

OFFICIAL



**SOUTH AUSTRALIAN METROPOLITAN
FIRE SERVICE
2021-22 Annual Report**

SOUTH AUSTRALIAN METROPOLITAN FIRE SERVICE

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OFFICIAL

To:

Hon Joe Szakacs MP

Minister for Police, Emergency Services and Correctional Services

This annual report will be presented to Parliament to meet the statutory reporting requirements of the *South Australian Fire and Emergency Services Act 2005* 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: 15 September 2022

Signature:

A handwritten signature in blue ink, appearing to read 'Morgan', with a large, stylized flourish at the end.

From the Chief Executive



It is my pleasure to present the 2021-22 Annual Report for the South Australian Metropolitan Fire Service (MFS). This report represents the collective activities of approximately 1200 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 2021-22 financial year presented ongoing challenges to our community and all industries, both public and private. The COVID-19 pandemic has continued to significantly affect the community and the economy. I am proud of the ongoing efforts of all MFS personnel, and in particular the specialist role undertaken by the MFS COVID-19 Taskforce. Our combined efforts ensured the ongoing provision of an adaptive emergency service in a rapidly changing environment, whilst also working to protect our people and the wider community. Despite these challenges, we remain focussed on delivering first class emergency services that protect our community.

In March 2022, the MFS Senior Management Team moved from the Adelaide Fire Station to the brand-new Emergency Services Headquarters at Keswick, known as Kumatpi Trruku ('Emergency Centre') in Kurna language, which is providing the opportunity for greater collaboration between the sector's agencies.

I acknowledge the support the MFS has received over the past year from our partner emergency service agencies, the South Australian Country Fire Service, the South Australian State Emergency Service, the South Australian Fire and Emergency Services Commission, 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.

A handwritten signature in blue ink, appearing to read 'Michael Morgan'. The signature is stylized and fluid.

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 entities 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. • Identify innovative ways to deliver our successful Road Awareness and Juvenile Firelighter Intervention programs as the restrictions imposed by COVID-19 continue. • Maintain our high rates of fire cause identification and elimination of products identified as the potential cause of fire from the marketplace. <p>RESPONSE</p> <ul style="list-style-type: none"> • Maintain 100% response rate to all emergencies. • The MFS will increase the number of Officers accredited to manage or serve in functional management roles at major national and state-level emergencies. • Maintain our current standards of call receipt and dispatch for the SA emergency services sector. • Maintain our current levels of direct support to our workforce and community during and after emergencies. This includes ensuring the sustainability of our successful employee wellness and mental health programs.
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3. Frontline Support Services

PREPAREDNESS

- Implement the new Senior Firefighter Level 2 Development Program to enhance the training provided to personnel progressing to the rank of Station Officer or temporarily acting up.
- Implement key findings of the review of the MFS Staff Development Framework.
- Complete promotions processes for the ranks of Station Officer and Commander.
- Finalise and implement the MFS Learning and Development Doctrine to enhance 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

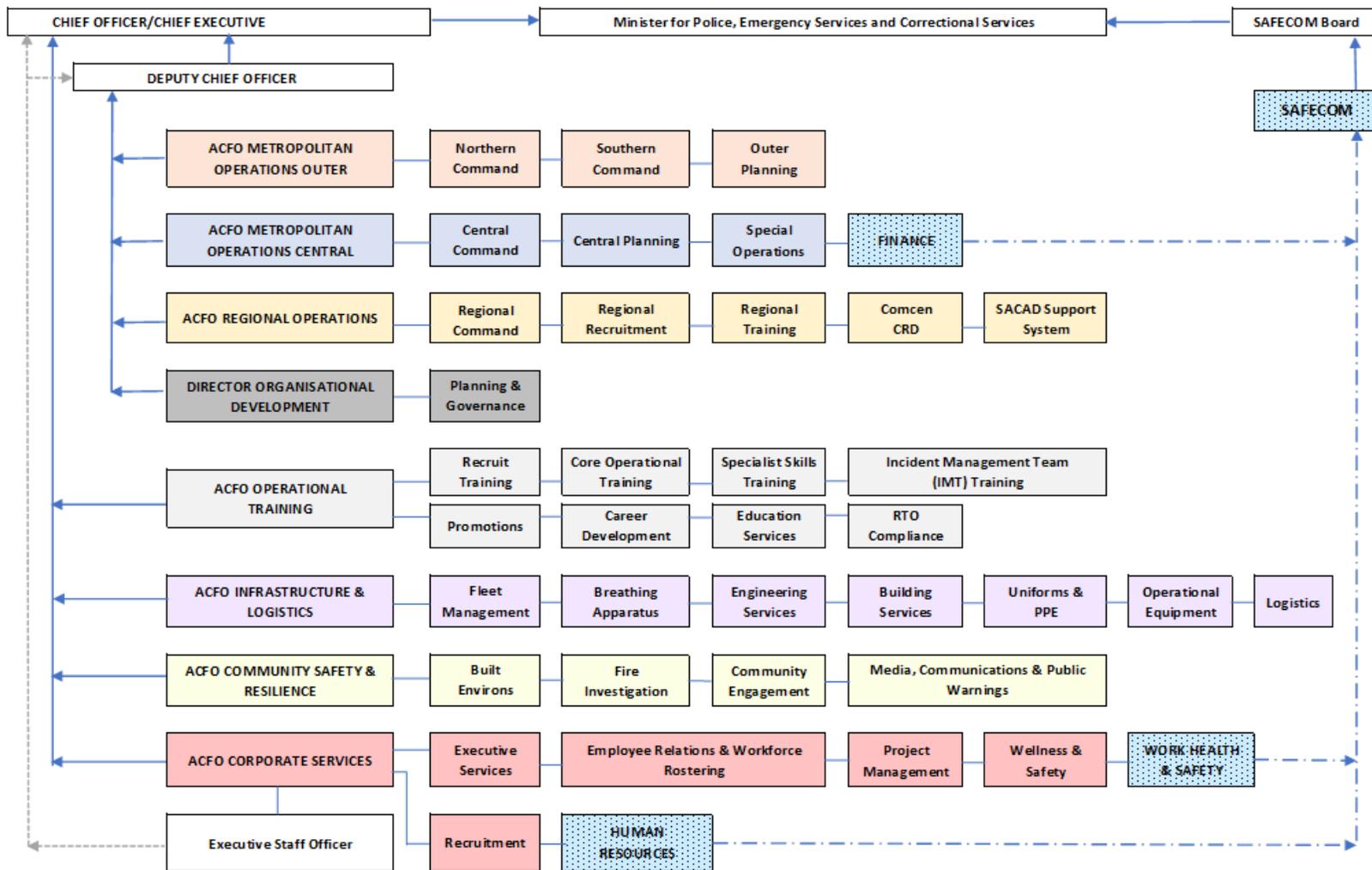
ORGANISATIONAL PERFORMANCE AND VALUE

- 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 delivers public value.
- Develop a sustainable, highly skilled workforce that is reflective of the community we serve.
- Employ effective Human Resources management systems consistent with the broader SA public sector.

Our organisational structure



* Each colour in the diagram above represents a different MFS Department

(As of 30 June 2022 – Taken from MFS Workforce Plan 2022 – 2023)

Changes to the agency

During 2021-22 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 Joe Szakacs MP is the Minister for Police, Emergency Services and Correctional Services.

Our Executive team



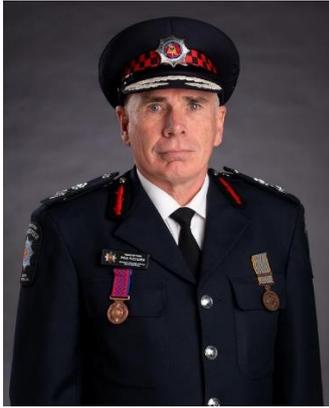
Mr Michael Morgan

Chief Officer and Chief Executive

- Responsible for the strategic and executive management of business strategy across the MFS.
- Responsible for 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 South Australian *Fire and Emergency Services Act (2005)*.
- 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 influences the identification and selection of 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 expert advice on strategic and executive management business approaches across the MFS.
 - Leads innovation and change in the MFS including the development and delivery of integrated and complex strategy for the MFS.
- Ensures the protection of people, property and the environment from fire, chemical incidents and other emergencies by ensuring adequate physical and appropriately trained human resources are maintained.
 - Ensures Enterprise Agreements and/or Industrial Awards reflect MFS strategic direction by providing expert advice to Chief Officer/Chief Executive.
 - Represents the MFS in statewide forums, providing expert leadership and advice in support of MFS's corporate direction 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 2021-22 the MFS responded to approximately 21 600 emergency incidents. Of these, 18 688 generated a response in Metropolitan Operations; and 2 963 in Regional Operations. By way of comparison, these activity rates are relatively consistent with the data from the previous financial year.
- MFS Regional Operations provides an emergency service to major regional centres protecting a significant proportion of South Australia's regional population, infrastructure and economic assets. Collectively, MFS Regional Operations responded to 149 structure fires, 348 other fires, 43 vehicle fires and performed a total of 442 rescues. During 2021-22, four MFS regional stations responded to more than 280 emergency incidents, and these include: Mount Gambier (473), Whyalla (343), Port Pirie (362) and Port Augusta (283).
- On 25 January 2022, MFS and CFS personnel successfully contained a grass fire burning under severe fire conditions at Centenary Tower, Mount Gambier. Firefighting operations saved the Blue Lake Caravan Park and the Blue Lake Golf Course which were under threat, preventing significant economic loss to the local community.
- MFS statistics show that the risks to our community continue to change over time. Data indicates that the incidence of structural fires has continued to drop which may reflect positive outcomes resulting from our prevention activities. However, fires now burn hotter and faster and have greater potential to cause significant damage and loss. Other risks, including road crashes requiring rescue, continues to be a concern as the population of urban areas increases. Both metropolitan and regional operations reported increases in the number of rescues performed with an annual total of 5 441 (in comparison to 5 406 in 2020-21).
- The MFS Built Environs team has experienced a marked increase in demand. The additional workload is a consequence of changes to the Building Code with new rules which require the MFS to complete fire safety performance-based design briefs and reports for all referrals. Previously only 20% of all projects required detailed reports but this requirement has now increased to over 90% of all building development projects that require the provision of a detailed design brief and report.
- The age of MFS appliances has improved markedly over the financial year due to the successful accelerated procurement of 16 new heavy urban appliances. The MFS had received a total of 10 appliances during the financial year and future deliveries are continuing.

Agency response to COVID-19

In response to the global COVID-19 pandemic, the MFS Special Operations/HAZMAT team continued to take the lead responsibility for:

- The coordination of the MFS COVID-19 Taskforce.
- Ensuring that the MFS followed the advice of the Office of the Commissioner for Public Sector Employment and SA Health.
- Ongoing 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 and access to COVID-19 Vaccination programs.

In addition, the MFS also continued to support the International COVID-19 Detector Dog Project. The State Control Centre Health held responsibility for the project which was managed by the Adelaide University in partnership with both state and federal stakeholders. The project was part of an international study group, involving 17 international partners and major national stakeholders and was supported by the Australian Government Department of Home Affairs.

Agency contribution to whole of Government objectives

Agency's contribution

- **Appliances** - The MFS continues to implement an accelerated appliance replacement schedule, ensuring our capability meets operational requirements, and reducing the maximum age of our heavy vehicle fleet.
- **COVID-19 Response** – Work in partnership with other State Government entities to ensure that the MFS has the ability to maintain the provision of safe, effective and timely emergency responses and to ensure we provide the closest, fastest and most appropriate resources to all emergencies.
- **Health and Wellbeing** – Operational firefighting places extensive demands on personnel who regularly operate in high-risk situations. The MFS continues to develop and implement strategies to improve the overall health, fitness, resilience and wellbeing of staff. Training and support not only help make MFS personnel more resilient, but also enables additional support to communities during disaster and recovery efforts.
- **Creating Jobs** – Active engagement in the Public Sector Workforce Rejuvenation Scheme, offering MFS employees an incentive to separate from government employment, creating new public sector employment opportunities.

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 entities 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.
- Continuation of prevention programs including fire cause investigation, safety inspections of public buildings, regulation, community support and education to help minimise the frequency and effects of fires and other emergencies.
- In conjunction with Building Fire Safety Committees, continue with Stage 2 of the Aluminium Composite Panel (ACP) building audit and inspection process.
- Continue the implementation of the new People and Their Hoarding Program (PATH) to assist in the identification of hoarding premises in association with council officers.

RESPONSE

- Maintain 100% response rate to all emergencies.
- Maintain our current standards for the provision of call receipt and dispatch services for the SA emergency services sector.
- Continue consultation and involvement in relation to the provision of appropriate firefighting infrastructure at hydrogen plant locations throughout the state, including Port Lincoln, Mawson Lakes and Crystal Brook.
- Review operational training priorities to address training shortfalls resulting from COVID-19 restrictions.
- Maintain our current levels of direct support to our workforce and community during and after emergencies. This includes ensuring the sustainability of our successful employee wellness and mental health programs.

3. Frontline Support Services**PREPAREDNESS**

- Complete the delivery and assessment phase of the initial Senior Firefighter Level 2 Development Program.
- Undertake Registered Training Organisation audit and re-registration.
- Conduct promotion processes to select new Station Officers and Commanders.
- Undertake additional appliance purchases to reduce pressure on fleet reserves and the age of the fleet.
- Commence the Noarlunga Command Station project to replace the existing Christie Downs station.
- 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.
- Develop a new strategic plan to establish direction and priorities for the next three financial years.
- Continue progress on a policy framework review project.
- 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

- Commence rollout of the culture and diversity plan including promulgation of new respectful behaviour and domestic violence policies.
- Continue the development of interagency employee wellness initiatives including the SA Emergency Services Wellbeing Network and Group Emotional and Relationship Skills (GEARS) program in conjunction with Military and Emergency Services Health Australia (MESHHA).
- Develop a professional culture that improves effectiveness, efficiency and delivers public value.
- Develop a sustainable, highly skilled workforce that is reflective of the community we serve.

Agency objectives	Indicators	Performance
<p>Frontline Services – Community</p>	<p>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.</p>	<ul style="list-style-type: none"> - 105 home fire safety presentations reaching a total of 3 688 people. - 172 educational tours, visits and community events scheduled. <p>Projected total of 122 066 attendees in community education programs.</p>
<p>Frontline Services – Prevention</p>	<p>Identify risks associated with fire and other emergencies.</p>	<p>The MFS investigated:</p> <ul style="list-style-type: none"> - 135 fires for the MFS. - 45 fires for the CFS. <p>Fire cause established in 93% of all fires examined.</p> <p>This success rate means that causes are identified, and dangerous products are promptly removed from the community.</p>
	<p>Foster behaviours that increase community preparedness. MFS provides the following programs:</p> <ul style="list-style-type: none"> - Road Awareness Program (RAP) - Juvenile Fire Lighters Intervention Program (JFLIP) 	<ul style="list-style-type: none"> - 168 RAP presentations took place involving a projected total of 14 958 participants. Nearly all RAP participants (99%) indicated that they will adopt safer behaviours post-program. - 5% 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"> - 204 education and health facility inspections and fire safety surveys. - 625 building development proposal assessments. - 336 fire alarm inspections and connections. - 92% of building development assessments were completed within 28 days. - 186 booster/hydrant tests/commissioning. - 152 Building Fire Safety Committee meetings attended. - 183 Building Fire Safety Committee inspections conducted. - 5 hot smoke tests conducted. <p>MFS Built Environs also:</p> <ul style="list-style-type: none"> - Consulted with developers and certifiers on several high-profile infrastructure projects including the Grenfell Centre, Plaza Hotel, Greenhill Lodge, Heysen Tunnel, Burnside Village Shopping Centre and the Aboriginal Art & Culture Centre. - Continue to actively engage with the Department for Infrastructure and Transport to undertake building inspections associated with Aluminium Composite Panels (ACPs) and provide advice to inform rectification work.
<p>Frontline Services – Response & Recovery</p>	<p>Ensure the development and delivery of effective emergency management systems.</p>	<p>98% of major community events had a current fire protection plan.</p>
	<p>Ensure appropriate response is committed to 100% of all incident types.</p>	<p>100% of all incidents had an appropriate response committed.</p>
	<p>Ensure the safe and effective management and control of incidents and emergencies.</p>	<ul style="list-style-type: none"> - 66% of building and other structure fires were contained to part of room or area of origin. - 75% of building fires were contained to the room of origin.

<p>Frontline Services – Response & Recovery Cont'd</p>	<p>Ensure the MFS responds to all fires and other emergencies with timely and weighted response.</p>	<ul style="list-style-type: none"> - The total number of incidents generating a response from Metropolitan Operations was 18 688. - The total number of incidents generating a response from Regional Operations was 2 963. - Average Metropolitan ‘out the door time’ was 111 seconds, consistent with our target of less than 120 seconds. - The % of MFS arrivals within 7 minutes of a callout in a metropolitan area with a fulltime crew was 74%. - The % of MFS arrivals within 11 minutes of a callout in a regional area: <ul style="list-style-type: none"> o With a Retained crew was 67%. o For Station 50 Pt Pirie was 97%. o For Station 70 Mt Gambier was 75%. <p>(Collective Regional target of 90%.)</p>
	<p>Ensure effective operational call receipt and dispatch.</p>	<ul style="list-style-type: none"> - Total of 24 974 emergency calls were received. - Average time to answer 000 emergency calls was 5 seconds (within target of 5 seconds). - In 90% of cases, Triple Zero calls were answered on first presentation.
<p>Frontline Support Services – Learning & Development</p>	<p>A highly skilled workforce that can safely undertake roles required of MFS personnel.</p>	<ul style="list-style-type: none"> - 18 new firefighting personnel were successfully recruited.
	<p>Establish and maintain effective career development systems.</p>	<ul style="list-style-type: none"> - 311 personnel enrolled in nationally recognised training through the MFS Staff Development Framework; 311 mandatory enrolments; and nil voluntary enrolments. - MFS personnel enrolled in a total of 762 units of study (762 mandatory and nil voluntary). <i>Note: The new Senior Firefighter Level 2 Development Program defers voluntary enrolment in vocational programs by one year.</i>

<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 continues to be impacted by:</p> <ul style="list-style-type: none"> - Increased recruit training demand (six appliances are required to conduct the 15-week course). - Fitting of Burn Over Protection (BOPS). - Chassis rust and pump mounting failures which both require repairs from an out-sourced engineer. 	<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 (minimum of 2 reserve appliances available 100% of the time) was 80%, reaching the identified target. This is a significant improvement from 20% in 2020-21. - Appliances responded to incidents with no report of failure that had impeded their arrival. <p>Fleet Age:</p> <ul style="list-style-type: none"> - 18% of total MFS fleet requiring replacement within two years (Target of <12%). This is a significant improvement from 38% in 2020-21, supported by the accelerated heavy vehicle replacement project. - 2 Aerials requiring replacement within two years (Target of 4). - 2 Specialist vehicles requiring replacement within two years (Target of 1). - 17 General Purpose Pumpers requiring replacement within two years (Target of 9).
<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.
	<p>Ensure sustainable and environmentally friendly practices are employed.</p>	<p>The MFS aims to:</p> <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.

<p>Frontline Support Services – Governance & Public Value Cont'd</p>	<p>Increase the total of MFS photovoltaic energy generation.</p>	<ul style="list-style-type: none"> - All new MFS stations are built with a minimum of 12kW systems. The MFS now has photovoltaic energy systems totalling 120kW (Target of >105kW).
	<p>Ensure all required organisational plans are developed.</p> <p>The MFS is required to develop key plans for submission to the SAFECOM Board.</p>	<p>The following plans were submitted:</p> <ul style="list-style-type: none"> - MFS Business Plan - MFS Workforce Plan.
	<p>Ensure effective corporate governance.</p>	<ul style="list-style-type: none"> - Monthly MFS Chief Officer reports were submitted to the SAFECOM Board (11 in total). - 4 Corporate Governance Committee meetings conducted (Target of 4). - 11 Planning & Resilience Committee meetings conducted (Target of 8). - 12 Finance Committee meetings conducted (Target of 8). <p>Indicators or fiscal performance:</p> <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 statewide call receipt and dispatch function not only for the MFS but also for the South Australian Country Fire Service (CFS) and the South Australian State Emergency Service (SES). In the past financial year, the MFS handled approximately 24 974 emergency calls. The average time to answer 000 emergency calls was 5 seconds (within target of 5 seconds). In 90% of cases, Triple Zero calls were answered on first presentation.
- Metropolitan Operations attended approximately 18 600 incidents during 2021-22. Of these, 632 were structure fires, 427 vehicle fires, 4 999 rescues and 380 HAZMAT incidents. Average Metropolitan 'out the door time' was 111 seconds, consistent with our target of less than 120 seconds.
- During 2021-22, Regional Operations attended approximately 2 963 incidents. This included 149 structure fires, 43 vehicle fires, 442 rescues and 74 HAZMAT incidents.
- The MFS Road Awareness Program (RAP) delivered a total of 168 presentations to a projected total of 14 958 participants. This program continues to receive positive results for measures of changed behaviour and program quality.
- During 2021-22, the MFS delivered a total of 172 educational tours, visits and community events, attracting a total of 118 378 attendees. In addition, the MFS were also able to conduct 105 home fire safety presentations to a total of 3 688 people. These presentations continue to create a positive impact in the continuing decline in the number of structure fires.
- The MFS Built Environs team has continued to actively engage in the combustible cladding audit process which has now been completed for all residential, accommodation and health care buildings. The MFS is supportive of the partial removal of aluminium composite panels on some premises, with consideration given to operational requirements and the overall safety for occupants. The MFS will continue to liaise with both government and private building owners to work towards delivering positive outcomes to reduce the potential risks in structure that contain Aluminium Composite Panels.
- During 2021-22 the MFS Infrastructure & Logistics Department successfully commissioned additional firefighting appliances that will lower the average age of the MFS fleet and reduce pressure on the reserve fleet.
- The MFS developed, implemented and launched a new public facing website during 2021-22. The new website is compliant with 3.0 WCAG Web Accessibility Guide, enhancing accessibility and compliance with State Government policy.

- Selection, provision and training for new replacement Breathing Apparatus equipment has now been implemented across all land-based operational locations.
- The development of the new Noarlunga Command Station remains on track in accordance with planning estimates. Station completion is forecast for late 2022.
- Successfully completed Registered Training Organisation audit and re-registration ensuring the MFS can continue to provide personnel with access to nationally recognised competencies from the Public Safety Training Package.
- Completed the MFS Commander, Station Officer and Marine Officer promotion processes to establish a merit-based pool of future Officers.
- Met our obligations with regards to:
 - Contributing to the Office of the Commissioner for Public Sector Employment - State of the Sector Report
 - Promoting employee engagement in the “Your Voice Survey” and developing an agency action plan.
 - Ensuring that all MFS personnel in prescribed positions have a valid Working with Children Check.

Disability Access and Inclusion Plan

The South Australian Emergency Services Sector *Disability Access and Inclusion Plan 2020-2024* supports the *Inclusive SA: State Disability Inclusion Plan 2019-2023*.

The Plan sets out the actions that the MFS as a member of the South Australian Emergency Services Sector (ESS) will take over the next two years to improve access and inclusion for people living with a disability including our staff and the people that access our information and resources.

The MFS continues to monitor and report on the operation and implementation of the Plan annually to the Chief Executive of the Department of Human Services via a collated sector report as prepared by SAFECOM.

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 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 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>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 Champions of Change Coalition. - 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 six years competency-based training through the Staff Development Framework and tertiary level qualifications through the Executive Development Program.</p>

Agency performance management and development systems

Performance management and development system	Performance
<p>MFS Organisational Doctrine – Provides broad guidance to personnel about how to behave and think in both operational and non-operational settings.</p>	<p>Continued implementation of the MFS organisational doctrine occurred, including alignment with behaviour management, cultural renewal and diversity strategies.</p>
<p>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.</p>	<p>311 personnel were compulsorily enrolled in nationally recognised qualifications through the MFS SDF. Collectively, MFS personnel were enrolled in a total of 762 units of study.</p>
<p>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>.</p> <p>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.</p>	<p>Draft policy and appraisal template continues to be progressed through active consultation and engagement with relevant stakeholders, via the MFS Diversity and Inclusion Advisory Committee.</p>
<p>Emergency Services Sector Planned Review and Development (PRD) for MFS operational support staff.</p>	<p>PRD sessions between MFS employees and their line managers continue, in compliance with sector policy requirements.</p>
<p>Review and development of operational staff.</p>	<p>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.</p>

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>Increasing numbers of personnel seeking assistance in the short term as the MFS places priority on mental health awareness.</p>
MFS Vaccination Program	<p>47% of the workforce voluntarily participated in flu vaccinations.</p> <p>The MFS readily distributed information to staff about access and booking options for COVID-19 vaccinations. Staff were assured that their decision was voluntary.</p> <p>The MFS continues to provide 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
<p>MFS Employee Wellness & Safety</p>	<p>Continued development of strategies to assist in reducing workplace injury/illness and ensure a safe effective recovery/return to work. Programs include:</p> <p>Transition to retirement</p> <p>Pre and post retirement support processes continue to be enhanced and promoted.</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>The MFS remains an accredited White Ribbon organisation and continues to provide a safer workplace through this ongoing program.</p> <p>AFAC Champions of Change Coalition</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>Approximately a 130 staff participated in a second round of voluntary PFAS blood testing.</p> <p>The MFS continues to be involved in AFAC activities including PPC, operational strategies, WHS and procurement (PPC, appliances, equipment).</p> <p>Review of operational policies and procedures continue to occur based on comprehensive risk assessments.</p> <p>Mental Health Resilience</p> <p>PEER program - Training upgraded and membership expanded. This program remains ongoing.</p> <p>Other programs that are being periodically reviewed 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 (My SAFETY) reports, and workers compensation (SIMS) data and additional surveys to ensure effectiveness and deliver 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 was 1 notifiable incident during the 2021-22 period, and a total of 3 provisional improvement or prohibition notices were issued.</p> <p>Total gross workers compensation expenditure decreased by 3.72%.</p>

Workplace injury claims	Current year 2021-22	Past year 2020-21	% Change (+ / -)
Total new workplace injury claims	163	143	+12.27%
Fatalities	3	0	n/a
Seriously injured workers*	2	4	-50%
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	32.50	33.52	-3.14%

*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 2021-22	Past year 2020-21	% Change (+ / -)
Number of notifiable incidents (<i>Work Health and Safety Act 2012, Part 3</i>)	1	4	-75%
Number of provisional improvement, improvement and prohibition notices (<i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i>)	3	1	+200%

Return to work costs**	Current year 2021-22	Past year 2020-21	% Change (+ / -)
Total gross workers compensation expenditure (\$)	7 891 957	8 196 479	-3.72%
Income support payments – gross (\$)	3 182 408	3 689 122	-13.7%

**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-aaeaf4e44b55>

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 2021-2022 are attached to this report.

Statement of Comprehensive Income	2021-22 Budget \$000s	2021-22 Actual \$000s	Variation \$000s	2020-21 Actual \$000s
Total Income	199 655	201 648	1 993	174 747
Total Expenses	165 561	179 919	14 358	174 522
Net Result	34 094	21 729	(12 365)	225
Total Comprehensive Result	34 094	21 729	(12 365)	225

Statement of Financial Position	2021-22 Budget \$000s	2021-22 Actual \$000s	Variation \$000s	2020-21 Actual \$000s
Current assets	8 358	10 017	1 659	2 312
Non-current assets	197 602	195 942	(1 660)	190 157
Total assets	205 960	205 959	(1)	192 469
Current liabilities	41 650	31 548	(10 102)	41 242
Non-current liabilities	69 573	72 858	3 285	71 403
Total liabilities	111 223	104 406	(6 817)	112 645
Net assets	94 737	101 553	6 816	79 824
Equity	94 737	101 553	6 816	79 824

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	\$18 000

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

Consultancies	Purpose	\$ Actual payment
GHD Pty Ltd	PFAS contamination testing	\$136 750
IFB Investigations	Investigations of allegations	\$21 068
The University of Adelaide	Investigate occupational exposure pathways to target appropriate exposure control strategies	\$34 161
Zen Yap	Developing health surveillance program and medical monitoring of firefighters	\$31 669
	Total	\$223 648

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	\$26 000

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

Contractors	Purpose	\$ Actual payment
Babcock Pty Ltd	Engineering Support Services	\$639 692
Collectua	Collection of Receivables	\$23 607
Kate Russell	Debriefing and Coaching	\$11 810
MWAH	Diversity and Inclusion Consultation	\$155 772
NGS Global	Capability and Development Assessment	\$43 006
Nicholas Anthony & Associate	Independent Grievance Investigation	\$18 083
Safe Select	Professional Services	\$133 470
TCB Electrical Services (SA)	Electrical Call Out Fee	\$11 765
The University of Adelaide	Co-authored Journal Paper to Occupational Exposure to SA Firefighters	\$39 854
	Total	\$1 077 059

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 2021-22
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	1
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	1
Policy	Policy content	Policy content difficult to understand; policy unreasonable or disadvantages customer	0

Complaint categories	Sub-categories	Example	Number of Complaints 2021-22
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	3
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	4
		Total	10

Additional Metrics	Total
Number of positive feedback comments	10 471
Number of negative feedback comments	3
Total number of feedback comments	10 474
% complaints resolved within policy timeframes	90

NB: Data also includes feedback gathered by the MFS Community Safety & Resilience Department which consisted of feedback from:

- *Community engagement presentations (133)*
- *CASE Program (20)*
- *Juvenile Fire Lighters Program, 3 & 12 Month Evaluations (91)*
- *Road Awareness Program (9 503)*
- *Direct email/telephone communications (716).*

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

Information is readily available on the MFS website – Contact Us / Feedback (<https://www.mfs.sa.gov.au/contact-us/feedback>) about how to provide feedback or lodge a complaint with the organisation.

Service improvements resulting from complaints included:

- Enhanced awareness of compliance with the South Australian Government requirements regarding caretaker conventions.
- As relevant, individual staff were counselled and reminded of their obligations as MFS employees, and to consider how their actions may be perceived by members of the public.

Compliance Statement

The South Australian Metropolitan Fire Service is compliant with Premier and Cabinet Circular 039 – complaint management in the South Australian public sector	Y
The South Australian Metropolitan Fire Service has communicated the content of PC 039 and the agency’s related complaints policies and procedures to employees.	Y

Appendix: Audited financial statements 2021-22

South Australian Metropolitan Fire Service

Financial Statements

For the year ended 30 June 2022

**South Australian Metropolitan Fire Service
Certification of the Financial Statements
for the year ended 30 June 2022**

We certify that the:

- financial statements of the South Australian Metropolitan Fire Service:
 - are in accordance with the accounts and records of the South Australian Metropolitan Fire Service;
 - comply with relevant Treasurer's Instructions;
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the South Australian Metropolitan Fire Service at the end of the financial year and the result of its operations and cash flows for the financial year.
- internal controls employed by the South Australian Metropolitan Fire Service for the financial year over its financial reporting and its preparation of financial statements have been effective.



Michael Morgan AFSM
Chief Officer
South Australian Metropolitan Fire Service
14 September 2022



Mahen Fernando
Business Manager
South Australian Metropolitan Fire Service
14 September 2022

South Australian Metropolitan Fire Service
Statement of Comprehensive Income
for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Income			
Contributions from the Community Emergency Services Fund	2.1	162 979	164 213
Fees and charges	2.2	5 417	4 251
Grants and contributions	2.3	1 259	1 216
SA Government grants, subsidies and transfers	2.4	30 280	4 110
Interest revenues		-	3
Other income	2.5	1 778	954
Total income		201 713	174 747
Expenses			
Employee benefits	3.3	151 202	144 633
Supplies and services	4.1	19 338	20 861
Grants and subsidies		35	40
Borrowing costs		23	25
Depreciation and amortisation	5.1, 5.4	8 521	8 290
Net loss from disposal of non-current assets	4.2	853	603
Other expenses		27	70
Total expenses		179 999	174 522
Net result		21 714	225
Total comprehensive result		21 714	225

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 2022

	Note	2022 \$'000	2021 \$'000
Current assets			
Cash and cash equivalents	6.1	6 836	343
Receivables	6.2	3 246	1 969
Total current assets		10 082	2 312
Non-current assets			
Property, plant and equipment	5.1	180 542	181 414
Intangible assets	5.4	86	52
Capital works in progress	5.5	15 314	8 691
Total non-current assets		195 942	190 157
Total assets		206 024	192 469
Current liabilities			
Payables	7.1	7 849	9 094
Employee benefits	3.4	17 016	21 396
Provisions	7.3	6 471	5 877
Financial liabilities	7.2	292	309
Total current liabilities		31 628	36 676
Non-current liabilities			
Payables	7.1	3 670	4 566
Employee benefits	3.4	21 056	25 824
Provisions	7.3	47 161	44 569
Financial liabilities	7.2	971	1 010
Total non-current liabilities		72 858	75 969
Total liabilities		104 486	112 645
Net assets		101 538	79 824
Equity			
Asset revaluation surplus	8.1	147 003	147 567
Retained earnings	8.1	(45 465)	(67 743)
Total equity		101 538	79 824

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 2022

	Asset revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2020	148 120	(68 521)	79 599
Net result for 2020-21	-	225	225
Total comprehensive result for 2020-21	-	225	225
Transfer between equity components	(553)	553	-
Balance at 30 June 2021	147 567	(67 743)	79 824
Net result for 2021-22	-	21 714	21 714
Total comprehensive result for 2021-22	-	21 714	21 714
Transfer between equity components	(564)	564	-
Balance at 30 June 2022	147 003	(45 465)	101 538

8.1

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

South Australian Metropolitan Fire Service
Statement of Cash Flows
for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Cash flows from operating activities			
Cash inflows			
Contributions from the Community Emergency Services Fund		162 979	164 213
SA Government grants, subsidies and transfers		30 180	4 498
Fees and charges		5 417	4 251
Receipts from grants and contributions		1 283	1 326
Interest received		-	3
GST recovered from the Australian Taxation Office		2 974	2 306
Receipts for paid Parental Leave Scheme		33	39
Other receipts		1 921	1 342
Cash generated from operations		204 787	177 978
Cash outflows			
Employee benefits payments		(159 517)	(148 644)
Supplies and services payments		(24 451)	(23 773)
Interest paid		(23)	(25)
Payments for paid Parental Leave Scheme		(31)	(40)
Grants and subsidies payments		(35)	(40)
Cash used in operations		(184 057)	(172 522)
Net cash provided by operating activities	8.2	20 730	5 456
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		(13 909)	(10 686)
Cash used in investing activities		(13 909)	(10 686)
Net cash used in investing activities		(13 909)	(10 686)
Cash flows from financing activities			
Cash outflows			
Repayment of principal portion of lease liabilities		(328)	(322)
Cash used in financing activities		(328)	(322)
Net cash used in financing activities		(328)	(322)
Net Increase / (decrease) in cash and cash equivalents		6 493	(5 552)
Cash and cash equivalents at the beginning of the reporting period		343	5 895
Cash and cash equivalents at the end of the reporting period	6.1	6 836	343

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 2022

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4.	Expenses	16
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5.	Non-financial assets	18
5.1.	Property, plant and equipment	18
5.2.	Property, plant and equipment owned by MFS	20
5.3.	Property, plant and equipment leased by the MFS	21
5.4.	Intangible assets	22
6.	Financial assets	23
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South Australian Metropolitan Fire Service

Notes to and forming part of the financial statements

For the year ended 30 June 2022

1. About the South Australian Metropolitan Fire Service

Under the *Fire and Emergency Services Act 2005* (the Act), the South Australian Metropolitan Fire Service (MFS) is a not-for-profit body corporate, an agency of the Crown and part of the consolidated emergency services sector.

The financial statements include all the controlled activities of the MFS.

1.1. Basis of preparation

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

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

The financial statements have been prepared based on a 12-month period and presented in Australian currency. All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000). The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

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.

Significant accounting policies are set out throughout the notes.

The MFS is liable for Payroll Tax, Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

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

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

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

1.2. Objectives and programs

Objectives

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

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

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

South Australian Metropolitan Fire Service
Notes to and forming part of the financial statements
For the year ended 30 June 2022

Programs

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

1.3. Impact of COVID-19 pandemic

The COVID-19 pandemic has impacted on the operations of the MFS and the impacts are included under the relevant disclosure notes. The key impacts in 2021-22 were:

- Additional expenditure of \$4 100 000 to keep personnel safe while maintaining service delivery to the community.
- Reduction of capital expenditure and delays in the delivery of capital programs due to supplier business restrictions and demand.

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 2022

1.4. Budget performance

The budget performance table compares the MFS outcomes against budget information presented to Parliament (2021-22 Budget Paper 4). The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

	Note	Original budget 2022 \$'000	Actual 2022 \$'000	Variance \$'000
Statement of Comprehensive Income				
Income				
Contributions from the Community Emergency Services Fund				
		162 879	162 979	100
		5 036	5 417	381
		1 259	1 259	-
	a	-	30 280	30 280
	b	185	1 778	1 593
Total Income		169 359	201 713	32 354
Expenses				
	c	137 939	151 202	13 263
	d	15 202	19 338	4 136
			35	35
		26	23	(3)
		8 166	8 521	355
		-	853	853
		1 969	27	(1 942)
Total expenses		163 302	179 999	16 697
Net result		6 057	21 714	15 657
Total comprehensive result		6 057	21 714	15 657

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 The variance is predominantly due to cash injections from DTF to address MFS cost pressures and cash shortfalls in 2021-22 financial year. Also, additional funding received for out of scale incidents and Covid related expenses.
- b The variance in other Income mainly relates to increased recoveries, workers compensation recoups and interstate deployments.
- c The variance in employee benefit expenses is primarily due to the salary impacts of industrial action, increased regional incidents and cost associated with Covid 19.
- d The variance in supplies and services expenses is due to increased vehicle and building repairs, maintenance costs and ICT expenses.

South Australian Metropolitan Fire Service
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1.4. Budget performance (continued)

	Note	Original budget 2022 \$'000	Actual 2022 \$'000	Variance \$'000
Investing expenditure summary				
Total existing projects	e	8 123	12 486	(4 363)
Total Annual Programs	f	1 081	2 440	(1 359)
Total Leases		202	221	(19)
Total investing expenditure		9 406	15 147	(5 741)

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.

- e Existing projects are higher than the original budget due to capital carryover requests that relate to General Purpose Pumpers.
- f Annual programs are higher than the original budget due to capital carryover requests that relate to the Government Radio Network upgrade.

1.5. Significant transactions with government entities

Significant transactions with government related entities

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

- Contributions received from the Community Emergency Services Fund (refer note 2.1)
- Once off cash provided by DTF for covid costs, out of scale events and other cost pressures \$30.2 million (refer note 2.4)
- Payments of \$2.507 million to Attorney-General's Department for the Government Radio network (refer note 4.1).

South Australian Metropolitan Fire Service
Notes to and forming part of the financial statements
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2. Income

2.1. Contributions from the Community Emergency Service Fund

Contributions from the Fund are recognised as revenues when the MFS obtains control over the funding. Control over contributions is normally obtained upon receipt. Total contributions for the year were \$162.979 million (2021: \$164.213 million).

2.2. Fees and charges

	2022	2021
	\$'000	\$'000
Fire alarm attendance fees	2 470	1 371
Fire alarm monitoring fees	2 624	2 529
Fire safety fees	282	272
Incident cost recoveries	41	79
Total fees and charges	5 417	4 251

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

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

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

Fire alarm attendance and fire safety fees

The MFS provides a range of fire alarm attendance and fire safety services to customers and charge prescribed fees for these services as regulated under the *Fire and Emergency Services Act 2005*. The MFS recognises revenue for these services in arrears once the relevant deliverables have been provided to the customer in line with the MFS' legislated responsibilities and internal policies.

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

Payments for development assessments are received in advance upon referral of the development application to the MFS from the AGD or direct from the customer. The MFS is required to undertake an assessment of the development and provide statutory advice to the relevant parties. Revenue is recognised in arrears once statutory advice has been provided.

Fire alarm monitoring fees

The MFS undertake fire alarm monitoring services for customers and charge prescribed fees for these services as regulated under the *Fire and Emergency Services Act 2005*. Customers are charged an annual fee for this service and generally pay upfront in the first quarter of the financial year. The MFS recognises revenue for monitoring services over the time services are provided, with all services delivered by 30 June.

Incident recoveries

The MFS provide support to interstate jurisdictions that request it when an emergency incident occurs. The terms of deployment are managed under the Arrangement for Interstate Assistance Framework by the National Resource Sharing Centre under the Australian and New Zealand National Council for Fire and Emergency Services (AFAC).

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

South Australian Metropolitan Fire Service
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2.3. Grants and contributions

Commonwealth sourced grants \$1.259 million (2021: \$1.216 million) are recognised as an asset and income when the MFS obtains control of the contributions or obtains the right to receive the contributions and the income recognition criteria are met, this is generally on receipt.

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

2.4. SA Government grants, subsidies and transfers

	2022	2021
	\$'000	\$'000
Capital Program	-	4 000
Intra government transfer	30 280	110
Total SA Government grants, subsidies and transfers	30 280	4 110

SA Government grants, subsidies and transfers are recognised as income on receipt.

Cash injections from DTF to address MFS cost pressures and cash shortfalls.

Capital Program funding from the Department of Treasury and Finance (DTF) is for accelerated station upgrades and appliance replacements.

2.5. Other income

	2022	2021
	\$'000	\$'000
Insurance recoveries	124	40
Donated assets	27	-
Salary recoveries	158	50
Sundry revenues	560	480
Rent of premises	687	365
Workers' compensation recoveries	206	12
Other	16	7
Total other income	1 778	954

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

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

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

3.1. Key management personnel

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

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

	2022	2021
	\$'000	\$'000
Compensation		
Salaries and other short term employee benefits	498	510
Post-employment benefits	79	71
Total compensation	577	581

Transactions with key management personnel and other related parties

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

3.2. Remuneration of board and committee members

Members of boards and committees during 2022 were:

South Australian Metropolitan Fire Service Disciplinary Committee

L D P Holland

R Thompson* (term expired 19/08/2021)

S J Smithson* (reappointed 20/08/2021)

C J Lindsay (appointed 20/08/2021)

A J Caire (appointed 18/08/2021)

* 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:

	2022	2021
\$0 - \$19 999	4	4
Total number of members	4	4

The total remuneration received or receivable by members was \$6 000 (2021: \$6 000). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any related fringe benefits tax paid.

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3.3. Employee benefits expenses

	2022	2021
	\$'000	\$'000
Salaries and wages	105 819	103 314
Workers compensation	7 977	232
Employment on-costs - superannuation	14 996	15 900
Annual leave	11 993	13 246
Long service leave	(1 354)	1 771
Payroll tax	6 557	6 696
Skills and experience retention leave	1 037	1 021
Targeted voluntary separation payments	858	-
Additional compensation	2 835	2 178
Board fees	5	5
Other employment related expenses	479	270
Total employee benefits expenses	151 202	144 633

Employment on-costs – superannuation

The superannuation employment on-cost charge represents the MFS's contributions to superannuation plans in respect of current services of current employees. There are no liabilities for payments to beneficiaries recognised by the MFS as DTF centrally recognises the superannuation liability in the whole-of-government financial statements.

Employee Remuneration

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

	Employees	
	2022	2021
	Number	Number
\$154 001 - \$157 000*	N/A	25
\$157 001 - \$177 000	117	124
\$177 001 - \$197 000	57	39
\$197 001 - \$217 000	18	14
\$217 001 - \$237 000	13	6
\$237 001 - \$257 000	2	5
\$257 001 - \$277 000	-	1
\$277 001 - \$297 000	1	-
\$297 001 - \$317 000	1	1
\$317 001 - \$337 000	1	-
Total	210	215

*This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration for 2020-21.

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and any related fringe benefits tax paid. The total remuneration received by these employees for the year was \$37.923 million (2021: \$37.440 million).

South Australian Metropolitan Fire Service
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3.3. Employee benefits expenses (continued)

Targeted voluntary separation packages (TVSP)

The number of employees who received a TVSP during the reporting period was 19 (2021: nil).

	2022	2021
	\$'000	\$'000
Amount paid to separated employees:		
Public Sector Workforce Rejuvenation Scheme payments	858	-
Leave paid to those employees	526	-
Net cost of TVSPs	1 384	-

TVSPs include payments made under the Public Sector Workforce Rejuvenation Scheme.

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3.4. Employee benefits liability

	2022	2021
	\$'000	\$'000
Current		
Annual leave	12 124	12 901
Accrued salaries and wages	-	3 817
Long service leave	2 943	2 716
Skills and experience retention leave	1 949	1 962
Total current employee benefits	17 016	21 396
Non-current		
Long service leave	21 056	25 824
Total non-current employee benefits	21 056	25 824
Total employee benefits	38 072	47 220

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.

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

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

AASB 119 requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has increased to 3.75% in 2021-22 (2020-21: 1.50%).

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

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in both the long service leave liability and employee benefits expense of \$4.485 million. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

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

Current long service leave reflects the portion of leave expected to be settled within the next 12 months, based on the average proportion of long service leave taken or paid over the last 3 years.

South Australian Metropolitan Fire Service
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4. Expenses

4.1. Supplies and services

	2022	2021
	\$'000	\$'000
Property costs	2 962	3 876
Vehicles	3 298	2 672
Government radio network	2 507	2 532
Consultancy, contractors and legal fees	2 766	2 754
Computing costs	1 494	1 349
Operational costs	1 708	3 419
Uniforms and protective clothing	907	1 386
Travel and training	469	489
Communications	941	584
Insurance premiums	455	329
Low-value leases	265	187
Accommodation	129	-
Other expenses	1 437	1 284
Total supplies and services	19 338	20 861

Accommodation

A part of the MFS's accommodation is provided by the Department of Infrastructure and Transport (DIT) under Memoranda of Administrative Arrangements (MoAA) issued in accordance with Government wide accommodation policies. These arrangements do not meet the definition of a lease and accordingly are expensed (disclosed within 'Accommodation' above).

Other

Includes audit fees paid/payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act* of \$31 000 (2021: \$30 000). No other services were provided by the Auditor-General's Department.

Leases

The MFS recognises lease payments associated with low value leases (less than \$10 000) as an expense on a straight-line basis over the lease term. Lease commitments for short-term leases is similar to short term lease expenses disclosed.

Consultants

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

	No.	2022	No.	2021
		\$'000		\$'000
Below \$10 000	5	18	5	19
\$10 000 or above	4	224	2	195
Total paid / payable to the consultants engaged	9	242	7	214

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4.2. Net loss from disposal of non-current assets

	2022	2021
	\$'000	\$'000
Vehicles		
Less carrying amount of assets disposed	846	552
Net loss from disposal of vehicles	<u>(846)</u>	<u>(552)</u>
Plant and equipment		
Less carrying amount of assets disposed	7	6
Net loss from disposal of plant and equipment	<u>(7)</u>	<u>(6)</u>
Intangibles		
Less carrying amount of assets disposed	-	46
Net loss from disposal of computer software	<u>-</u>	<u>(46)</u>
Total assets:		
Less carrying amount of assets disposed	853	604
Net loss from disposal of owned assets	<u>(853)</u>	<u>(604)</u>
Gain/(loss) on modification of right-of-use assets	<u>-</u>	<u>1</u>
Total net loss from disposal of non-current assets	<u>(853)</u>	<u>(603)</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.

Gains/losses on modification of right-of-use (ROU) assets include the derecognition of the ROU assets (note 5.1) and associated lease liabilities (note 7.2) where the lease terms and conditions were modified during the current year.

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.

Reconciliation of property, plant and equipment during 2021-22

	Land \$'000	Buildings \$'000	Vehicles \$'000	Plant & equipment \$'000	ROU Buildings \$'000	ROU Vehicles \$'000	Total \$'000
Carrying amount at the beginning of the period	61 801	70 032	42 952	5 327	908	394	181 414
Acquisitions	-	-	-	-	-	221	221
Donated assets received	-	-	27	-	-	-	27
Transfers from capital WIP ⁽¹⁾	-	2 146	3 847	2 193	-	-	8 186
Disposals	-	-	(846)	(7)	-	-	(853)
Remeasurement	-	-	-	-	51	-	51
Donated assets provided	-	-	(27)	-	-	-	(27)
Subtotal:	61 801	72 178	45 953	7 513	959	615	189 019

Gains/(losses) for the period recognised in net result:

Depreciation	(3 269)	(3 992)	(879)	(99)	(238)	(8 477)	
Subtotal:	(3 269)	(3 992)	(879)	(99)	(238)	(8 477)	
Carrying amount at the end of the period	61 801	68 909	41 961	6 634	860	377	180 542

Gross carrying amount

Gross carrying amount	61 801	77 504	52 166	8 718	1 135	750	202 074
Accumulated depreciation	-	(8 595)	(10 205)	(2 084)	(275)	(373)	(21 532)
Carrying amount at the end of the period	61 801	68 909	41 961	6 634	860	377	180 542

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

⁽¹⁾ Refer to note 5.5.

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5.1 Property, plant and equipment (continued)

Reconciliation of property, plant and equipment during 2020-21

	Land \$'000	Buildings \$'000	Vehicles \$'000	Plant & equipment \$'000	ROU Buildings \$'000	ROU Vehicles \$'000	Total \$'000
Carrying amount at the beginning of the period	61 801	65 986	43 866	5 487	972	295	178 407
Acquisitions	-	-	-	-	-	343	343
Transfers from capital WIP ⁽¹⁾	-	7 308	3 540	618	-	-	11 466
Disposals	-	-	(552)	(6)	-	(6)	(564)
Remeasurement	-	-	-	-	23	-	23
Subtotal:	61 801	73 294	46 854	6 099	995	632	189 675

Gains/(losses) for the period recognised in net result:

Depreciation	(3 262)	(3 902)	(772)	(87)	(238)	(8 261)	
Subtotal:	(3 262)	(3 902)	(772)	(87)	(238)	(8 261)	
Carrying amount at the end of the period	61 801	70 032	42 952	5 327	908	394	181 414

Gross carrying amount

Gross carrying amount	61 801	75 358	49 402	6 537	1 084	652	194 834
Accumulated depreciation	-	(5 326)	(6 450)	(1 210)	(176)	(258)	(13 420)
Carrying amount at the end of the period	61 801	70 032	42 952	5 327	908	394	181 414

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

⁽¹⁾ Refer to note 5.5.

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5.1 Property, plant and equipment (continued)

Depreciation expense

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

Useful life

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

Class of asset	Useful life (years)
Buildings	1-60
Vehicles	1-20
Plant and equipment	1-20
ROU Buildings	12
ROU Vehicles	3-5

Review of Accounting Estimates

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

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

5.2. Property, plant and equipment owned by MFS

Property, plant and equipment owned by the MFS with a value equal to or in excess of \$10,000 is capitalised. However, the MFS can control large quantities of similar assets that individually fall under the capitalisation threshold but, when grouped together, comprise a large proportion of a particular asset class. In these circumstances, MFS groups these asset types for the purpose of capitalisation in the financial statements. In 2021-22 the MFS capitalised \$2.027 million in portable radios.

Property, plant and equipment owned by MFS is recorded at fair value. Detail about the MFS' approach to fair value is set out in note 10.1.

Impairment

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

Revaluation of property, plant and equipment is undertaken on a regular cycle as detailed in Note 10.1. If at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

South Australian Metropolitan Fire Service
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5.3. Property, plant and equipment leased by the MFS

Right-of-use property, plant and equipment leased by the MFS as lessee are measured at cost and there was no indication of impairment.

Short-term leases of 12 months or less and low value leases where the underlying asset value is less than \$10,000 are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and are disclosed in note 4.1.

The MFS has a limited number of lease arrangements:

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

South Australian Metropolitan Fire Service
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5.4. Intangible assets

Reconciliation	2022 \$'000	2021 \$'000
Carrying amount at the beginning of the period	52	127
Transfers from capital WIP ⁽¹⁾	78	-
Disposals	-	(46)
Subtotal:	130	81
Gains/(losses) for the period recognised in net result:		
Amortisation	(44)	(29)
Subtotal:	(44)	(29)
Carrying amount at the end of the period	86	52
Gross carrying amount		
Gross carrying amount	344	336
Accumulated depreciation	(258)	(284)
Carrying amount at the end of the period	86	52

⁽¹⁾ Refer to note 5.5.

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

Amortisation of computer software is calculated on a straight-line basis over the estimate of 5 years.

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

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

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

5.5. Capital works in progress

	2022 \$'000	2021 \$'000
Carrying amount at the beginning of the period	8 691	8 257
Acquisitions	14 926	11 970
Transfers to property, plant and equipment	(8 186)	(11 466)
Transfers to intangible assets	(78)	-
CWIP write off	(39)	(70)
Carrying amount at the end of the period	15 314	8 691

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

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6. Financial assets

6.1. Cash and cash equivalents

	2022	2021
	\$'000	\$'000
Deposits with the Treasurer	6 830	337
Cash on hand	6	6
Total cash and cash equivalents	6 836	343

Cash is measured at nominal amounts.

Deposits with the Treasurer

Special deposit accounts are established under section 8 of the *Public Finance and Audit Act 1987*. Special deposit accounts must be used in accordance with their approved purpose. The operating account held with the Treasurer is interest bearing. In November 2020, Treasury advised public authorities that, given interest rates were approximately 0%, no interest would be paid on any interest bearing accounts held with the Treasurer. Therefore, no interest was earned during 2022. This position may change in the future.

6.2. Receivables

	2022	2021
	\$'000	\$'000
Current		
Receivables	1 258	940
Less impairment loss on receivables	(9)	(3)
Prepayments	1 278	327
Accrued revenues	18	24
GST input tax recoverable	701	681
Total current receivables	3 246	1 969
Total receivables	3 246	1 969

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 10.2 for further information on risk management.

The MFS has adopted the simplified impairment approach under AASB 9 and measured lifetime expected credit losses on all trade receivables using an allowance matrix as a practical expedient to measure the impairment allowance.

Movement in allowance for impairment loss on receivables

	2022	2021
	\$'000	\$'000
Carrying amount at the beginning of the period	3	2
Increase/(decrease) in the allowance	8	9
Amounts written off	(2)	(8)
Carrying amount at the end of the period	9	3

Impairment losses relate to receivables arising from contracts with customers that are external to the SA Government. Refer to note 10.2 for details regarding credit risk and the methodology for determining impairment.

South Australian Metropolitan Fire Service
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7. Liabilities

7.1. Payables

	2022	2021
	\$'000	\$'000
Current		
Creditors	21	53
Accrued expenses	3 687	4 431
Paid Parental Leave Scheme payable	8	6
Employment on-costs	4 133	4 604
Total current payables	7 849	9 094
Non-current		
Creditors	-	3
Employment on-costs	3 670	4 563
Total non-current payables	3 670	4 566
Total payables	11 519	13 660

Payables are measured at nominal amounts. Payables and accruals are raised for all amounts owing but unpaid. Creditors 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.

Employment on-costs

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

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

As a result of an actuarial assessment performed by the DTF, the portion of long service leave taken as leave has changed from 2021 rate of 89.17% to 80.78% and the average factor for the calculation of employer superannuation cost on-cost has changed to 14.6% (2020-2021 rate of 13.5%). These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is not material. The estimated impact on future periods is not expected to be materially different to the effect on the current period as shown above.

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7.2. Financial liabilities

The MFS measures lease liabilities \$1.263 million (2021: \$1.319 million) at discounted future lease payments using either the interest rate implicit in the lease or the DTF's incremental borrowing rate. There were no defaults or breaches throughout the year.

Interest expense paid on lease liabilities during 2021-22 was \$23 000 (2020-21 \$25 000). The MFS does not capitalise borrowing costs.

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

	2022	2021
	\$'000	\$'000
within 1 year	314	305
1 to 5 years	603	598
More than 5 years	434	512
Total lease liabilities (undiscounted)	1 351	1 415

7.3. Provisions

	2022	2021
	\$'000	\$'000
Current		
Provision for workers compensation	4 906	4 761
Additional compensation	1 565	1 116
Total current provisions	6 471	5 877
Non-current		
Provision for workers compensation	29 564	29 358
Additional compensation	17 597	15 211
Total non-current provisions	47 161	44 569
Total provisions	53 632	50 446

Movement in workers compensation provisions	2022	2021
	\$'000	\$'000
Workers compensation		
Carrying amount at the beginning of the period	34 119	41 413
Reductions arising from payments	(7 020)	(7 526)
Changes from remeasurement	7 977	232
Carrying amount at the end of the period	34 470	34 119
Additional compensation		
Carrying amount at the beginning of the period	16 327	14 148
Changes from remeasurement	4 670	3 927
Reductions arising from payments	(1 835)	(1 748)
Carrying amount at the end of the period	19 162	16 327

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7.3 Provisions (continued)

Workers Compensation provision (statutory and additional compensation schemes)

The MFS is an exempt employer under the *Return to Work Act 2014*. Under a scheme arrangement, the MFS is responsible for the management of workers rehabilitation and compensation and is directly responsible for meeting the cost of workers' compensation claims and the implementation and funding of preventive programs.

Accordingly, a liability has been reported to reflect unsettled workers compensation claims (statutory and additional compensation schemes).

The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2022 provided by a consulting actuary engaged through the Office of the Commissioner of Public Sector Employment.

The additional compensation scheme provides continuing benefits to workers who have suffered eligible work-related injuries and whose entitlements have ceased under the statutory workers compensation scheme. Eligible injuries are nonserious injuries sustained in circumstances which involved, or appeared to involve, the commission of a criminal offence, or which arose from a dangerous situation

There is a significant degree of uncertainty associated with estimating future claim and expense payments and also around the timing of future payments due to the variety of factors involved. The liability is impacted by agency claim experience relative to other agencies, average claim sizes and other economic and actuarial assumptions.

In addition to these uncertainties, the additional compensation scheme is impacted by the limited claims history and the evolving nature of the interpretation of, and evidence required to meeting, eligibility criteria. Given these uncertainties, the actual cost of additional compensation claims may differ materially from the estimate.

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8. Other disclosures

8.1. Equity

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

8.2. Cash flow reconciliation

	2022	2021
	\$'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	6 836	343
Balance as per the Statement of Cash Flows	6 836	343
Reconciliation of net cash provided by operating activities to net cost of providing services		
Net cash provided by operating activities	20 730	5 456
Add / (less) non-cash items		
Depreciation and amortisation	(8 521)	(8 290)
Net gain/(loss) from disposal of non-current assets	(853)	(603)
CWIP write off	(39)	-
Capital accruals	1 017	1 284
Movement in assets and liabilities		
Increase/(decrease) in receivables	1 277	(11)
(Increase)/decrease in payables	2 141	(1 928)
(Increase)/decrease in employee benefits	9 148	(798)
(Increase)/decrease in provisions	(3 186)	5 115
Net result	21 714	225

Total cash outflows for leases for the MFS was \$616 000 (2020-21: \$533 000).

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9. Outlook

9.1. Unrecognised contractual commitments

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

Capital commitments

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

	2022	2021
	\$'000	\$'000
Within one year	1 606	13 132
Later than one year but not later than five years	-	1 555
Total capital commitments	1 606	14 687

These capital commitments are related to the Noarlunga Command Station and vehicle equipment.

Expenditure commitments

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

	2022	2021
	\$'000	\$'000
Within one year	1 612	6 612
Later than one year but not later than five years	1 849	2 010
Later than five years	2 846	-
Total expenditure commitments	6 307	8 622

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

9.2. Contingent assets and liabilities

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

The MFS is not aware of any contingent assets or liabilities.

9.3. Impact of standards not yet implemented

The MFS has assessed the impact of the new and amended Australian Accounting Standards and Interpretations not yet implemented and changes to the Accounting Policy Statements issued by the Treasurer. There are no Accounting Policy Statements that are not yet in effect.

Amending Standard AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments* will apply from 1 July 2022 and Amending Standard AASB 2021-2 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates* will apply from 1 July 2023. Although applicable to the MFS, this amending standard is not expected to have an impact on the MFS's general purpose financial statements. The MFS will update its policies, procedures and work instructions, where required, to reflect the additional clarification requirements.

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9.3. Impact of standards not yet implemented (continued)

Amending Standard AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current* will apply from 1 July 2023. The MFS continues to assess liabilities eg LSL and whether or not the MFS has a substantive right to defer settlement. Where applicable these liabilities will be classified as current.

9.4. COVID-19 pandemic outlook for the MFS

The COVID-19 pandemic will continue to impact the operations of the MFS in 2022-23. The key expected impacts are:

- Further significant outbreaks of the COVID-19 pandemic in South Australia would see greater response measures with associated additional expenses.
- Additional expenditure to keep the MFS personnel safe while maintaining service delivery to the community.
- Additional expenditure may be incurred due to supplier business restrictions.
- Delays in the delivery of capital programs and increase capital expenditure due to supplier business restrictions and demand.

9.5. Events after the reporting period

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

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10. Measurement and risk

10.1. Fair value

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

Initial Recognition

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

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

Revaluation

Property, plant and equipment, other than right of use assets, are subsequently measured at fair value after allowing for accumulated depreciation.

The revaluation process is reviewed by the 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 \$1.0 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 2019 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.

Fair value hierarchy

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

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

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

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

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

During 2021 and 2020, the MFS had no valuations categorised into level 1; there were no transfers of assets between level 1 and 2 fair value hierarchy levels and there were no changes in valuation technique.

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10.2. 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 2022.

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, fair value was determined by applying an adjustment to reflect the restriction.

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

Plant and equipment

All items of plant and equipment that had a fair value at the time of acquisition less than \$1.0 million and had an estimated useful life that less than three years have not been revalued. The carrying value of these items is deemed to approximate fair value.

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10.2. Financial instruments

Financial risk management

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

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

Liquidity risk

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

Refer to note 7.1 and 7.2 for further information.

Credit risk

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

Impairment of financial assets

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

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

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

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

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.

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10.3. Financial instruments (continued)

Impairment of financial assets (continued)

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
2022			
Current (not past due)	191	0.18	-
1 - 30 days past due	90	0.30	-
31 - 60 days past due	51	0.83	-
61 - 90 days past due	40	1.57	1
More than 90 days past due	295	2.53	8
Loss allowance	667		9

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

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

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

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

Cash and debt instruments

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

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

Market risk

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

Exposure to interest rate risk may arise through its interest-bearing liabilities, including borrowings. The MFS' interest bearing liabilities are managed through the 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 assets and liabilities

The MFS measures all financial instruments at amortised cost other than lease liabilities which are measured at the present value of expected future cash payments. All financial assets and liabilities carrying amount equals their fair value as at 30 June 2022 and are expected to be settled within one year excluding financial liabilities. Maturity analysis for financial liabilities is presented in note 7.2.