



SOUTH AUSTRALIAN METROPOLITAN FIRE SERVICE **2019-20 Annual Report**

SOUTH AUSTRALIAN METROPOLITAN FIRE SERVICE

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To:

Hon Vincent Tarzia MP

Minister for Police, Emergency Services and Correctional Services

This annual report will be presented to Parliament to meet the statutory reporting requirements of *(insert relevant acts and regulations)* and 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 METROPOLITAN FIRE SERVICE
by:

Mr Michael Morgan

Chief Officer and Chief Executive

Date: 22 September 2020

Signature:

A handwritten signature in blue ink, appearing to be 'M Morgan', written over a faint circular stamp or watermark.

From the Chief Executive



It is my pleasure to present the 2019-20 Annual Report for the South Australian Metropolitan Fire Service (MFS). This report represents the collective activities of approximately 1 200 people who work tirelessly to protect the South Australian community.

The MFS is the primary provider of urban firefighting services to the State of South Australia and a statutory authority committed to protecting life, property and the environment from fire and other emergencies. The role of the fire service includes prevention and education, preparedness, response and recovery activities.

The 2019-20 financial year presented considerable challenges to our community and all industries, both public and private. During the catastrophic 2019-20 bushfire season, the MFS deployed 668 full-time and retained personnel across 44 inter and intrastate deployments assisting firefighting and recovery operations in Queensland, New South Wales and supporting operations during the South Australian bushfires. These bushfires and the subsequent COVID-19 pandemic have significantly affected the community, economy and our environment. Despite these challenges, we remain committed to delivering first class emergency services that protect our community.

The MFS is committed to operational and corporate excellence and will continue to strive to be the best emergency service it can be. Ultimately, this can only be achieved through the efforts of its people.

I take this opportunity to acknowledge the support the MFS has received over the past year from our partner emergency service agencies, the South Australian Fire and Emergency Services Commission (SAFECOM), our Minister and the South Australian Government, and the public of South Australia.

On behalf of the MFS Senior Management Team, I would like to take this opportunity to acknowledge and thank all members of the MFS for their commitment and dedication to the safety and prosperity of all South Australians.

Michael Morgan AFSM MBA

Chief Officer and Chief Executive

South Australian Metropolitan Fire Service

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Overview: about the agency

Our strategic focus

<p>Our Purpose</p>	<p>The South Australian Metropolitan Fire Service (MFS) is the primary provider of urban firefighting services to the state of South Australia and a statutory authority committed to protecting life, property and the environment from fire and other emergencies.</p> <p>The MFS is a community-focused organisation that aims to reduce the number of preventable incidents, to protect lives and reduce the economic, social and environmental losses to the community resulting from fires and other emergencies that do occur.</p> <p>By preventing and quickly and effectively responding to emergencies, the MFS helps make all South Australians safer by protecting lives, property and prosperity. The MFS also protects the State's manufacturing and retail industries, thereby protecting jobs, skills and technologies that might not be replaced.</p> <p>As an agency, the MFS is responsible to the Minister for Emergency Services and works in collaboration with the South Australian Fire and Emergency Services Commission (SAFECOM), the SA Country Fire Service and the State Emergency Service.</p>
<p>Our Vision</p>	<p>A safer and more prosperous South Australia.</p> <p>Fires and other emergencies have the potential to harm the public and the things they value. We seek to actively reduce the number of preventable emergency incidents that occur and ensure our organisation and communities are better prepared for those emergencies that do happen.</p>
<p>Our Values</p>	<p>Community – We will put the needs of our community first.</p> <p>Safety – We will take all reasonable measures to ensure the safety of the public and our personnel.</p> <p>Professionalism – Our personnel must be experts in what they do, committed to achieving the highest standards.</p> <p>Teamwork – Teamwork is essential in all aspects of emergency service provision.</p> <p>Loyalty, Respect and Integrity – We will act with courage, tenacity and in the best interest of the public.</p> <p>Responsibility, Accountability and Quality – We will take responsibility for our actions and aim to provide the best possible service and value to our community.</p> <p>Learning and Improvement – We will learn from our actions and seek to do things even better in the future.</p>

<p>Our functions, objectives and deliverables</p>	<p>Our Objectives are:</p> <p>COMMUNITY – Help make the South Australian community safer and more prosperous.</p> <p>PREVENTION – Minimise the frequency and effects of fires and other emergencies.</p> <p>RESPONSE – Reduce risk to life, property, environment and economy through operational excellence.</p> <p>PREPAREDNESS – Develop a sustainable community-focused organisation.</p> <p>PUBLIC VALUE – Exceed expected standards of corporate governance and provide public value.</p> <p>To achieve our objectives, we have adopted the following strategic priorities:</p> <p>1. Community Focus</p> <ul style="list-style-type: none"> • Deliver first class emergency services that minimise social, economic and environmental loss. • Actively engage with our community and authorising environment to identify risks and priorities. • Ensure we provide the right services in the right places. • Ensure the services we provide are effective, efficient and represent public value. • Allocate our budget on the basis of community risks and priorities and operate within it. <p>2. Frontline Services</p> <p>PREVENTION</p> <ul style="list-style-type: none"> • Promote the adoption of cost-effective fire safety solutions that protect lives and property. • Foster safer behaviours that reduce community loss. • Investigate the causes of fires and use findings to reduce their frequency. • Prioritise programs that protect those in our community who are at greatest risk. <p>RESPONSE</p> <ul style="list-style-type: none"> • Ensure we respond to all emergencies and manage them safely, effectively and efficiently. • Continuously review and improve our operational effectiveness and efficiency. • Advance our emergency and incident management capability. • Ensure we dispatch South Australian emergency resources within agreed industry standards. • Provide direct support to our workforce and community during and after emergencies. • Improve the effectiveness and efficiency of MFS alarm systems.
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3. **Frontline Support Services**

PREPAREDNESS

- Identify and implement strategies to increase the diversity of firefighter recruits to reflect our contemporary society.
- Develop strategies to ensure a planned, more sustainable and highly skilled workforce that addresses our ageing workforce demographic and 'fitness for duty'.
- Develop and implement a Learning and Development Doctrine that enhances the quality, consistency and interoperability of our educational and assessment methods.
- Ensure effective and efficient procurement, management and use of fit for purpose infrastructure, appliances and equipment.

4. **Governance and Public Value**

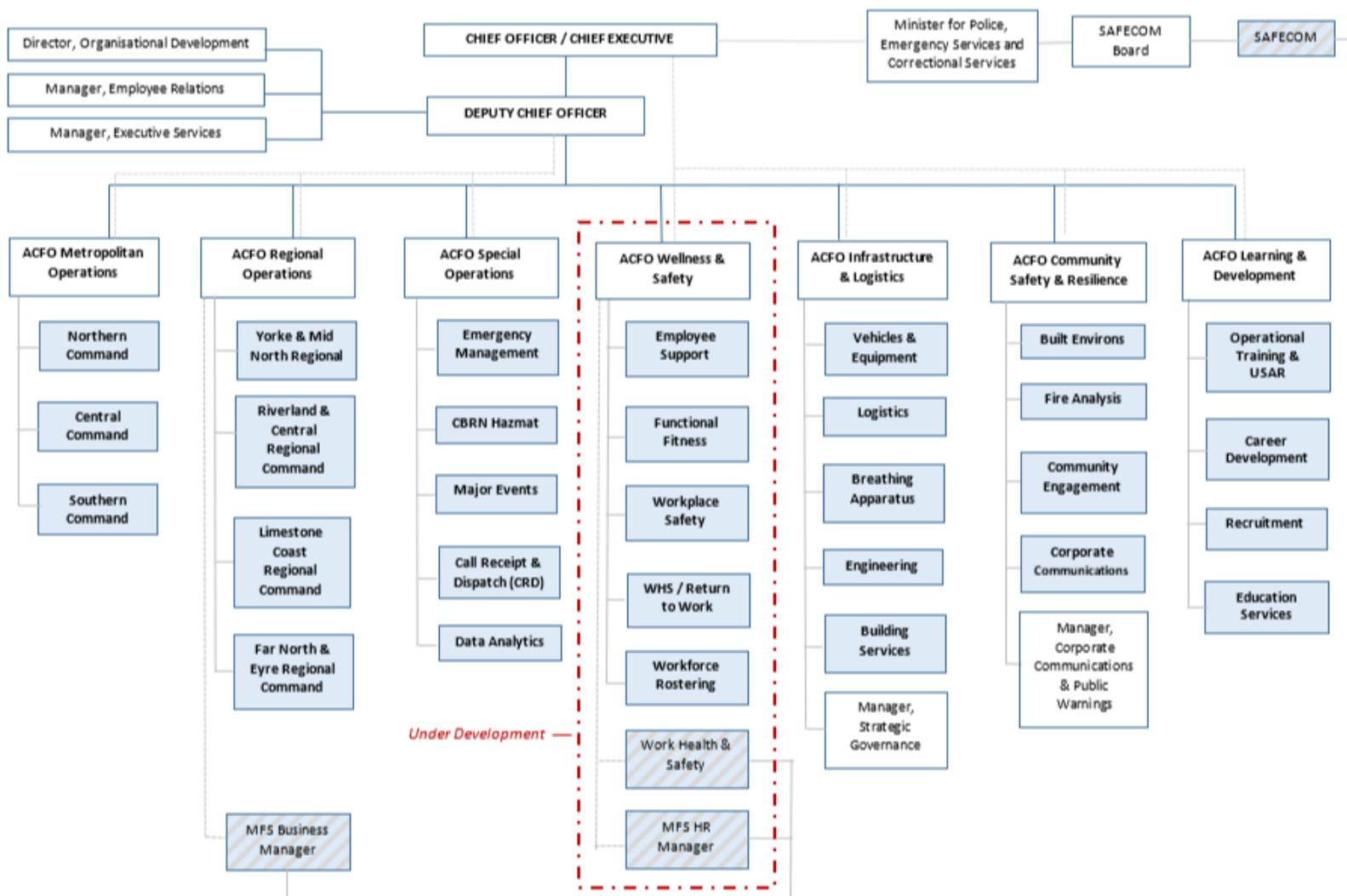
ORGANISATIONAL PERFORMANCE AND VALUE

- Improve the integration and effectiveness of services provided by the emergency services sector to deliver public value.
- Freely provide transparent and accurate information to the public and our workforce.
- Ensure the effective management of MFS functional support services.
- Meet expected standards of governance, risk management, compliance and value expected by our community and stakeholders.

PEOPLE AND CULTURE

- Improve the physical, mental and emotional wellness of MFS personnel.
- Develop a professional culture that improves effectiveness, efficiency and public value.
- Develop a sustainable, highly skilled workforce that reflects our community.
- Employ effective Human Resources management systems consistent with the broader SA public sector.

Our organisational structure



(As at 30 June 2020 – Taken from MFS Workforce Plan 2020-21)

Changes to the agency

During 2019-20 there were no changes to the agency's structure and objectives as a result of internal reviews or machinery of government changes.

Our Minister



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

Our Executive team



Mr Michael Morgan

Chief Officer and Chief Executive

- Responsible for the strategic and executive management of business strategy across the MFS.
- Responsible with the ultimate oversight of the command and deployment of operational firefighting resources across the State.
- Drives the vision, discussion, development and delivery of integrated and complex strategy for the MFS.
- Exercises extensive legislative powers and responsibilities conferred by legislation and will determine the appropriate courses of action for the management of incidents consistent with the Chief Officer's role.
- Statutory member of the SAFECOM Board and is responsible for achieving outcomes as described within and in compliance with the Fire and Emergency Services Act 2005 (SA).
- Membership of the Emergency Service Sector (ESS) Executive responsible to the SAFECOM Board for the collaborative management of the ESS.
- Statutory member of the State Emergency Management Committee.
- Accountable for operational outcomes as the State Controller (Fire Functional Service).
- Responsible for ensuring compliance with the Emergency Management Act 2004 and the State Emergency Management Plan, in particular the role of State Controller (Fire).
- Leads and influence new resources and infrastructure to accommodate demographic changes with the State.



Mr Paul Fletcher

Deputy Chief Officer

- Provides strategic, tactical and professional advice to the Chief Officer/Chief Executive and the senior management team on operational matters.
 - Provides leadership and exceptional advice on strategic and executive management business approaches across the MFS.
 - Leads innovation and change in the MFS and including the development and delivery of integrated and complex strategy for the MFS.
- Ensures the protection of persons, property and the environment from fire, chemical incidents and other emergencies by the provision of adequate physical and appropriately trained human resources is achieved.
 - Ensures Enterprise Agreements and/or Industrial Awards reflect MFS strategic direction by providing expert advice to Chief Officer/Chief Executive.
 - Represents the MFS in State wide forums, providing expert leadership and advice in support of MFS's corporate direction and to ensure effective inter-agency performance and operation.
 - Undertakes delegated responsibilities to direct emergency response for incidents that occur throughout the state.
 - Statutory member of the State Emergency Management Committee.

Legislation administered by the agency

Part 3 of the *Fire and Emergency Services Act (2005)*.

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

- South Australian Fire and Emergency Services Commission (SAFECOM)
- South Australian Country Fire Service (CFS)
- South Australian State Emergency Service (SES).

The agency's performance

Performance at a glance

- The MFS is responsible for the protection of the South Australian community from the effects of fires, road crash, hazardous materials, rescues and other incidents and deals with the effects of emergencies on a daily basis. The MFS operates from 20 stations throughout greater metropolitan Adelaide and 17 stations in major regional centres.
- During 2019-20 the MFS responded to around 21 000 emergency incidents. Of these, 18 163 generated a response from Metropolitan Operations; and 2 797 from Regional Operations. In comparison, response numbers increased from the 2018-19 financial year, in part due to the volume of responses generated by the South Australian bushfires and a significant increase in the number of rescues performed.
- MFS Regional Operations provide an emergency service to the major regional centres protecting a significant proportion of South Australia's regional population, infrastructure and economic assets. During 2019-20, five MFS regional stations responded to more than 300 emergency incidents and these include: Mount Gambier (459), Port Augusta (308), Whyalla (414), Port Pirie (321) and Mount Barker (305).
- The risks to our community continue to change over time. MFS statistics have shown that the rate of structural fires has continued to drop. However, as fires now burn hotter and faster and have greater potential to cause significant damage and loss. Other risks, including the risk of road crashes requiring rescue continues to rise as the population of urban areas increases.
- In response to the global COVID-19 pandemic, MFS Special Operations/HAZMAT Department took lead responsibility for:
 - The development and coordination of the MFS COVID-19 Taskforce.
 - Ensuring that the MFS follow the advice of the Office of the Commissioner for Public Sector Employment and SA Health.
 - Consultation with the United Firefighters Union of SA regarding amended operational practice, to enable the continuation of our operational capability, whilst also ensuring the safety of our personnel.
 - Supporting the State Emergency Management team in SA Health.
 - The provision of advice and physical resources to effectively facilitate MFS staff in implementing work from home and remote meeting strategies.
 - Navigate the MFS through the Transition to Recovery.

Agency contribution to whole of Government objectives

Key objective	Agency's contribution
More jobs	Preparedness (Learning and Development) – Actively engaging with community forums and marketing the service to members of the community who may not have previously considered firefighting as a profession. Our aim is to increase the gender and cultural diversity among potential firefighter recruit applicants.
Lower costs	Preparedness – Continuous improvement of our responses and incident management capabilities. Our aim is to provide coordinated and robust Emergency Management arrangements by working collaboratively, to enhance the integration of emergency response and ensure we provide the closest, fastest and most appropriate resources to all emergencies.
Better Services	<p>Public Value – Meet expected standards of governance, risk management, compliance and value expected by our community and stakeholders. Our aim is to provide an efficient and accountable government service and enhance customer satisfaction.</p> <p>Preparedness – During a period of significant workforce renewal, our aim is to develop a sustainable, highly skilled workforce that reflects our community. The MFS also invests heavily in programs that support the health and wellbeing of our employees and their families.</p>

Agency specific objectives and performance

To achieve our objectives, we have adopted the following strategic priorities:

1. Community Focus

- Deliver first class emergency services that minimise social, economic and environmental loss.
- Actively engage with our community and authorising environment to identify risks and priorities.
- Ensure we provide the right services in the right places.
- Ensure the services we provide are effective, efficient and represent public value.
- Allocate our budget on the basis of community risks and priorities and operate within it.

2. Frontline Services

PREVENTION

- Promote the adoption of cost-effective fire safety solutions that protect lives and property.
- Foster safer behaviours that reduce community loss.
- Investigate the causes of fires and use findings to reduce their frequency.
- Prioritise programs that protect those in our community who are at greatest risk.

RESPONSE

- Ensure we respond to all emergencies and manage them safely, effectively and efficiently.
- Continuously review and improve our operational effectiveness and efficiency.
- Advance our emergency and incident management capability.
- Ensure we dispatch South Australian emergency resources within agreed industry standards.
- Provide direct support to our workforce and community during and after emergencies.
- Improve the effectiveness and efficiency of MFS alarm systems.

3. Frontline Support Services

PREPAREDNESS

- Identify and implement strategies to increase the diversity of firefighter recruits to reflect our contemporary society.
- Develop strategies to ensure a planned, more sustainable and highly skilled workforce that addresses our ageing workforce demographic and 'fitness for duty'.
- Develop and implement a Learning and Development Doctrine that enhances the quality, consistency and interoperability of our educational and assessment methods.
- Ensure effective and efficient procurement, management and use of fit for purpose infrastructure, appliances and equipment.

4. Governance and Public Value

ORGANISATIONAL PERFORMANCE AND VALUE

- Improve the integration and effectiveness of services provided by the emergency services sector to deliver public value.
- Freely provide transparent and accurate information to the public and our workforce.
- Ensure the effective management of MFS functional support services.
- Meet expected standards of governance, risk management, compliance and value expected by our community and stakeholders.

PEOPLE AND CULTURE

- Improve the physical, mental and emotional wellness of MFS personnel.
- Develop a professional culture that improves effectiveness, efficiency and public value.
- Develop a sustainable, highly skilled workforce that reflects our community.
- Employ effective Human Resources management systems consistent with the broader SA public sector.
- Strive for a more diverse and inclusive organisation.

Agency objectives	Indicators	Performance
Frontline Services – Community	Foster behaviours that increase community preparedness. This includes a range of activities such as educational visits, consumer warnings, home fire safety presentations, teachers' resources and information distribution.	<ul style="list-style-type: none"> - 91 home fire safety presentations. - 510 educational tours, visits and community events scheduled. <i>(Due to COVID-19 all engagements from March to June were cancelled.)</i> - Projected total of 123 136 attendees in community education programs.
Frontline Services – Prevention	Identify risks associated with fire and other emergencies.	<p>The MFS investigated:</p> <ul style="list-style-type: none"> - 153 fires for the MFS. - 58 fires for the CFS. <p>Fire cause established in more than 89% of all fires examined.</p> <p>This success rate means that causes are identified, and dangerous products are promptly removed from the community.</p>
	Foster behaviours that increase community preparedness. MFS provides the following programs: <ul style="list-style-type: none"> - Road Awareness Program (RAP) - Juvenile Fire Lighters Intervention Program (JFLIP) 	<ul style="list-style-type: none"> - 128 RAP presentations took place involving a projected total of 11 198 participants. Over 98% of the RAP participants indicated that they will adopt safer behaviours post-program. - 0% of participants in JFLIP reoffend. The MFS believes that this program reduces community risk by decreasing the incidence of repeat fire lighting.

<p>Frontline Services – Prevention Cont'd</p>	<p>Ensure South Australian environs are safe places to live and work.</p> <p>MFS Built Environs programs help to ensure the safety of the South Australian public buildings. This includes ensuring new developments have required fire safety systems and do not employ high risk products or construction methods.</p>	<p>MFS conducted:</p> <ul style="list-style-type: none"> - 113 education and health facilities inspections and fire safety surveys. - 319 building development proposals assessments. - 45 hazard complaint sites investigations. - 367 fire alarm inspections and connections. - 98% of building development assessments were completed within 28 days. - 236 booster/hydrant tests/commissioning - 386 Building Fire Safety Committee meetings/inspections. - 16 hot smoke tests conducted. <p>MFS Built Environs also:</p> <ul style="list-style-type: none"> - Consulted with developers and certifiers on a number of high-profile State Government infrastructure projects which remain ongoing. - Actively engaged with the Department for Infrastructure and Transport (DIT) to undertake building inspections associated with aluminium composite panels (cladding) and provide advice to rectification work.
<p>Frontline Services – Response & Recovery</p>	<p>Ensure the development and delivery of effective emergency management systems.</p>	<ul style="list-style-type: none"> - 100% of major community events had a current fire protection plan.
	<p>Ensure appropriate response is committed to 100% of all incident types.</p>	<ul style="list-style-type: none"> - 100% of all incidents had an appropriate response committed.
	<p>Ensure the safe and effective management and control of incidents and emergencies.</p>	<ul style="list-style-type: none"> - 73% of building and other structure fires were contained part of room or area of origin. - 65% of building fires were contained to the room of origin.

Frontline Services – Response & Recovery Con'td	Ensure the MFS responds to all fires and other emergencies with timely and weighted response.	<ul style="list-style-type: none"> - The total number of incidents generating a response from Metropolitan Operations was 18 163. - The total number of incidents generating a response from Regional Operations was 2 797. - Average Metropolitan 'out the door time' was 106 seconds, meeting target of less than 120 seconds. - The % of MFS arrivals within 7 mins of a callout in a metropolitan area with a fulltime crew was 75%. - The % of MFS arrivals within 11 mins of a callout in a Regional area: <ul style="list-style-type: none"> o With a Retained crew was 63%. o For Station 50 Pt Pirie was 95%. o For Station 70 Mt Gambier was 78%. (Collective Regional target of 90%.)
	Ensure effective operational call receipt and dispatch.	<ul style="list-style-type: none"> - Total of 33 556 emergency calls were received. - Average time to answer 000 emergency calls was 5 seconds (within target of 5 seconds). - In 87% of cases, Triple Zero calls were answered on first presentation.
Frontline Support Services – Learning & Development	A highly skilled workforce that can safely undertake roles required of MFS personnel.	<ul style="list-style-type: none"> - 100% of firefighter separations were filled. - 48 new firefighting personnel were successfully recruited. - 48 Recruits completed Certificate II in Public Safety (Firefighting & Emergency Operations).
	Establish and maintain effective career development systems.	<ul style="list-style-type: none"> - 392 personnel enrolled in nationally recognised training through the MFS Staff Development Framework; 341 mandatory enrolments; and 51 voluntary enrolments. - MFS personnel enrolled in a total of 1 516 units of study (1 292 mandatory and 224 voluntary).

<p>Frontline Support Services – Infrastructure & Logistics</p>	<p>Ensure the provision of efficient whole of life vehicle and equipment solutions.</p> <p>MFS fleet reserve capability was severely impacted by:</p> <ul style="list-style-type: none"> - The rising fleet age and associated maintenance. - Allocation of two vehicles to Mt Barker and environs. - Increased recruit training demand (six appliances are required to conduct the 15-week course with 24 recruits). - Contamination of appliances by perfluoroalkyl and polyfluoroalkyl substances (PFAS). - Fitting of Burn Over Protection (BOPS). - Chassis rust and pump mounting failures which both require repairs from an out-sourced engineer. - Surge Response Group (SRG) requirements. 	<ul style="list-style-type: none"> - Operational performance was supported by appropriate vehicles and equipment at 100% of incidents. - The maintenance of fleet reserve capability (min of 2 reserve appliances available 100% of the time) was 30% (well below the target of 80%). - Appliances responded to incidents with no report of failure that has impeded their arrival; however due to the age of the appliances and the ongoing cost of maintenance the MFS must be prepared that the risk of future failure is probable. <p>Fleet Age:</p> <ul style="list-style-type: none"> - 30% of total MFS fleet require replacement within two years (Target of <12%). - 25 General Purpose Pumps requiring replacement within two years (Target of 9). - 1 Aerials requiring replacement within two years (Target of 4). - 1 Specialist vehicles requiring replacement within two years (Target of 1). - 5 4x2 Medium Urban Pumpers (MUP) requiring replacement within two years. - 2 Bulk Water Carriers requiring replacement within two years. - 2 Hooklifts requiring replacement within two years.
<p>Frontline Support Services – Governance & Public Value</p>	<p>Develop the leadership and management skills of our personnel.</p>	<p>The MFS develops current and future leaders through access to graduate and post-graduate management qualifications. At senior management level, personnel have access to Graduate Certificate, Diploma and Masters programs.</p> <ul style="list-style-type: none"> - 90% of senior managers hold tertiary qualifications.

Frontline Support Services – Governance & Public Value Cont'd	Ensure sustainable and environmentally friendly practices are employed.	The MFS aims to: <ul style="list-style-type: none"> - reduce energy usage; - increase the volume of water reclaimed from fire training activities; and - restrict the volume of contaminated water released during firefighting activities.
	Increase the total of MFS photovoltaic energy generation.	All new MFS stations are built with a minimum of 12kW systems. The MFS now has a total photovoltaic energy capability of 120kW (Target of >105kW).
	Ensure all required organisational plans are developed. The MFS is required to develop key plans for submission to the SAFECOM Board.	The following plans were submitted: <ul style="list-style-type: none"> - MFS Business Plan - MFS Workforce Plan. (<i>Note: Report submission was delayed due to COVID-19; yet both reports were submitted in first quarter of 2020-21).</i>
	Ensure effective corporate governance.	<ul style="list-style-type: none"> - 3 SAFECOM Board quarterly reports submitted (Target of 4). - 4 Corporate Governance Committee meetings conducted (Target of 5). - 12 Planning & Resilience Committee meetings conducted (Target of 5). - 9 Finance Committee meetings conducted (Target of 5). Indicators or fiscal performance: <ul style="list-style-type: none"> - An unqualified report from the Auditor General. - Compliant with Audit and Verification System for safety and injury management to AS/NZS 4801 2000. - Injury Management: meeting key requirements of the Return to Work Act.

Corporate performance summary

- The MFS is responsible for the receipt of 000 calls for the South Australian Country Fire Service (CFS), the South Australian State Emergency Service (SES) and the MFS and the emergency dispatch of crews for these agencies.
 - In the past financial year, the MFS handled approximately 33 000 emergency calls. The average time to answer 000 emergency calls was 5 seconds (within target of 5 seconds). In 87% of cases, Triple Zero calls were answered on first presentation.
 - On the 20 December 2019, (the day of the Cudlee Creek fire) the MFS managed 4 055 calls, including 1 844 triple zero calls; and dispatched 880 incidents, including 21 greater alarms.
- Metropolitan Operations attended approximately 18 000 incidents during 2019-20. Of these, 942 were structure fires, 483 vehicle fires, 4 610 rescues and 394 HAZMAT incidents. Average Metropolitan 'out the door time' was 106 seconds, meeting our target of less than 120 seconds.
- During 2019-20, Regional Operations attended approximately 2 800 incidents. This included 147 structure fires, 73 vehicle fires, 411 rescues and 89 HAZMAT incidents. Despite the impact of COVID-19, two regional stations improved their percentage of arrivals within the target of 11 minutes, compared to 2018-19 data.
- A range of preventative strategies continue to be implemented by the MFS, to help foster behaviours that increase community preparedness. During 2019-20, the MFS undertook a range of activities, including 91 home fire safety presentations and a total of 510 educational tours, visits and community events were scheduled. Unfortunately, due to the COVID-19 pandemic all engagements from March to June were cancelled. The projected total of attendees to MFS community education programs was 123 136 people. Collectively, these MFS activities continue to create a positive impact in the continuing decline in the number of structure fires.
- The MFS Fire Behaviour Training Facility at Angle Park is near completion. This facility will ensure MFS firefighters and emergency services staff are provided with the critical operational training required to respond to high-risk urban fires. Learning and Development personnel are reviewing the structural firefighting recruit training program, and commencing initial planning for the development and delivery of future training in the new MFS facility.

Employment opportunity programs

Program name	Performance
<p>Workforce Renewal – Enhance the capacity and efficiency of recruitment and recruit training processes.</p>	<p>Efficiencies have been realised through the introduction of an application fee; and through re-engineering and resequencing the Firefighter Recruitment and Selection Process. Each new Recruit Course takes 75 business days. Graduates receive the nationally recognised Certificate II in Public Safety (Firefighting & Emergency Operations).</p> <p>The impact of the COVID-19 pandemic saw the predicted staff separation rate significantly reduce; hence, this caused the Recruitment Program to be suspended/ revised to enable the MFS to remain within our authorised FTE count. Separations are expected to return to predicted rates in the coming years.</p>
<p>Workforce Renewal – Increase the gender and cultural diversity among potential firefighter recruit applicants.</p>	<p>Actively engaging with community forums and marketing the service to members of the community who may not have previously considered firefighting as a profession. This continues to be achieved through promotional campaigns and activities including public space advertising, radio and digital media advertising and numerous career and pre-application information sessions.</p> <p>During 2019-20, two Recruit Courses were completed which resulted in 48 new employees successfully joining the MFS ranks. These employees were drawn from the recruitment campaign in 2018.</p> <p>The MFS will also:</p> <ul style="list-style-type: none"> - Continue to engage in active recruitment campaign strategies to promote the MFS as an inclusive employer of choice; - Continue organisational involvement in the Male Champions of Change Program; and - Maintain and promote White Ribbon Accreditation.
<p>Workforce Renewal – Enhanced MFS capability to train personnel in high-risk settings as firefighters and officers.</p>	<p>The MFS continues to invest heavily in workforce learning and development to ensure new and existing operational personnel can work safely and effectively in high-risk environments.</p> <p>The MFS provides a minimum of eight years competency-based training through the Staff Development Framework and tertiary level qualifications through the Executive Development Program.</p> <p>A new Structural Fire Behaviour Training Facility at Grand Junction Road, Angle Park is near completion. It is anticipated that training in the facility will commence in late 2020.</p>

Agency performance management and development systems

Performance management and development system	Performance
MFS Organisational Doctrine – Provides broad guidance to personnel concerning how to behave and think in both operational and non-operational settings.	Continued implementation of the MFS organisational doctrine occurred, including alignment with behaviour management, cultural renewal and diversity strategies.
MFS Staff Development Framework (SDF) – All MFS personnel are provided access to career-long nationally recognised competency-based training. All new Firefighters must complete six years of mandatory development.	341 personnel were compulsorily enrolled in nationally recognised qualifications through the MFS SDF. In addition, 51 personnel voluntarily enrolled in nationally recognised professional development programs. Collectively, MFS personnel were enrolled in a total of 1 516 units of study.
The draft policy entitled ' <i>Managing Behaviour of MFS Employees</i> ' will guide the behaviour management of all MFS employees covered by the provisions of Part 3, Division 7 of the <i>South Australian Fire and Emergency Services Act (2005)</i> . The policy is accompanied by a draft ' <i>MFS Behavioural Appraisal template</i> ', designed as a supportive mechanism for continuous improvement, through the provision of timely feedback and ongoing development of employee behaviours, skills and competencies.	Draft policy and appraisal template will be progressed through active consultation and engagement with relevant stakeholders, via the newly developed MFS Diversity and Inclusion Committee.
Emergency Services Sector Planned Review and Development (PRD) for MFS operational support staff.	PRD sessions between MFS employees and their line managers continue, in compliance with sector policy requirements.
Review and development of operational staff.	Operational personnel participate in mandatory performance management discussions through less formal but effective post incident review, skills acquisition and reacquisition training on an ongoing basis.

Work health, safety and return to work programs

Program name	Performance
MFS Employee Support Program	<p>100% of Station Visits by the Employee Support Coordinator and Psychological Consultant based on risk priority was achieved.</p> <p>There has been a 25% increase in EAP referrals in the last 12 months, as a result of the roll out of the Mental Health First Aid Training; and continued promotion of the effectiveness of the program in implementing and achieving early intervention strategies for improved resolution of issues.</p> <p><i>(Note: Mental Health First Aid program is 95% completed due to restrictions brought about by COVID-19.)</i></p>
MFS Vaccination Program	<p>90% of the workforce voluntarily participated in flu vaccinations.</p> <p>100% participation in the HepB vaccination program for those in frontline full-time employment.</p> <p>The MFS provides vaccinations for USAR Cat 2 qualified personnel for protection consistent with diseases and infections that might reasonably expect to be encountered whilst on deployment.</p>

Program name	Performance
MFS Employee Wellness & Safety	<p>Continued development of strategies to assist in reducing workplace injury/illness and ensure the safest effective recovery/return to work. Programs include:</p> <p>Transition to retirement</p> <p>Pre and post retirement support processes are 70% completed.</p> <p>Health and Fitness</p> <p>Injury/illness data analysis compliments the ongoing movement screening testing, gym equipment rationalisation and purchase and the commencement of station gym refurbishments.</p> <p>Voluntary health checks continue along with the development of annual health checks aligned to functional fitness requirements.</p> <p>White Ribbon Campaign</p> <p>MFS is an accredited White Ribbon organisation and continues to provide a safer workplace through this ongoing program.</p> <p>AFAC Male Champions of Change</p> <p>Continuing to implement the strategies developed by AFAC to enhance cultural change management processes.</p> <p>Diversity and Inclusion</p> <p>Strategies are being developed and implemented to ensure the MFS becomes a more diverse and inclusive organisation.</p> <p>Operational Safety</p> <p>PFAS - All stations are occupied and there is a review of the program currently being undertaken.</p> <p>MFS continues to be involved in AFAC activities including PPC, Operational strategies, WHS and procurement (PPC, appliances, equipment).</p> <p>Review of Drug and Alcohol policy and procedures.</p> <p>Mental Health Resilience</p> <p>PEER program - Training upgraded and membership expanded.</p> <p>Other programs are being periodically reviewed to provide assistance include: Domestic and Family Violence; Bullying and Harassment; and Physical Health, Fitness and Wellbeing.</p>

Program name	Performance
<p>Risk Management – The MFS Work Health Safety and Injury Management (WHS&IM) system is aligned to AS/NZS 4801 (Occupational health and safety management systems – specification with guidelines for use). The system is underpinned by the philosophies and methods set out in AS/NZS/ISO 31 000, (Risk Management – Principles and guidelines) to ensure the MFS achieves its safety and injury management objectives.</p>	<p>WHS&IM system performance is evaluated through internal and external audit, review and investigation of incidents, analysis of hazard, incident, near miss (HIRM) reports, and workers compensation (SIMS) data and surveys to ensure effectiveness and ongoing improvement.</p>
<p>Injury Management – Firefighting remains a physically and mentally demanding occupation; the MFS commits considerable priority and resources to managing employee injuries.</p>	<p>There were 2 notifiable incidents during the 2019-20 period with none resulting in the issuing of a provisional improvement, improvement or prohibition notice. Consequently, there were no prosecutions or enforceable undertakings required.</p> <p>Total gross workers compensation expenditure decreased by 15% with the major contributing factor being a decrease of 28% in income payments.</p>

Workplace injury claims	Current year 2019-20	Past year 2018-19	% Change (+ / -)
Total new workplace injury claims	138	118	0.73%
Fatalities	1	1	0%
Seriously injured workers*	1	0	100%
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	39.29	32.58	-4.03%

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

Work health and safety regulations	Current year 2019-20	Past year 2018-19	% Change (+ / -)
Number of notifiable incidents (<i>Work Health and Safety Act 2012, Part 3</i>)	2	4	-50%
Number of provisional improvements, improvement and prohibition notices (<i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i>)	0	0	0%

Return to work costs**	Current year 2019-20	Past year 2018-19	% Change (+ / -)
Total gross workers compensation expenditure (\$)	5 682 283	6 714 964	-15%
Income support payments – gross (\$)	2 212 909	3 090 732	-28%

**before third party recovery

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/annual-report-data-whs-and-return-to-work/resource/aec7c488-944d-477e-9dc2-aaef4e44b55>

Executive employment in the agency

Executive classification	Number of executives
EXEC0B	1
EXEC0C	1

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/annual-report-data-executive-employment/resource/fdd65825-b107-4e97-984b-3060dbf35a27>

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

Financial performance

Financial performance at a glance

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2019-20 are attached to this report.

Statement of Comprehensive Income	2019-20 Budget \$000s	2019-20 Actual \$000s	Variation \$000s	2018-19 Actual \$000s
Total Income	158 886	177 492	18 606	156 826
Total Expenses	154 366	149 891	(4 475)	188 852
Net Result	4 520	27 601	23 081	(32 026)
Total Comprehensive Result	4 520	77 276	72 756	(32 026)

Statement of Financial Position	2019-20 Budget \$000s	2019-20 Actual \$000s	Variation \$000s	2018-19 Actual \$000s
Current assets	13,345	7 875	(5,470)	4 128
Non-current assets	140,206	186 791	46,585	136 840
Total assets	153,551	194 666	41,115	140 968
Current liabilities	39,908	32 989	(6,919)	36 642
Non-current liabilities	70,187	82 078	11,891	102 003
Total liabilities	110,095	115 067	4,972	138 645
Net assets	43,456	79 599	36,143	2 323
Equity	43,456	79 599	36,143	2 323

Consultants disclosure

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

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

Consultancies	Purpose	\$ Actual payment
All consultancies below \$10,000 each - combined	Various	\$57,715

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

Consultancies	Purpose	\$ Actual payment
GHD Pty Ltd	PFAS contamination testing	\$431,847
Metrix Consulting	National Fire Danger Rating System evaluation	\$ 57,550
Safe Select	Psychological testing and assessment	\$ 48,327
Quark & Associates	Pt Augusta Fire Station review	\$ 43,192
Liquid Pacific	Valuation of Assets	\$ 39,341
Chandler Macleod	Bushfire Review	\$30,870
Deloitte	Consulting Services	\$30,134
University of Adelaide	Heatwave Forecast and Warning Decision support	\$30,000
Ernest & Young	Tax Advice	\$18,154
FYFE Pty Ltd	Site Contamination Audit	\$12,860
Kirsa Environmental	PFAS Site Contamination Audit	\$11,350
	Total	\$ 753,626

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/annual-report-data-consultants/resource/b5e9600e-81b2-47e1-952a-f0ca6a673c33>

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

Contractors disclosure

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

Contractors with a contract value below \$10,000

Contractors	Purpose	\$ Actual payment
All contractors below \$10,000 each - combined	Various	\$131,012

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

Contractors	Purpose	\$ Actual payment
Oakton Services	Emerald Support	\$427,795
Babcock Pty Ltd	Engineering Support Services	\$619,800
PC Australia	Air Tanker Mix	\$495,282
Bureau of Meteorology	Fire Weather Briefing & Support Services	\$287,315
Tree Crew	Emergency Advanced Response	\$88,417
Jeff McDonald	Install and Repair of Radios and Chargers	\$84,619
Protexion Consulting Pty Ltd	Air Operations Activity for Fire Danger Season	\$74,286
Paul's Tree & Garden	Removal of Burning Trees	\$74,009
Operational Support Services	Air Operations/Active Standby	\$55,558
Bushfire and Natural Hazards	Mitigation Exercise Trial	\$50,000
Perspective	Budget Review Advisory Services	\$50,000
Booth Transport	Transportation Hire	\$48,862
Phil Richards	Air Attack Supervisor for the Fire Danger Season	\$44,574
LHD Group	Apparel/PPE Management	\$39,600
James Blackmore	Air Attack Supervisor for the Fire Danger Season	\$34,223
Neil Ackland	Air Operations	\$29,253
Metrix Consulting	System Evaluation	\$24,725
Oil Response	Audit of State Equipment	\$21,466
Aither Pty Ltd	Bushfire Risk Mgt Visualisation Initiative	\$18,168
Wardy IT Solutions	Data Analytics Technology Platform	\$18,000

Contractors	Purpose	\$ Actual payment
Remediation & Contracting	Reflush of Appliances	\$17,177
T & J Jenkin	Air Operation Support	\$13,867
David Gordon Smith	CSRD Community Engagement Database - Facility to Update Statistics	\$12,500
MWAH	Diversity and Inclusion Consultation	\$11,160
Attard Psychology Pty Ltd	Develop Simulations for Use in Workshops	\$10,235
	Total	\$2,650,891

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/annual-report-data-contractors/resource/d8bd26b6-ac63-4a2f-8a66-adde91c465d0>

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

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

Risk management

Fraud detected in the agency

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

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

Strategies implemented to control and prevent fraud

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 previous years is available at: <https://data.sa.gov.au/data/dataset/annual-report-data-fraud/resource/e7e46474-7f6b-4562-9de3-759307df4a8c>

Public interest disclosure

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

Nil

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/annual-report-data-whistle-blower/resource/6b7df5a7-ff17-45d8-b002-3937ebcb18c8>

Note: Disclosure of public interest information was previously reported under the *Whistleblowers Protection Act 1993* and repealed by the *Public Interest Disclosure Act 2018* on 1/7/2019.

Public complaints

Number of public complaints reported

Complaint categories	Sub-categories	Example	Number of Complaints 2019-20
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; cultural competency	0
Professional behaviour	Staff competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	0
Professional behaviour	Staff knowledge	Lack of service specific knowledge; incomplete or out-of-date knowledge	0
Communication	Communication quality	Inadequate, delayed or absent communication with customer	0
Communication	Confidentiality	Customer's confidentiality or privacy not respected; information shared incorrectly	0
Service delivery	Systems/technology	System offline; inaccessible to customer; incorrect result/information provided; poor system design	0
Service delivery	Access to services	Service difficult to find; location poor; facilities/environment poor standard; not accessible to customers with disabilities	0
Service delivery	Process	Processing error; incorrect process used; delay in processing application; process not customer responsive	0
Policy	Policy application	Incorrect policy interpretation; incorrect policy applied; conflicting policy advice given	0
Policy	Policy content	Policy content difficult to understand; policy unreasonable or disadvantages customer	0

Complaint categories	Sub-categories	Example	Number of Complaints 2019-20
Service quality	Information	Incorrect, incomplete, out dated or inadequate information; not fit for purpose	0
Service quality	Access to information	Information difficult to understand, hard to find or difficult to use; not plain English	0
Service quality	Timeliness	Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met	0
Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness	0
Service quality	Service responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	1
No case to answer	No case to answer	Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate	2
		Total	3

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

(* Note: The MFS currently do not centrally record this type of data.)

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/annual-report-data-complaints/resource/298a27a0-2da1-4314-bb1f-9b3eb213260a>

Service Improvements resulting from complaints or consumer suggestions over 2019-20

- Further staff training on use of the correct MFS protocol.

Appendix: Audited financial statements 2019-20

South Australian Metropolitan Fire Service (MFS)

Financial Statements

For the year ended 30 June 2020

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

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

- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards;
- are in accordance with the accounts and records of the South Australian Metropolitan Fire Service; and
- present a true and fair view of the financial position of the South Australian Metropolitan Fire Service as at 30 June 2020 and the results of its operations and cash flows for the financial year.

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



Michael Morgan AFSM
Chief Officer
South Australian Metropolitan Fire Service
18 September 2020



Luba Cvetanovic
Business Manager
South Australian Metropolitan Fire Service
18 September 2020

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

	Note	2020 \$'000	2019 \$'000
Income			
Contributions from the Community Emergency Services Fund	2.1	152 424	148 348
Fees and charges	2.2	6 091	5 525
Grants and contributions	2.3	1 175	1 136
Net gain from disposal of non-current assets	2.4	-	6
Interest revenues	2.5	6	49
Intra-government transfers	2.6	16 616	1 208
Other income	2.7	1 180	554
Total income		177 492	156 826
Expenses			
Employee benefits	3.3	123 338	161 908
Supplies and services	4.1	17 989	19 230
Grants and subsidies	4.2	322	401
Borrowing costs	4.3	30	-
Depreciation and amortisation	4.4	7 819	7 313
Other expenses	4.5	393	-
Total expenses		149 891	188 852
Net result		27 601	(32 026)
Other comprehensive income			
<i>Items that will not be reclassified to net result</i>			
Changes in asset revaluation surplus	5.2	49 675	-
Total other comprehensive income		49 675	-
Total comprehensive result		77 276	(32 026)

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

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

	Note	2020 \$'000	2019 \$'000
Current assets			
Cash and cash equivalents	6.1	5 895	2 915
Receivables	6.2	1 980	1 213
Total current assets		7 875	4 128
Non-current assets			
Property, plant and equipment	5.1	186 664	136 639
Intangible assets	5.4	127	201
Total non-current assets		186 791	136 840
Total assets		194 666	140 968
Current liabilities			
Payables	7.1	7 195	7 766
Financial liabilities	7.2	268	-
Employee benefits	3.4	20 051	17 997
Provisions	7.3	5 475	10 879
Total current liabilities		32 989	36 642
Non-current liabilities			
Payables	7.1	4 608	5 039
Financial liabilities	7.2	1 013	-
Employee benefits	3.4	26 371	28 638
Provisions	7.3	50 086	68 326
Total non-current liabilities		82 078	102 003
Total liabilities		115 067	138 645
Net assets		79 599	2 323
Equity			
Asset revaluation surplus		148 120	98 445
Retained earnings		(68 521)	(96 122)
Total equity		79 599	2 323

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

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

	Asset revaluation surplus	Retained earnings	Total equity
Note	\$'000	\$'000	\$'000
Balance at 30 June 2018	98 445	(64 179)	34 266
Adjustments on initial adoption of AASB 9	-	83	83
Adjusted balance at 1 July 2018	98 445	(64 096)	34 349
Net result for 2018-19	-	(32 026)	(32 026)
Total comprehensive result for 2018-19	-	(32 026)	(32 026)
Balance at 30 June 2019	98 445	(96 122)	2 323
Net result for 2019-20	-	27 601	27 601
Gain on revaluation of land and buildings during 2019-20	27 282	-	27 282
Gain on revaluation of vehicles during 2019-20	21 406	-	21 406
Total comprehensive result for 2019-20	49 675	27 601	77 276
Balance at 30 June 2020	148 120	(68 521)	79 599

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

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

		2020 (Outflows) Inflows \$'000	2019 (Outflows) Inflows \$'000
Cash flows from operating activities	Note		
Cash inflows			
Contributions from the Community Emergency Services Fund		152 424	148 348
Intra-government transfers		16 506	2 232
Fees and charges		6 133	6 280
Receipts from grants and contributions		1 285	88
Interest received		6	49
GST recovered from the Australian Taxation Office		1 086	1 239
Receipts for paid Parental Leave Scheme		56	49
Other receipts		1 157	659
Cash generated from operations		178 653	158 944
Cash outflows			
Employee benefits payments		(148 040)	(134 153)
Supplies and services payments		(20 027)	(22 706)
Interest paid		(30)	-
Payments for paid Parental Leave Scheme		(47)	(49)
Grants and subsidies payments		(322)	(377)
Cash used in operations		(168 466)	(157 285)
Net cash provided by / (used in) operating activities	8.1	10 187	1 659
Cash flows from investing activities			
Cash inflows			
Proceeds from the sale of property, plant and equipment		-	17
Cash generated from investing activities		-	17
Cash outflows			
Purchase of property, plant and equipment		(6 890)	(2 637)
Cash used in investing activities		(6 890)	(2 637)
Net cash provided by / (used in) investing activities		(6 890)	(2 620)
Cash flows from financing activities			
Cash flows used in financing activities			
Repayment of leases		(317)	-
Cash used in financing activities		(317)	-
Net cash provided by / (used in) financing activities		(317)	-
Net increase / (decrease) in cash and cash equivalents		2 980	(961)
Cash and cash equivalents at the beginning of the reporting period		2 915	3 876
Cash and cash equivalents at the end of the reporting period	6.1	5 895	2 915

The accompanying notes form part of these financial statements.

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

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South Australian Metropolitan Fire Service
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South Australian Metropolitan Fire Service

Notes to and forming part of the financial statements

for the year ended 30 June 2020

1. About the South Australian Metropolitan Fire Service

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

The financial statements include all the controlled activities of MFS.

1.1. Basis of preparation

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

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

For the 2019-20 financial statements MFS adopted AASB 15 – *Revenue from Contracts with Customers*, AASB 16 – *Leases* and AASB 1058 – *Income of Not-for-Profit Entities*. Further information is provided in note 9.1.

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

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

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

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

1.2. Objectives and programs

Objectives

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

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

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

1.2. Objectives and programs (continued)

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

Programs

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

1.3. Impact of COVID-19 pandemic

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

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

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

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

1.4. Budget performance

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

		Original budget	Actual	Variance
	Note	2020 \$'000	2020 \$'000	\$'000
Statement of Comprehensive Income				
Income				
Contribution from the Community Emergency Services Fund		152 575	152 424	(151)
Fees and charges		4 703	6 091	1 388
Grants and contributions		1 175	1 175	-
Intra-government transfers	a	-	16 616	16 616
Interest Revenues		112	6	(106)
Other Income		321	1 180	859
Total income		158 886	177 492	18 606
Expenses				
Employee benefits		127 687	123 338	(4 349)
Supplies and services		17 846	17 989	143
Depreciation and amortisation		8 541	7 819	(722)
Grants and subsidies		292	322	30
Borrowing costs		-	30	30
Total expenses		154 366	149 498	(4 868)
Net result		4 520	27 994	23 474
Other comprehensive income				
Changes in revaluation surplus	b	-	49 675	49,675
Total comprehensive result		4 520	77 669	73 149

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

- a Intra gov transfers are above budget due to supplementation for the Enterprise Bargain \$6.8m and once off supplies and services \$7.2m and out of scale incidents \$2.4m.
- b The movement in the asset valuation is as a result of an independent valuation undertaken in 2019-20.

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

1.4. Budget Performance (continued)

	Original budget 2020 \$'000	Actual 2020 \$'000	Variance \$'000
	Note		
Investing expenditure summary			
Total new projects	c	4 910	4 910
Total annual programs		1 980	(4 358)
Total investing expenditure		6 890	552

c New projects are higher than the original budget due to budget timing of capital carryover requests.

1.5. Significant transactions with government related entities

Significant transactions with government related entities

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

- Contributions received from the Community Emergency Services Fund (refer note 2.1)
- Payment made to SA Government Radio Network for \$2.373m

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

2. Income

2.1. Contributions from the Community Emergency Services Fund

	2020	2019
	\$'000	\$'000
Community Emergency Services Fund	152 424	148 348
Total Contributions from the Community Emergency Services Fund	152 424	148 348

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

For details on the expenditure associated with the contributions from the Community Emergency Services Fund refer note 3.3, 4.1, 4.2 and 5.1.

2.2. Revenues from fees and charges

	2020	2019
	\$'000	\$'000
Fire alarm attendance fees	2 493	2 131
Fire alarm monitoring fees	2 441	2 276
Rent of premises	382	419
Fire safety fees	309	343
Incident cost recoveries	464	356
Other recoveries	2	-
Total revenues from fees and charges	6 091	5 525

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

2.3. Commonwealth-sourced grants and funding

	2020	2019
	\$'000	\$'000
Commonwealth Government	1 175	1 136
Total grants and contributions	1 175	1 136

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

Commonwealth grant funding for MFS relates to the cost of providing fire and emergency services to Commonwealth Properties. There is a Memorandum of Understanding in relation to these Commonwealth contributions. All contributions received from the Commonwealth are contributions with unconditional stipulations.

South Australian Metropolitan Fire Service
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2.4. Net gain / (loss) from disposal of non-current assets

	2020	2019
	\$'000	\$'000
Vehicles		
Proceeds from disposal	-	17
Less carrying amount of assets disposed	-	-
Net gain / (loss) from disposal of vehicles	<u>-</u>	<u>17</u>
Plant and equipment		
Proceeds from disposal	-	-
Less carrying amount of assets disposed	-	(11)
Net gain / (loss) from disposal of plant and equipment	<u>-</u>	<u>(11)</u>
Total assets		
Total proceeds from disposal	-	17
Less total carrying amount of assets disposed	-	(11)
Total net gain / (loss) from disposal of non-current assets	<u>-</u>	<u>6</u>

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

2.5. Interest revenues

	2020	2019
	\$'000	\$'000
Interest on deposit accounts	6	49
Total interest revenues	<u>6</u>	<u>49</u>

2.6. Intra-government transfers

	2020	2019
	\$'000	\$'000
Intra-government transfers	16 616	1,208
Total Intra-government transfers	<u>16 616</u>	<u>1 208</u>

Intra-government transfers are recognised as income on receipt.

2.7. Other income

	2020	2019
	\$'000	\$'000
Insurance recoveries	10	19
Assets received free of charge	8	-
Donations	-	10
Salary recoveries	57	9
Sundry revenues	1 064	474
Other	41	42
Total other income	<u>1 180</u>	<u>554</u>

Other income is recognised as income on receipt.

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

3.1. Key management personnel

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

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

	2020	2019
	\$'000	\$'000
Salaries and other short term employee benefits	503	463
Post-employment benefits	59	62
Total related party transaction	562	525

Transactions with key management personnel and other related parties

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

3.2. Remuneration of board and committee members

Members of boards and committees during 2020 were:

South Australian Metropolitan Fire Service Disciplinary Committee

L D P Holland
P L Kilsby* (term expired 26 March 2020)
R Thompson* (appointed 26 March 2020)
S J Smithson*
J L Virgo* (term expired 31 January 2020)
B Robertson (appointed 01 February 2020)

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

Board and committee remuneration

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

	2020	2019
\$nil	5	4
\$1 - \$19 999	1	1
	6	5

The total remuneration received or receivable by members was \$5 000 (2019: \$5 000). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

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

South Australian Metropolitan Fire Service
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3.3. Employee benefits expenses

	2020	2019
	\$'000	\$'000
Salaries and wages	103 917	94 955
Workers' compensation	(18 764)	23 421
Employment on-costs - superannuation	14 364	14 311
Annual leave	13 232	12 586
Long service leave	931	7 321
Payroll Tax	6 614	6 416
Skills and experience retention leave	1 076	1 272
Additional compensation	1 631	1 245
Board fees	5	5
Other employment related expenses	332	376
Total employee benefits expenses	123 338	161 908

Employment on-costs – superannuation

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

Remuneration of employees

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

	2020	2019
	Number	Number
\$151 000 to \$154 000*	N/A	20
\$154 001 to \$174 000	123	104
\$174 001 to \$194 000	45	26
\$194 001 to \$214 000	16	2
\$214 001 to \$234 000	7	1
\$234 001 to \$254 000	2	1
\$274 001 to \$294 000	1	-
\$294 001 to \$314 000	1	1
Total	195	155

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

The total remuneration received by these employees for the year was \$34.18 million (2019: \$25.81 million).

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

South Australian Metropolitan Fire Service
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3.4. Employee benefits liability

	2020	2019
	\$'000	\$'000
Current		
Annual leave	11 946	10 939
Accrued salaries and wages	3 381	2 656
Long service leave	2 865	2 777
Skills and experience retention leave	1 859	1 625
Total current employee benefits	20 051	17 997
Non-current		
Long service leave	26 371	28 638
Total non-current employee benefits	26 371	28 638
Total employee benefits	46 422	46 635

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

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

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

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

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

Long service leave

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

South Australian Metropolitan Fire Service
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4. Expenses

Employee benefits expenses are disclosed in note 3.3.

4.1. Supplies and services

	2020	2019
	\$'000	\$'000
Property costs	3 129	3 170
Vehicles	3 431	2 517
Government radio network	2 373	2 304
Consultancy, contractors and legal fees	1 518	1 899
Computing costs	1 723	1 875
Operational costs	1 629	1 315
Uniforms and protective clothing	924	2 039
Travel and training	742	1 053
Communications	604	696
Insurance premiums	354	226
Low-value leases	116	-
Operating lease costs	-	557
Shared Services SA payments	14	7
Other expenses	1 432	1 572
Total supplies and services	17 989	19 230

Operating leases

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

	2020	2019
	\$'000	\$'000
Operating lease minimum payments	-	557
Total	-	557

Other

Audit fees paid/payable to the Auditor-General's Department (AGD) relating to work performed under the *Public Finance and Audit Act* were \$30 000 (2019: \$29 000). These costs are recognised in 'Other expenses' above. No other services were provided by the Auditor-General's Department.

South Australian Metropolitan Fire Service
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4.1. Supplies and services (continued)

Consultants

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

	2020 Number	2020 \$'000	2019 Number	2019 \$'000
Below \$10 000	6	23	3	10
\$10 000 or above	5	339	2	730
Total	11	362	5	740

4.2. Grants and subsidies

	2020 \$'000	2019 \$'000
Recurrent grant	322	401
Total grants and subsidies	322	401

4.3. Borrowing costs

	2020 \$'000	2019 \$'000
Interest expense on lease liabilities	30	-
Total Borrowing costs	30	-

South Australian Metropolitan Fire Service
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4.4. Depreciation and amortisation

	2020	2019
	\$'000	\$'000
Depreciation		
Vehicles	3 824	4 017
Right-of-use vehicles	242	-
Buildings	2 902	2 493
Right-of-use buildings	89	-
Plant	308	314
Communications	294	288
Computers	84	126
Total depreciation	7 743	7 238
Amortisation		
Software	76	75
Total amortisation	76	75
Total depreciation and amortisation	7 819	7 313

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

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

Useful life

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

Class of asset	Useful life (years)
Buildings	50
Vehicles	15
Communications equipment	10
Plant and equipment	10
Right-of-use assets	Lease term
Computer equipment	5
Intangibles	5

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

Review of Accounting Estimates

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

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

South Australian Metropolitan Fire Service
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4.5. Other expenses

	2020	2019
	\$'000	\$'000
CWIP write off	393	-
Total other expenses	393	-

South Australian Metropolitan Fire Service
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5. Non-financial assets

5.1. Property, plant and equipment

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

	2020 \$'000	2019 \$'000
Land		
Land at fair value	61 801	48 385
Total land	61 801	48 385
Buildings		
Buildings at fair value	68 050	68 030
Accumulated depreciation	(2 064)	(13 532)
Total buildings	65 986	54 498
Right-of-use buildings		
Right-of-use buildings at cost	1 061	-
Accumulated depreciation	(89)	-
Total right-of-use buildings	972	-
Vehicles		
Vehicles at fair value	46 415	49 714
Accumulated depreciation	(2 549)	(23 686)
Total vehicles	43 866	26 028
Right-of-use vehicles		
Right-of-use vehicles at cost	502	-
Accumulated depreciation	(207)	-
Total right-of-use vehicles	295	-
Communications (Comms.) equipment		
Communications equipment at fair value	1 996	2 793
Accumulated depreciation	(199)	(1 097)
Total communication equipment	1 797	1 696
Computer equipment		
Computer equipment at fair value	513	633
Computer equipment at cost (deemed fair value)	-	-
Accumulated depreciation	(44)	(466)
Total computer equipment	469	167
Plant and equipment		
Plant and equipment at valuation	3 417	3 638
Accumulated depreciation	(196)	(1 340)
Total plant and equipment	3 221	2 298
Capital work in progress		
Capital work in progress at cost (deemed fair value)	8 257	3 567
Total capital work in progress	8 257	3 567
Total property, plant and equipment	186 664	136 639

South Australian Metropolitan Fire Service
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5.2. Property, plant and equipment owned by MFS

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

Impairment

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

Reconciliation 2019-20

	Land	Buildings	Vehicles	Comms. Equipment	Computer Equipment	Plant & equipment	Work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2019	48 385	54 498	26 028	1 696	167	2 298	3 567	136 639
Acquisitions	-	-	-	-	-	-	6 890	6 890
Transfers from capital WIP	6	518	256	117	82	826	(1 807)	(2)
Depreciation	-	(2 902)	(3 824)	(294)	(84)	(308)	-	(7 412)
Disposals	-	-	-	-	-	-	(393)	(393)
Net revaluation increment/(decrement)	13 410	13 872	21 406	278	304	405	-	49 675
Carrying amount at 30 June 2020	61 801	65 986	43 866	1 797	469	3 221	8 257	185 397

Reconciliation 2018-19

	Land	Buildings	Vehicles	Comms. Equipment	Computer Equipment	Plant & equipment	Work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2018	48 385	56 558	28 848	1 936	293	2 238	2 977	141 235
Acquisitions	-	-	10	-	-	-	2 627	2 637
Transfers from capital WIP	-	433	1 187	48	-	385	(2 053)	-
Depreciation	-	(2 493)	(4 017)	(288)	(126)	(314)	-	(7 238)
Disposals	-	-	-	-	-	(11)	-	(11)
Other	-	-	-	-	-	-	16	16
Carrying amount at 30 June 2019	48 385	54 498	26 028	1 696	167	2 298	3 567	136 639

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

Property, plant and equipment leased by the MFS is recorded at cost. Additions to leased property, plant and equipment during 2019-20 were \$1.2 million.

Short-term leases of 12 months or less and low value leases where the underlying asset value is less than \$15,000 are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and are disclosed in note 3.1.

The department has a limited number of leases:

- 52 motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Motor vehicle lease terms can range from 3 years (60,000km) up to 5 years (100,000km). No contingent rental provisions exist within the lease agreements and no options exist to renew the leases at the end of their term.
- the MFS has one commercial lease for a building used for the purpose of operating a regional fire station at Mount Barker.

The lease liabilities related to the right-of-use assets are disclosed in note 7.2. The department's maturity analysis of its lease liabilities is disclosed in note 11.3. Expenses related to leases, including depreciation and interest expenses, are disclosed in note 4. Cash outflows related to leases are disclosed in note 8.1.

Impairment

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

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

	2020	2019
	\$'000	\$'000
Software		
Computer software	451	449
Accumulated amortisation	(324)	(248)
Total software	<u>127</u>	<u>201</u>
Total intangible assets	<u><u>127</u></u>	<u><u>201</u></u>

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

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

Reconciliation 2019-20	Computer Software
	\$'000
Carrying amount at 1 July 2019	201
Transfers from capital WIP	2
Amortisation	(76)
Carrying amount at 30 June 2020	<u>127</u>

Reconciliation 2018-19	Computer Software
	\$'000
Carrying amount at 1 July 2018	276
Amortisation	(75)
Carrying amount at 30 June 2019	<u>201</u>

South Australian Metropolitan Fire Service
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6. Financial assets

6.1. Cash and cash equivalents

	2020	2019
	\$'000	\$'000
Cash on hand	6	6
Deposits with the Treasurer	5 889	2 909
Total cash and cash equivalents	5 895	2 915

Cash is measured at nominal amounts.

Deposits with the Treasurer

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

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 bank deposit rates. The carrying amount of cash and cash equivalents represent fair value.

6.2. Receivables

	2020	2019
	\$'000	\$'000
Current		
Receivables	764	569
Less impairment loss on receivables	(2)	(8)
Prepayments	132	146
Accrued revenues	682	123
GST input tax recoverable	404	383
Total current receivables	1 980	1 213
Total receivables	1 980	1 213

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

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

Refer to note 11.3 for further information on risk management.

	2020	2019
	\$'000	\$'000
Allowance for impairment loss on receivables		
Carrying amount at the beginning of the period	8	8
Increase/(decrease) in the allowance	-	1
Amounts written off	(6)	(1)
Carrying amount at the end of the period	2	8

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

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

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

Employee benefits are disclosed in note 3.4.

7.1. Payables

	2020	2019
	\$'000	\$'000
Current		
Creditors	399	1 142
Accrued expenses	2 534	2 859
Paid Parental Leave Scheme payable	9	-
Employment on-costs	4 253	3 765
Total current payables	7 195	7 766
Non-current		
Creditors	3	2
Employment on-costs	4 605	5 037
Total non-current payables	4 608	5 039
Total payables	11 803	12 805

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

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

Employment on-costs

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

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

As a result of an actuarial assessment performed by the Department of Treasury and Finance (DTF) has resulted in the percentage of the proportion of long service leave taken as leave has changed from the 2019 rate 89% to 87.71% and the average factor for the calculation of employer superannuation cost on-cost is 13.5% (2019: 13.5%). These rates are used in the employment on-cost calculation.

The estimated impact on future periods is not expected to be materially different to the effect on the current period as shown above.

Paid parental leave scheme

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

South Australian Metropolitan Fire Service
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7.2. Financial liabilities

	2020	2019
	\$'000	\$'000
Current		
Lease liabilities	268	-
Total current financial liabilities	<u>268</u>	<u>-</u>
-		
Non-Current		
Lease liabilities	1 013	-
Total non-current financial liabilities	<u>1 013</u>	<u>-</u>
Total financial liabilities	<u><u>1 281</u></u>	<u><u>-</u></u>

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

7.3. Provisions

	2020	2019
	\$'000	\$'000
Current		
Provision for workers' compensation	4 917	10 586
Additional compensation	558	293
Total current provisions	<u>5 475</u>	<u>10 879</u>
Non-current		
Provision for workers' compensation	36 496	55 822
Additional compensation	13 590	12 504
Total non-current provisions	<u>50 086</u>	<u>68 326</u>
Total provisions	<u><u>55 561</u></u>	<u><u>79 205</u></u>

Movement in Provisions

	2020	2019
	\$'000	\$'000
Workers' compensation:		
Carrying amount at the beginning of the period	66 252	47 533
Additional provisions recognised	-	23 421
Reductions resulting from re-measurement	(18 764)	-
Reductions arising from payments	(6 074)	(4 702)
Carrying amount at the end of the period	<u>41 414</u>	<u>66 252</u>
Additional compensation:		
Carrying amount at the beginning of the period	12 953	12 187
Additional provisions recognised	1 631	1 244
Reductions arising from payments	(437)	(478)
Carrying amount at the end of the period	<u>14 147</u>	<u>12 953</u>

South Australian Metropolitan Fire Service
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7.3. Provisions (continued)

Workers' Compensation

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

MFS is responsible for the payment of workers' compensation claims.

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

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

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

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

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

MFS is responsible for the payment of additional compensation claims.

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

South Australian Metropolitan Fire Service
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8. Other disclosures**8.1. Cash flow reconciliation**

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

	2020	2019
	\$'000	\$'000
Leases		
Buildings	78	-
Vehicles	204	-
Total cash outflows for leases	282	-
Reconciliation of net result to cash flows from operating activities		
	2020	2019
	\$'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	5 895	2 915
Balance as per the Statement of Cash Flows	5 895	2 915
Reconciliation of net cash provided by / (used in) operating activities to net result		
Net cash provided by/(used in) operating activities	10 187	1 659
Add / (less) non-cash items		
Depreciation and amortisation	(7 819)	(7 313)
Adjustments on initial adoption of AASB 9	1	(83)
Net gain/(loss) from disposal of non-current assets	-	6
Other expenses	(393)	-
Movement in assets and liabilities		
Increase/(decrease) in receivables	767	(17)
(Increase)/decrease in payables	1 001	(549)
(Increase)/decrease in employee benefits	213	(6 244)
(Increase)/decrease in provisions	23 644	(19 485)
Net result	27 601	(32 026)

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9. Changes in accounting policy

9.1. AASB 16 Leases

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

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

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

Impact on retained earnings

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

	<u>\$'000</u>
Closing retained earnings 30 June 2019 – AASB 117	(96 122)
Assets	
Right-of-use assets	368
Liabilities	
Financial liabilities	<u>368</u>
Opening retained earnings 1 July 2019 – AASB 16	(96 122)

MFS disclosed in its 2018-19 financial report total undiscounted operating lease commitments of \$1.9 million under AASB 117.

MFS has no accommodation services provided by the Department of Planning, Transport and Infrastructure (DPTI) under Memoranda of Administrative Arrangement (MoAA) issued in accordance with Government-wide accommodation policies.

South Australian Metropolitan Fire Service

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9.1. AASB 16 Leases (continued)

Accounting policies on transition

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

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

Ongoing accounting policies

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

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

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

9.2. AASB 15 Revenue from Contracts with Customers

AASB 15 Revenue from Contracts with Customers establishes a revenue recognition model for revenue arising from contracts with customers. It requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. AASB 15 supersedes AASB 111 Construction contracts, AASB 118 Revenue and related Interpretations and applies to all revenue arising from contracts with customers.

Impact on retained earnings

On transition, there was no impact on retained earnings.

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

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

Accounting policies on transition

On transition, there was no impact on retained earnings.

9.4. Presentation of Financial Statements

Treasurer's Instructions (Accounting Policy Statements) issued on 01 June 2020 removed the previous requirement for financial statements to be prepared using the net cost of services format. The net cost of services is the total cost of services less any revenue retained by public authorities involved in the provision of services but does not include items classified as revenues from and payments to the South Australian Government.

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

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10. Outlook

10.1. Unrecognised contractual commitments

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

Capital commitments

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

	2020	2019
	\$'000	\$'000
Within one year	2 739	2 476
Total capital commitments	2 739	2 476

These capital commitments are for vehicles.

Expenditure commitments

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

	2020	2019
	\$'000	\$'000
Within one year	3 743	1 619
Later than one year but not later than five years	3 534	600
Total expenditure commitments	7 277	2 219

MFS's expenditure commitments are for agreements for:

- Contractual commitments relate to information technology and fire appliance modifications.

Operating lease commitments

	2020	2019
	\$'000	\$'000
Within one year	-	522
Later than one year but not later than five years	-	637
Later than five years	-	700
Total operating lease commitments	-	1 859

Operating lease commitments is provided for the comparative year only as AASB 16 *Leases* does not distinguish between operating and finance leases for the lessee.

10.2. Contingent assets and liabilities

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

MFS is not aware of any contingent assets or liabilities.

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10.3. Impact of standards and statements not yet effective

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

AASB 1059 Service Concession Arrangements: Grantors

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

10.4. COVID-19 pandemic outlook for the MFS

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

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

10.5. Events after the reporting period

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

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

11. Measurement and risk

11.1. Long service leave

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

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

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

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

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$29,235,824.86 and employee benefits expense of \$32,565,893.31. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

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

11.2. Fair value

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

Initial Recognition

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

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

Revaluation

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

The revaluation process is reviewed by MFS each year.

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

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

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

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

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11.2. Fair value (continued)

Fair value hierarchy

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

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

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

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

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

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

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

	Note	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements				
Land	5.1	-	61 801	61 801
Buildings	5.1	-	65 986	65 986
Vehicles	5.1	-	43 866	43 866
Communication equipment	5.1	-	1 797	1 797
Computer equipment	5.1	-	469	469
Plant and equipment	5.1	-	3 221	3 221
Total recurring fair value measurements		-	177 140	177 140
Total fair value measurements		-	177 140	177 140

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

	Note	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements				
Land	5.1	5 310	43 075	48 385
Buildings	5.1	3 042	51 456	54 498
Vehicles	5.1	-	26 028	26 028
Communication equipment	5.1	-	1 696	1 696
Computer equipment	5.1	-	167	167
Plant and equipment	5.1	-	2 298	2 298
Total recurring fair value measurements		8 352	124 720	133 072
Total fair value measurements		8 352	124 720	133 072

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11.2. Fair value (continued)

Land and buildings

An independent valuation of land and buildings was performed by a Certified Practising Valuer from Liquid Pacific Holdings Pty Ltd as at 1 November 2019. These have been recognised at their carrying amounts from 30 June 2019. The land and buildings values at revaluation were considered relevant for 30 June 2020.

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

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

Plant and equipment

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

South Australian Metropolitan Fire Service
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11.2. Fair value (continued)

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

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

	Land	Buildings	Vehicles	Comms. equipment	Computer equipment	Plant & equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	43 075	51 456	26 028	1 696	167	2 298	124 720
Capitalised asset transfers	6	518	256	117	82	826	1 805
Gains/(losses) for the period recognised in net result:							
Depreciation	-	(2 902)	(3 824)	(294)	(84)	(308)	(7 412)
Transfer into Level 3	5 310	3 042	-	-	-	-	8 352
Total gains/(losses) recognised in net result	5 310	140	(3 824)	(294)	(84)	(308)	940
Gains/(losses) for the period recognised in net other comprehensive income (OCI):							
Revaluation increments/(decrements)	13 410	13 872	21 406	278	304	405	49 675
Total gains/(losses) recognised in OCI	13 410	13 872	21 406	278	304	405	49 675
Carrying amount at the end of the period	61 801	65 986	43 866	1 797	469	3 221	177 140

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

	Land	Buildings	Vehicles	Comms. equipment	Computer equipment	Plant & equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	43 075	53 671	28 848	1 936	293	2 238	130 061
Acquisitions	-	-	10	-	-	-	10
Capitalised asset transfers	-	196	1 187	48	-	385	1 816
Disposals	-	-	-	-	-	(11)	(11)
Gains/(losses) for the period recognised in net result:							
Depreciation	-	(2 411)	(4 017)	(288)	(126)	(314)	(7 156)
Total gains/(losses) recognised in net result	-	(2 411)	(4 017)	(288)	(126)	(314)	(7 156)
Carrying amount at the end of the period	43 075	51 456	26 028	1 696	167	2 298	124 720

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11.3. Financial instruments

Financial risk management

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

Liquidity risk

MFS is funded principally from the Community Emergency Services Fund ('the Fund'). MFS works with the Fund to determine the cash flows associated with its Government approved program of work to meet the expected cash flows.

Refer to note 7.1 and 7.2 for further information.

Credit risk

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

No collateral is held as security and no credit enhancements related to financial assets held by MFS.

Impairment of financial assets

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

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

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

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

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

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

	Debtor gross carrying amount \$'000	Loss %	Lifetime expected losses \$'000
2020			
Current (not past due)	607	0%	-
1 - 30 days past due	275	0%	1
31 - 60 days past due	66	1%	-
61 - 90 days past due	-	1%	-
More than 90 days past due	25	1%	-
Loss allowance	973	3%	1

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11.3. Financial instruments (continued)

Impairment of financial assets (continued)

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

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

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

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

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

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

Market risk

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

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

Categorisation of financial instruments

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

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Classification of financial instruments

MFS measures all financial instruments at amortised cost.

Category of financial asset and financial liability	Note	Carrying amount / fair value \$'000	2020 Contractual maturities		
			Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets					
Cash and equivalent					
Cash and cash equivalent	6.1	5 895	5 895	-	-
Financial assets at amortised cost					
Receivables	6.2	1 442	1 442	-	-
Total financial assets		7 337	7 337	-	-
Financial liabilities					
Financial liabilities at amortised cost					
Payables	7.1	2 936	2 933	-	3
Financial liabilities	7.2	1 281	268	1 013	-
Total financial liabilities		4 217	3 201	1 013	3

Category of financial asset and financial liability	Note	Carrying amount / fair value \$'000	2019 Contractual maturities		
			Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets					
Cash and equivalent					
Cash and cash equivalents	6.1	2 915	2 915	-	-
Loans and receivables					
Receivables	6.2	596	596	-	-
Total financial assets		3 511	3 511	-	-
Financial liabilities					
Payables	7.1	3 093	3 091	-	2
Total financial liabilities		3 093	3 091	-	2

For 2018-19 the lease liabilities reflect only finance leases recognised in accordance with AASB 117.

Receivables and payables

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. Commonwealth, State and Local Government taxes, fees and charges; 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, they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at amortised cost.

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