 513	405	6 903	4 931
Financial liabilities							
Payables	22						
Creditors		312	63	183	532	505	595
Accrued expenses		364	275	164	208	528	483
Paid parental leave scheme payable		-	-	3	-	3	-
Employment on-costs		169	172	168	173	337	345
Total financial liabilities		845	510	528	913	1 373	1 423

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2017

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

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

		Original Budget ¹ 2017 \$'000	SAFECOM Actual 2017 \$'000	Variance 2017 \$'000
Statement of Comprehensive Income	Note			
Expenses				
Employee benefits		7 115	7 468	353
Supplies and services		5 130	5 348	218
Depreciation and amortisation		867	890	23
Grants and subsidies	(a)	5 108	2 243	(2 865)
Total Expenses		18 220	15 949	(2 271)
Income				
Fees and charges		619	636	17
Grants and contributions	(b)	4 176	2 088	(2 088)
Interest		24	67	43
Other		138	21	(117)
Total Income		4 957	2 812	(2 145)
Net cost of providing services		13 263	13 137	(126)
Revenues from / (payments to) SA Government				
Revenues from SA Government	(c)	11 952	14 741	2 789
Net Revenues from / (payments to) SA Government		11 952	14 741	2 789
Net result		(1 311)	1 604	2 915
Total comprehensive result		(1 311)	1 604	2 915

¹ The budget process is not subject to audit. Budget information refers to the amounts presented to Parliament in the original budget financial statements in respect of the reporting period (2016-17 Budget Paper 4). These original budget amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets.

(a) Variance relates to timing and carryovers in Natural Disaster Resilience Program grants.

(b) Primarily related to Natural Disaster Resilience Program grants with \$2,088 million to be received in 2017-18.

(c) Variance relates to Natural Disaster Resilience Program with state matching component for the 2015-17 program received in 2016-17.

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2017

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

		Original Budget ¹ 2017 \$'000	Actual 2017 \$'000	Variance 2017 \$'000
Investing Expenditure Summary	Note			
Total annual programs	(d)	-	433	433
Total investing expenditure		-	433	433

(d) The original budget for capital expenditure was revised during the year to \$369 000. Actual expenditure was for capital system upgrades.

¹ The budget process is not subject to audit. Budget information refers to the amounts presented to Parliament in the original budget financial statements in respect of the reporting period (2016-17 Budget Paper 4). These amounts have not been adjusted to reflect revised budgets.

34 Financial risk management/financial instruments

34.1 Financial risk management

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

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

34.2 Categorisation of financial instruments

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

Refer note 35.3 for the carrying amounts of each of the following categories of financial assets and liabilities: Held-to-maturity investments; receivables and payables measured at cost.

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

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

34.3 Liquidity risk

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

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2017

34 Financial risk management/financial instruments (continued)

Table 34.3 Categorisation and maturity analysis of financial assets and liabilities

Category of financial asset and financial liability	Notes	2017 Carrying amount / fair value \$'000	2017 Contractual Maturities Consolidated		2017 Carrying amount / fair value \$'000	2017 Contractual Maturities SAFECOM Entity	
			Current \$'000	More than 5 years \$'000		Current \$'000	More than 5 years \$'000
Financial assets							
Cash and cash equivalents	15	29 368	29 368	-	5 379	5 379	-
Receivables ⁽¹⁾⁽²⁾	16	1 840	1 840	-	1 059	1 059	-
Other financial assets	17	2 913	2 913	-	-	-	-
Total financial assets		34 111	34 111	-	6 438	6 438	-
Financial liabilities							
Payables ⁽¹⁾	22	9 861	9 853	8	922	922	-
Total financial liabilities		9 861	9 853	8	922	922	-

Category of financial asset and financial liability	Notes	2016 Carrying amount / fair value \$'000	2016 Contractual Maturities Consolidated		2016 Carrying amount / fair value \$'000	2016 Contractual Maturities SAFECOM Entity	
			Current \$'000	More than 5 years \$'000		Current \$'000	More than 5 years \$'000
Financial assets							
Cash and cash equivalents	15	22 705	22 705	-	4 492	4 492	-
Receivables ⁽¹⁾⁽²⁾	16	1 486	1 486	-	34	34	-
Other financial assets	17	2 657	2 657	-	-	-	-
Total financial assets		26 848	26 848	-	4 526	4 526	-
Financial liabilities							
Payables ⁽¹⁾	22	9 132	9 126	6	955	955	-
Total financial liabilities		9 132	9 126	6	955	955	-

South Australian Fire and Emergency Services Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2017

34 Financial risk management/financial instruments (continued)

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

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

34.4 Credit risk

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

34.5 Market risk

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

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

35 Trust funds

	Consolidated		SAFECOM Entity	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Cash at bank	439	350	-	-
Total trust funds	439	350	-	-

The trust funds represent funds held by the Australian Council of State Emergency Services. The funds will be utilised to meet expenses incurred by each of the State Emergency Services Headquarters in Australia. SAFECOM will administer these funds until they are fully expended. In 2016-17, total income earned by the Council was \$0.080m and expenses incurred totalled \$0.001m.

Community Emergency Services Fund

Annual Financial Statements

For the year ended 30 June 2017

Community Emergency Services Fund
Statement of Administered Comprehensive Income
for the year ended 30 June 2017

		2017	2016
	Note	\$'000	\$'000
Administered expenses			
Contributions to SA Government administrative units	A 3	271 552	264 477
Grants and subsidies	A 4	3 669	2 674
Other	A 5	10 514	9 258
Total administered expenses		285 735	276 409
Administered income			
Levy sources	A 6	296 027	277 975
Fees and charges	A 7	464	442
Interest	A 8	1 348	1 308
Total administered income		297 839	279 725
Net result		12 104	3 316
Total comprehensive result		12 104	3 316

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

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

Community Emergency Services Fund
Statement of Administered Financial Position
as at 30 June 2017

	Note	2017 \$'000	2016 \$'000
Administered current assets			
Cash and cash equivalents	A 9	22 335	34 518
Receivables	A 10	1 488	1 625
Total current assets		23 823	36 143
Administered current liabilities			
Payables	A 11	834	25 278
Total current liabilities		834	25 278
Net assets		22 989	10 865
Administered equity			
Retained earnings		22 989	10 865
Total equity		22 989	10 865

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

Unrecognised contractual commitments A 13
Contingent assets and liabilities A 14

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

Community Emergency Services Fund
Statement of Administered Changes in Equity
for the year ended 30 June 2017

	Note	Retained Earnings \$'000	Total \$'000
Balance at 30 June 2015		7 549	7 549
Net result for 2015-16		3 316	3 316
Total comprehensive result for 2015-16		3 316	3 316
Balance at 30 June 2016		10 865	10 865
Net result for 2016-17		12 104	12 104
Total comprehensive result for 2016-17		12 104	12 104
Balance at 30 June 2017		22 969	22 969

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

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

Community Emergency Services Fund
Statement of Administered Cash Flows
for the year ended 30 June 2017

		2017	2016
	Note	\$'000	\$'000
Cash flows from operating activities			
Cash outflows			
Payments to SA Government administrative units		(295 470)	(240 519)
Payments of grants and subsidies		(3 612)	(2 712)
Other payments		(11 097)	(9 182)
Cash used in operations		<u>(310 179)</u>	<u>(252 413)</u>
Cash inflows			
Receipts from levy sources		296 175	278 622
Fees and charges		464	444
Interest received		1 357	1 294
Cash generated from operations		<u>297 996</u>	<u>280 360</u>
Net cash provided by / (used in) operating activities	A 12	<u>(12 183)</u>	<u>27 947</u>
Net increase / (decrease) in cash and cash equivalents		(12 183)	27 947
Cash and cash equivalents at the beginning of the reporting period		34 518	6 571
Cash and cash equivalents at the end of the reporting period	A 9	<u>22 335</u>	<u>34 518</u>

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

Community Emergency Services Fund
Notes to and forming part of the administered statements
For the year ended 30 June 2017

A 1 Establishment, objectives and funding arrangements

Establishment

The Community Emergency Services Fund (CESF) is established pursuant to the *Emergency Services Funding Act 1988* (the Act).

Objectives

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

Funding arrangements

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

A 2 Significant accounting policies

CESF adopts the accounting policies of SAFECOM, as detailed in Note 2 of SAFECOM's Financial Statements.

A 3 Contributions to SA Government administrative units

	2017	2016
	\$'000	\$'000
South Australian Fire and Emergency Services Commission	12 250	10 795
South Australian State Emergency Service	19 971	16 290
South Australian Country Fire Service	75 715	74 389
South Australian Metropolitan Fire Service	136 603	136 443
South Australian Police	21 076	20 563
South Australian Police - Government radio network	722	704
Attorney-General's Department - State Rescue Helicopter Service	670	654
South Australian Ambulance Service	1 132	1 104
South Australian Ambulance Service - Government radio network	219	214
Department of Environment, Water and Natural Resources	3 194	3 321
Total contributions to SA Government administrative units	271 552	264 477

Community Emergency Services Fund
Notes to and forming part of the administered statements
For the year ended 30 June 2017

A 4 Grants and subsidies

	2017	2016
	\$'000	\$'000
Surf Life Saving South Australia	2 130	1 202
Volunteer Marine Rescue	1 187	1 158
Shark Beach Patrol	352	314
Total grants and subsidies	3 669	2 674

A 5 Other expenses

	2017	2016
	\$'000	\$'000
Revenue SA - collection costs	6 501	6 342
Department of Planning, Transport and Infrastructure - collection costs	1 040	1 023
Fixed property refunds	2 351	1 287
Administration costs	622	606
Total other expenses	10 514	9 258

A 6 Revenues from levy sources

	2017	2016
	\$'000	\$'000
Fixed property collections	218 709	199 281
Fixed property remissions	24 569	26 484
Mobile collections	43 341	42 639
Mobile remissions	3 281	3 123
Government concessions	6 147	6 448
Total revenues from levy sources	296 027	277 975

A 7 Revenues from fees and charges

	2017	2016
	\$'000	\$'000
Certificate sales and from other entities within the SA Government	464	442
Total revenue from fees and charges	464	442

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.

A 8 Interest revenues

	2017	2016
	\$'000	\$'000
Interest on deposit accounts - from entities within the SA Government	1 348	1 308
Total interest revenues	1 348	1 308

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A 9 Cash and cash equivalents

	2017	2016
	\$'000	\$'000
Deposits with the Treasurer	22 335	34 518
Total cash and cash equivalents	22 335	34 518

Cash is measured as nominal amounts.

Deposits with the Treasurer

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

Interest Rate Risk

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

A 10 Receivables

	2017	2016
	\$'000	\$'000
Current		
Receivables from entities within the SA Government	1 488	1 625
Total cash and cash equivalents	1 488	1 625

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

Interest rate and credit risk

Receivables are raised for all goods and services provided for which payment has not been received. Receivables are normally settled within 30 days. Receivables, prepayments and accrued revenues are non-interest bearing. Other than as recognised in the allowance for doubtful debts, it is not anticipated 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.

A 11 Payables

	2017	2016
	\$'000	\$'000
Current		
Creditors	834	25 278
Total current payables	834	25 278

Interest rate and credit risk

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

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A 12 Cash flow reconciliation

	2017	2016
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period:		
Cash and cash equivalents disclosed in the Statement of Administered Financial Position	22 335	34 518
Balance as per the Statement of Administered Cash Flows	22 335	34 518
Reconciliation of net cash provided by / (used in) operating activities to net cost of providing services		
Net cash provided by/(used in) operating activities	(12 183)	27 947
Movements in assets and liabilities		
(Decrease) in receivables	(156)	(635)
(Increase) / decrease in payables	24 443	(23 996)
Net cost of providing services	<u>12 104</u>	<u>3 316</u>

A 13 Unrecognised contractual commitments

CESF has no unrecognised contractual commitments at reporting date.

A 14 Contingent assets and liabilities

CESF is not aware of any contingent assets or contingent liabilities.

A 15 Events after the reporting period

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

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A 16 Budgetary reporting and explanations of major variances between budget and actual amounts

The following are brief explanations of variances between original budget and actual amounts.

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

	Original Budget ¹ 2017 \$'000	Actual 2017 \$'000	Variance \$'000
Statement of Comprehensive Income			
Expenses			
Contributions to SA Government administrative units	276 291	271 552	(4 739)
Grants and subsidies	4 368	3 669	(699)
Other	8 918	10 514	1 596
Total administered expenses	289 577	285 735	(3,842)
Income			
Levy sources	290 476	296 027	5 551
Fees and charges	424	464	40
Interest	1 500	1 348	(152)
Total administered income	292 400	297 839	5,439
Net result	2 823	12 104	9 281
Total comprehensive result	2 823	12 104	9 281

¹ The budget process is not subject to audit. Budget information refers to the amounts presented to Parliament in the original budget financial statements in respect of the reporting period (2016-17 Budget Paper 4). These original budget amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets.

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

A 17 Financial risk management/financial instruments

A 17.1 Financial risk management

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

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

A 17.2 Categorisation of financial instruments

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

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0A 17.2 Categorisation of financial instruments (continued)

Refer note 17.3 for the carrying amounts of each of the following categories of financial assets and liabilities: receivables and payables held at cost.

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

- The carry value less impairment provisions of receivables and payables is a reasonable approximation of their fair values due to the short-term nature of these (refer Notes A 2, A 10 and A 11).

A 17.3 Liquidity risk

CESF is funded principally from Emergency Services Levy contributions, government concessions and remissions, and interest. The payments from CESF are approved by the Economic and Finance Committee, pursuant to the Act, and endorsed by the Minister for Emergency Services. CESF is an Administered item and cash flows associated with its approved payments and budgeted receipts, as set by the Department of Treasury and Finance, are done to ensure funding is provided through the SA Government budgetary processes to meet the expected cash flows.

Table 17.3 Categorisation and maturity analysis of financial assets and liabilities

Category of financial asset and financial liability	Notes	2017 Carrying amount/fair value \$'000	2017 Contractual maturities			
			Current \$'000	Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets						
Cash and cash equivalents	A 9	22 335	22 335	-	-	-
Receivables ⁽¹⁾⁽²⁾	A 10	1 468	1 468	-	-	-
Total financial assets		23 803	23 803	-	-	-
Financial liabilities						
Payables ⁽¹⁾	A 11	834	834	-	-	-
Total financial liabilities		834	834	-	-	-
Category of financial asset and financial liability	Notes	2016 Carrying amount/fair value \$'000	2016 Contractual maturities			
			Current \$'000	Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets						
Cash and cash equivalents	A 9	34 518	34 518	-	-	-
Receivables ⁽¹⁾⁽²⁾	A 10	1 625	1 625	-	-	-
Total financial assets		36 143	36 143	-	-	-
Financial liabilities						
Payables ⁽¹⁾	A 11	4 011	4 011	-	-	-
Total financial liabilities		4 011	4 011	-	-	-

⁽¹⁾ Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. Commonwealth, State and Local Government taxes, fees and charges; Auditor-General's Department audit fees).

⁽²⁾ Receivables amount disclosed here excludes prepayments. Prepayments are presented in A 10 as trade and other receivables in accordance with paragraph 78(b) of AASB 101. However, prepayments are not financial assets as defined in AASB 132 as the future economic benefit of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.

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A 17.4 Credit risk

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

A 17.5 Market Risk

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

CESF does not trade in foreign currency, enter into transactions for speculative purposes, nor for hedging. CESF does not undertake any hedging in relation to interest or foreign currency risk and manages its risk as per the Government's risk management strategy articulated in T123 *Management of Foreign Currency Exposures*.