

OFFICIAL



**Government
of South Australia**

SOUTH AUSTRALIAN STATE EMERGENCY SERVICE 2022-23 Annual Report

South Australian State Emergency Service
Kumatpi Trruku, Emergency Services Headquarters
Level 2, 37 Richmond Road, Keswick SA 5035

www.ses.sa.gov.au

Contact phone number: 8115 3882

Contact email: seshq@eso.sa.gov.au

ISSN: 978-0-6452252-2-8

Date presented to SAFECOM Board: 25 September 2023

OFFICIAL

25 September 2023

To: Ms Julia Waddington-Powell
Chief Executive
South Australian Fire and Emergency Services Commission

RE: South Australian State Emergency Service – 2022-23 Annual Report

This annual report is provided to the South Australian Fire and Emergency Services Commission to meet the SASES' statutory reporting requirements per s121 of the *Fire and Emergency Services Act 2005* (the Act) and the requirements of the Premier and Cabinet Circular *PC013 Annual Reporting*.

The SASES 2022-23 Annual Report includes the audited statements of account as required by s120 of the Act and is verified to be accurate for the purposes of annual reporting to the Commission.



Chris Beattie
Chief Officer

From the Chief Officer

I am pleased to present the South Australian State Emergency Service's 2022-23 annual report. The agency manages a large volunteer-based emergency service that provides critical response and rescue services across the State to ensure the safety and resilience of all South Australian communities.

It is the service's mission to minimise the loss of life, injuries and damage from emergencies and natural disasters. The service's remit as a volunteer-based emergency service is to exercise responsibilities as the State's Control Agency for flooding, extreme weather and structural collapse and as a Hazard Risk Reduction Leader for extreme weather including storms and heatwaves. Operational functions include responding to floods and storms; assisting police, health, and fire services in dealing with any emergency; as well as assisting in carrying out prevention, preparedness, response and recovery operations and undertaking rescues.

2022-23 was an exceptionally busy year for the service. Over the twelve months, the agency responded to over 10,780 requests for assistance to a wide range of incidents. Of these callouts, 78% were flood and storm related, while the remaining 22% were for search and rescue, including road crash rescues, vertical rescues, marine rescue, land search and animal rescues as well as assisting South Australia Police (SAPOL), South Australian Ambulance Service (SAAS), South Australian Metropolitan Fire Service (SAMFS) and the South Australian Country Fire Service (SACFS).

In 2022 a third consecutive La Nina event formed that resulted in record rainfalls across the upper Murray Darling Basin in NSW and VIC. The result saw River Murray flows reach major flood levels in December. Over five months the agency led the State's response to the 2022-23 River Murray Flood between October 2022 and February 2023. This flood event was the largest since 1956, and the third highest flood ever recorded in South Australia, with an unprecedented number of impacted homes, shacks businesses and infrastructure. The flow rate at the South Australian/Victoria border peaked at 186GL per day on 22 December 2022, with approximately 4,000 hectares of agricultural land and 3,295 private residences affected over the course of the event. In excess of 1,100 km of roads were flooded and ferry crossings were progressively closed as flood waters rose. A Major Emergency Declaration was made under the Emergency Management Act 2004 which remained in force for 80 days.

Over the course of the event nearly half a million sandbags were distributed and hundreds of kilometres of permanent levee defences were prepared and upgraded. In a nation first, around 6km of DefenCell temporary flood barriers were deployed to protect critical infrastructure and high value community assets. Requiring a whole of community response, the agency received extraordinary support from a range of agencies including SAPOL, SAMFS, SACFS, Volunteer Marine Rescue, Surf Life Saving SA, Department for Environment and Water, SA Water, Department for Primary Industries and Regions South Australia, local councils, SA Housing Authority, Department for Infrastructure and Transport, SAFECOM, Bureau of

Meteorology, the Australian Defence Force and many other agencies, NGOs and private sector enterprises. Interstate assistance was received from NSW, QLD, VIC, WA, and the ACT.

Despite the heavy operational tempo, agency programs continued with highlights including the completion of a new depot for the Strathalbyn SES Unit, establishment of the Copper Coast SES Unit and new Community Response Teams at Balcanoona and Wilpena.

The agency also entered into a new community engagement partnership with NRMA Insurance and proudly supported the hosting of the AFAC 2022 Conference and the 2023 Australasian Road Rescue Challenge.

The South Australian State Emergency Service is blessed with highly dedicated, and well-trained volunteers and staff. Together they work towards our vision of delivering a reliable and trusted volunteer-based organisation, building safe and resilient communities. Their efforts in 2022-23 are testament to their dedication, compassion and commitment to the safety of all South Australians.



Chris Beattie

Chief Officer

Contents

Overview: about the agency	7
Our strategic focus.....	7
Our organisational structure.....	9
Changes to the agency	10
Our Minister	10
Our Executive team	10
Legislation administered by the agency	10
Other related agencies (within the Minister's area/s of responsibility).....	11
The agency's performance	12
Performance at a glance.....	12
Agency specific objectives and performance	13
Corporate performance summary	16
Employment opportunity programs	17
Agency performance management and development systems.....	17
Work health, safety and return to work programs	17
Executive employment in the agency.....	19
Financial performance	20
Financial performance at a glance.....	20
Consultants disclosure.....	20
Contractors disclosure	21
Risk management	26
Risk and audit at a glance.....	26
Fraud detected in the agency.....	26
Strategies implemented to control and prevent fraud.....	26
Public interest disclosure	26
Reporting required under any other act or regulation	27
Reporting required under the <i>Carers' Recognition Act</i> 2005.....	27
Public complaints	28
Number of public complaints reported	28
Additional Metrics.....	29
Service Improvements	30

Compliance Statement.....	30
Appendix: Audited financial statements 2022-23	31

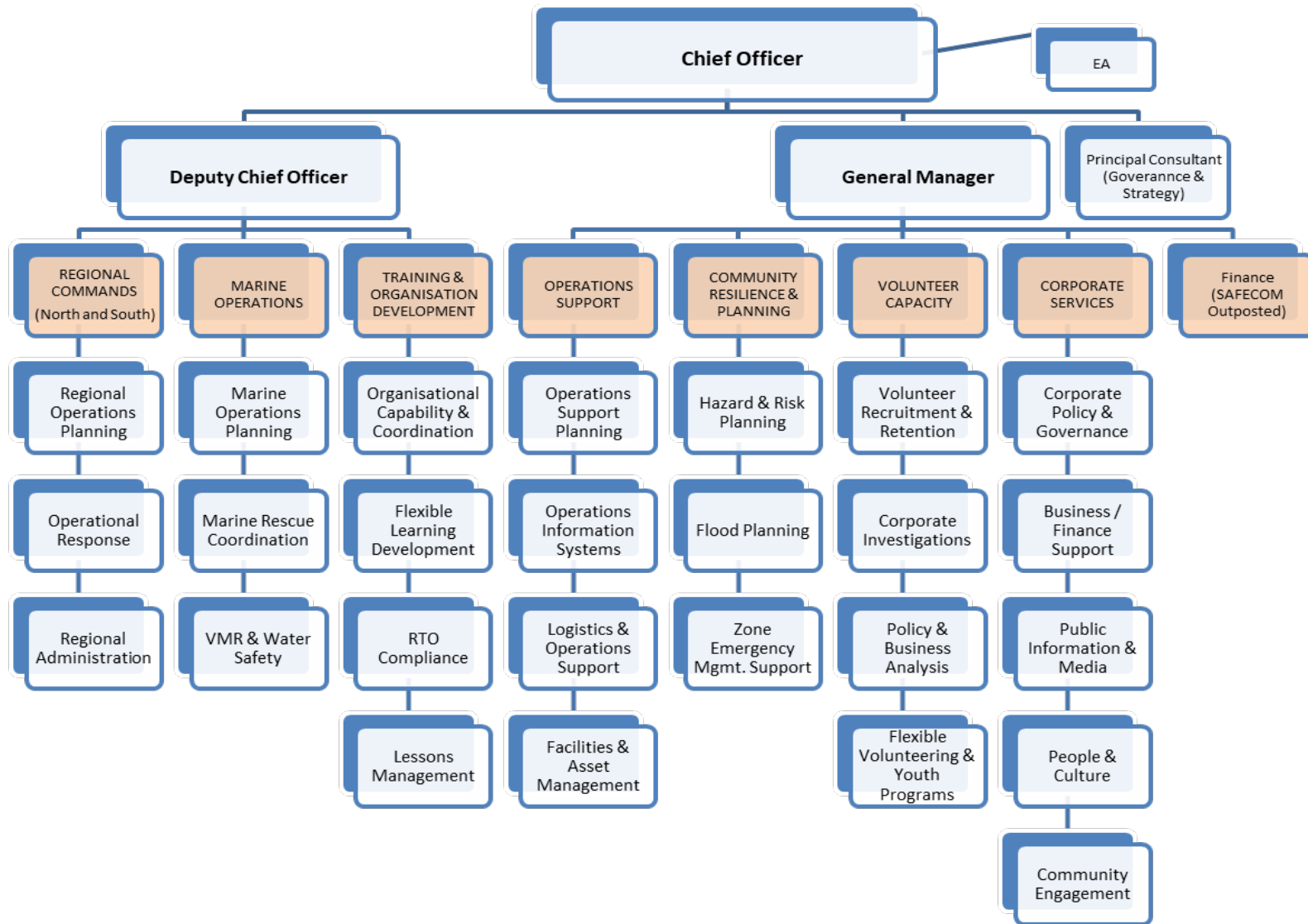
Overview: about the agency

Our strategic focus

Our Purpose	<p>SASES is a volunteer-based organisation established by the <i>Fire and Emergency Services Act 2005</i> as an agency of the Crown for the handling of certain emergency situations; and for other purposes.</p> <p>SASES exists to provide an emergency response capability that enhances community safety, minimises loss of life, injuries and damage from emergencies and natural disasters. SASES' functions are to:</p> <ul style="list-style-type: none"> • assist the Commissioner of Police in dealing with any emergency; • assist the State Co-ordinator, in accordance with the State Emergency Management Plan, in carrying out prevention, preparedness, response or recovery operations under the <i>Emergency Management Act 2004</i>; • assist the Chief Executive within the meaning of the <i>South Australian Public Health Act 2011</i>, in accordance with the Public Health Emergency Management Plan, in carrying out prevention, preparedness, response or recovery operations under Part 11 of that Act; • to assist the SA Metropolitan Fire Service and SA Country Fire Service in dealing with any emergency; • to deal with any emergency: <ul style="list-style-type: none"> ○ (i) where the emergency is caused by flood or storm damage; or ○ (ii) where there is no other body or person with lawful authority to assume control of operations for dealing with the emergency; • to deal with any emergency until such time as any other body or person that has lawful authority to assume control of operations for dealing with the emergency; • to respond to emergency calls and, where appropriate, provide assistance in any situation of need whether or not the situation constitutes an emergency; • to undertake rescues; and <p>to perform any other function assigned to SASES by the <i>Fire and Emergency Services Act 2005</i> or any other Act.</p>
Our Vision	<p>A reliable and trusted volunteer-based organisation building safe and resilient communities.</p>

Our Values	<ul style="list-style-type: none"> • Service • Professionalism • Trust • Respect • Collaboration & Engagement • Honesty & Integrity • Courage & Tenacity • Sustainability
Our Goals and Objectives	<ul style="list-style-type: none"> • Disaster resilient communities <ul style="list-style-type: none"> ○ Risks identified, understood and managed ○ Communities educated and prepared • Coordinated, well-managed emergency response <ul style="list-style-type: none"> ○ Emergency events/incidents responded to and managed effectively, efficiently and in a timely manner ○ Resilient information systems and resources • Sustainable, well-trained volunteer workforce <ul style="list-style-type: none"> ○ Volunteer workforce supported and sustained ○ Volunteers trained and prepared with skills required to respond • Ethical, well-managed agency <ul style="list-style-type: none"> ○ Effective governance systems in place ○ Values-based work culture embedded ○ Safe working environment maintained ○ Physical and human resources are well-managed

Our organisational structure



OFFICIAL

Changes to the agency

During 2022-23 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



Chris Beattie is the SASES Chief Officer who has overall responsibility for the SASES and related elements of the State's emergency management arrangements. He fulfils statutory appointments on the South Australian Fire and Emergency Services Commission Board and the State Emergency Management Committee.



Liz Connell is the SASES Deputy Chief Officer, responsible for the strategic and day-to-day management of SASES operations, including prevention, preparedness, response and recovery activities. She is responsible for the leadership and direct management of SASES operations at state and regional levels, Marine Operations, Training and Organisational Development, and is the line manager for all operational staff and volunteers.



Kristy Phelps is the SASES General Manager, responsible for the day-to-day management and high-level strategic leadership, direction and support for SASES Emergency Management and Hazard Planning, Operations Support, Information Systems, Volunteer Capacity and Corporate Services and Finance functional areas.

Legislation administered by the agency

Fire and Emergency Services Act 2005.

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

South Australian Country Fire Service

South Australian Metropolitan Fire Service

South Australian Fire and Emergency Services Commission

The agency's performance

Performance at a glance

SASES successfully delivered on its mission throughout 2022-23 while fulfilling its obligations as a public sector agency.

Progress was made on all of the priority strategies outlined in the 2022-23 Annual Business Plan, despite having a high operational tempo. These priorities were informed by national, state and emergency services sector directions and legislative and regulatory requirements. Furthermore,

- Finances were managed responsibly and were close to established budgets after allowing for out of scale events, and unavoidable cost pressures;
- Staffing levels were close to establishment, health and safety outcomes improved and programs were progressed to enhance wellbeing and mental health;
- Construction and commissioning of a new facilities at Strathalbyn and continued unit building upgrades and maintenance as part of Project Renew; and
- Delivered five replacement trucks and a rescue vessel for SES units.

The agency led the State's response to the 2022-23 River Murray Flood between October 2022 and February 2023. This flood event was the largest since 1956, and the third highest flood ever recorded in South Australia, with an unprecedented number of impacted homes, shops businesses and infrastructure. The event resulted in 3,660 power disconnections; 1,188km of roads being flooded; and 9 of 11 river ferry crossings being closed - causing major disruptions to these communities. The SASES was steadfast in coordinating the preparations and response, protecting and assisting our River Murray communities.

Staff and volunteers were also deployed to support emergency flood response operations in New South Wales in 2022.

Agency specific objectives and performance

Agency objectives	Indicators	Performance
Disaster resilient communities	<ul style="list-style-type: none"> • Risks identified, understood and managed • Communities educated and prepared • Hazard plans in place • Leverage and influence the national research agenda • Create and sustain strategic partnerships that support community resilience 	<ul style="list-style-type: none"> • Delivered planning exercises for Zone Emergency Management Committee stakeholders. • Delivered preseason storm and heat briefings for key stakeholders. • Delivered the annual Zone Symposium for Local Government, State Government, Commonwealth and NGO sector highlighting the importance of partnerships in emergency management. • Completed flood rescue plans for Hawker, Leigh Creek and Iron Knob. • Commenced review of community engagement toolkit and resources, as part of NRMA Insurance partnership funding. • Contributed to national research agenda.
Coordinated, well-managed emergency response	<ul style="list-style-type: none"> • Emergency events/incidents responded to and managed effectively, efficiently and in a timely manner • Timely and effective public information and warnings • Resilient information systems and resources 	<ul style="list-style-type: none"> • Control Agency for the State's most significant flooding event in recent history. • Volunteers and staff deployed to support New South Wales flooding. • Increased and improved public information capability across multiple storm and flood activations. • Significant development of SES Incident Information Management System

		(SESIIMS) to launch new capability in supporting the River Murray flooding operations.
Sustainable, well-trained volunteer workforce	<ul style="list-style-type: none"> • Volunteer workforce supported and sustained • Volunteers trained and prepared with skills to respond 	<ul style="list-style-type: none"> • Increase in community engagement volunteers. • Mount Gambier District Units competing in the Australasian Road Rescue Challenge hosted in Adelaide. • Successful targeted recruitment campaigns resulting in an uplift of volunteers in SASES' North Region. • Piloted training innovation for Roxby Downs to address skill requirements in a training week blitz. • Increased inter-agency co-operability through incident management training courses offered to external agencies. • Delivered, reviewed and administered Nationally accredited marine training courses. • Planned and coordinated the state marine SAR (Search and Rescue) exercise program. • Efficiently managed the 2022/23 Shark Patrol Program.
Ethical, well-managed agency	<ul style="list-style-type: none"> • Effective governance systems in place • Continuous improvement and innovative solutions pursued 	<ul style="list-style-type: none"> • Sustained governance arrangements during heightened operations. • Conducted review of Pulse Survey methodology which measures volunteer and staff satisfaction and culture.

	<ul style="list-style-type: none">• Values-based work culture embedded• Safe working environment maintained• Physical and human resources are well-managed	<ul style="list-style-type: none">• Conducted WHS and vehicle audits.• Contributed to the development of the emergency services sector IT strategy.
--	--	--

Corporate performance summary

Activity Indicator	2022-23 Projection	2022-23 Result
Number of incidents	7,000	11,124
Average response time to road rescues (minutes)	10 mins	10 mins
Number of major exercises participated in or conducted	35	31
Number of volunteers at 30 June	1,750	1,700
Number of qualified peer support volunteers	12	11
Average length of volunteer service	9 years	8.8 years
Number of state and regional training courses conducted	350	287
Number of accredited assessors, trainers and local instructors	250	255
Number of Zone Emergency Management Committee meetings held	44	39
Number of SASES website hits on community safety pages	13,000	53,996
Number of SASES website hits on incident and warnings pages	100,000	719,959
Number of SASES social media interactions	150,000	192,234

Employment opportunity programs

Program name	Performance
Nil.	

Agency performance management and development systems

Performance management and development system	Performance
Performance Review and Development (PRD) – six monthly one-on-one meetings between supervisors and team members to discuss performance and any development needs	<ul style="list-style-type: none"> At the end of January 2023, 71% of SASES staff had a current PRD in place Due to high operational tempo in supporting the River Murray Flooding Event, a low percentage of PRDs were completed by end June 2023. These have been prioritised for the 2023-24 financial year.

Work health, safety and return to work programs

Program name	Performance
Major campaign deployment and follow up welfare check of volunteers and staff	Personnel deployed interstate and intrastate received a welfare check from volunteer peer support officers and external mental health professionals. 319 calls were conducted for personnel returning from NSW in July and the River Murray flood deployments.
Employee Assistance Program (EAP) for volunteers and staff, including Critical Incident Response for volunteers and staff	<p>Staff welfare checks and counselling support continues to be provided by the SAFECOM Manager, Health and Wellbeing and the Health and Wellbeing Officer.</p> <p>63 staff and volunteers were seen by a mental health professional through the employee assistance program. Additionally, 7 Critical Incident Stress Group Sessions have been conducted. There was a 150% increase in request for phone calls after a critical incident.</p>
Volunteer Peer Support Program	<p>The SAFECOM Volunteer Peer Support Program has 29 Peer Support Officers across SES, VMR and CFS.</p> <p>The Peer Support Officers were deployed to the River Murray Floods weekly, for twelve weeks to perform welfare checks on personnel. In addition to this, the Peers</p>

Program name	Performance
	conducted over half of the follow-up phone calls to personnel finishing their deployment rotation each week.
Mental Health First Aid workshops	1 Standard Mental Health First Aid workshop and 1 Youth Mental Health First Aid workshops were delivered.
Stress Prevention and Management (SPAM) 24/7 rostered helpline for volunteers and staff	Four staff members share an on-call roster and remain on call for one week a month, 24-7. The SPAM helpline has received 124 calls specific to SES and 597 calls for SES, VMR, CFS and SAFECOM combined.
Development of online information and links to other services	An online course has been developed and written in the context of a South Australian first responder. The course covers stress, trauma, anxiety, depression, suicide, self-care and how to have a meaningful conversation. The course will be available for staff and volunteers on the Online Learning Hub at the end of 2023.
Therapy Dog Program	The therapy dog project was trialled and is now endorsed as an embedded adjunct to the health and wellbeing program. The therapy dogs, Maxi and Smoke attend ES HQ, CFS regional sites and SES units on a regular basis. During the River Murray Floods the therapy dogs visited the Incident Management Teams in Loxton, Keswick, Murray Bridge and Renmark.

Workplace injury claims	2022-23	2021-22	% Change (+ / -)
Total new workplace injury claims	10	10	0%
Fatalities	0	0	0%
Seriously injured workers*	1	0	+100%
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	8.33	8.33	0%

**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	2022-23	2021-22	% Change (+ / -)
Number of notifiable incidents (<i>Work Health and Safety Act 2012, Part 3</i>)	1	0	+100%
Number of provisional improvement, improvement and prohibition notices (<i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i>)	0	0	0%

Return to work costs**	2022-23	2021-22	% Change (+ / -)
Total gross workers compensation expenditure (\$)	\$218,542	\$225,389	-3%
Income support payments – gross (\$)	\$42,802	\$128,065	-66%

**before third party recovery

Executive employment in the agency

Executive classification	Number of executives
EXECB	1
EXECA	1

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 2022-2023 are attached to this report.

Statement of Comprehensive Income	2022-23 Budget \$000s	2022-23 Actual \$000s	Variation \$000s	2021-22 Actual \$000s
Total Income	26,092	41,385	15,293	29,078
Total Expenses	22,543	40,184	17,641	28,771
Net Result	3,549	1,201	(2,348)	307
Total Comprehensive Result	3,549	1,485	(2,064)	476

Statement of Financial Position	2022-23 Budget \$000s	2022-23 Actual \$000s	Variation \$000s	2021-22 Actual \$000s
Current assets	4,759	4,126	(633)	4,169
Non-current assets	56,624	55,312	(1,312)	53,771
Total assets	61,383	59,438	(1,945)	57,940
Current liabilities	2,961	5,207	2,246	4,749
Non-current liabilities	4,937	4,054	(883)	4,455
Total liabilities	7,898	9,261	1,363	9,204
Net assets	53,485	50,177	(3,308)	48,736
Equity	52,634	50,177	(2,457)	48,736

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
BDO Organisation Development	District Officer review, draft & finalise report	9,450
BDO Organisation Development	District Officer review, meeting	4,800
MTD Making the Difference	Conducting, transcribing and analysis of interviews	2,500

Consultancies	Purpose	\$ Actual payment
	for Volunteer recognition report	

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

Consultancies	Purpose	\$ Actual payment
MTD Making the Difference	Completion of research and preparation of final Volunteer recognition report	16,500
	Total	16,500

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
Ben Martin	Training provider	5,063
Blue Razoo	Photo Shoot, Lights at Glenelg	364
Claire Iremonger	Training provider	6,474
Finsbury Green	Warehouse storage, freight, receipting & order fee	1,457
Human Psychology	Recruiting and Coaching Assessment	2,700
MSS Security Pty Ltd	Casual Guard Services	3,480
Blanchetown Enterprises	Supports services provided for the Murray River high flow event	290

Contractors	Purpose	\$ Actual payment
Christopher John	Supports services provided for the Murray River high flow event	2,500
Caledonia SA Pty Ltd	Supports services provided for the Murray River high flow event	1,340
BDO Organisation Development	Survey review	5,000
Felicia for Photography	Supports services provided for the Murray River high flow event	1,700
David Iversen Video Production	Supports services provided for the Murray River high flow event	650
Deaf Services Limited	Supports services provided for the Murray River high flow event	220
Emergent Solutions	Speaker for Unit Managers Forum	7,500
Geoffrey M Green Signs	Update honour board at Ackland Hill Road	297
Helistar Aviation Pty Ltd	Supports services provided for the Murray River high flow event	6,709
JKTP Pty Ltd	Supports services provided for the Murray River high flow event	1,500
Ivan Peter Copley	Welcome to Country – Unit Managers Forum	250
Kruger Design Pty Ltd	Supply and install updates for Honour board Office bearers	250
Mannum Motel	Supports services provided for the Murray River high flow event	9,282

Contractors	Purpose	\$ Actual payment
Waikerie Hotel Motel Ltd	Supports services provided for the Murray River high flow event	8,732
Renmark Hotel Motel	Supports services provided for the Murray River high flow event	2,209
Taylor Media Solutions	Supports services provided for the Murray River high flow event	2,706
Tonkin Consulting Pty Ltd	Supports services provided for the Murray River high flow event	5,000
Redman Media	Filming & editing a video	1,227
Surf Life Saving SA	Supports services provided for the Murray River high flow event	5,157
National K9 Services	Training of SES Dog Unit	555
Russell Millard Photography	Photography and postproduction including editing, enhancing and delivery	652
Spark Face & Body Art	Face painting for Ukrainian refugee day	550
Michael Coughlan	Welcome to Country – Strathalbyn SES Unit Opening	250
Progressive Industries Pty Ltd	Flood reconnaissance flight	3,182
BDO Organisation	Recruiting and Coaching Assessment	3,000
	Total	90,805

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

Contractors	Purpose	\$ Actual payment
Finsbury Green	Promotional gear logistics	12,845
Human Psychology	Psychological assessment, coaching and feedback	10,400
Murraylands & Riverland Landscape Board	Recouping salary costs, contracted people for River Murray floods	21,784
East West Dive & Salvage SA	Supports services provided for the Murray River high flow event	10,650
Department of Fire & Emergency Services (WA)	SA Deployment related to River Murray Flooding event	39,197
Workzone Traffic Control Pty Ltd	Supports services provided for the Murray River high flow event	404,904
Juvarre Asia Pacific Limited	Supports services provided for the Murray River high flow event	118,641
Oval Motel - Murray Bridge	Supports services provided for the Murray River high flow event	13,941
Smooth Flow Traffic Management	Supports services provided for the Murray River high flow event	146,545
Merlin Post Production Pty Ltd	Supports services provided for the Murray River high flow event	18,715
NSW State Emergency Service	Supports services provided for the Murray River high flow event	146,505
Queensland Fire & Emergency Services	Supports services provided for the Murray River high flow event	310,998

Contractors	Purpose	\$ Actual payment
NSW Rural Fire Service	Supports services provided for the Murray River high flow event	650,956
Department of Justice & Community Safety	Supports services provided for the Murray River high flow event	112,472
	Total	2,018,554

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

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

Risk management

Risk and audit at a glance

The SASES Governance Reporting and Review Group meets monthly to oversee the effectiveness of the agency's policy and procedural controls and integrate business activities into an effective compliance and performance monitoring framework.

SASES maintains a register and conducts internal audits and participates in SAFECOM internal emergency services sector audits. The SASES participates in the emergency services Risk and Performance Committee, which oversee the certified audited statements submitted to the Auditor General for inclusion in the Annual Report.

Fraud detected in the agency

Category/nature of fraud	Number of instances
Nil	0

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

Strategies implemented to control and prevent fraud

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

- Policies, procedures and systems are in place to prevent, detect and report on fraud and dishonesty;
- Maintaining an asset register of attractive items and stocktakes undertaken on a regular basis;
- Undertaking internal audits quarterly of corporate purchase card transactions of staff and volunteers and an independent audit biannually;
- Annual returns of locally held bank accounts; and
- Receipt of an unqualified audit report for this financial year.

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

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.

Reporting required under any other act or regulation

Act or Regulation	Requirement
<i>Fire and Emergency Services Act 2005</i>	Part 5, Division 6, s121 (1) & (2)

- (1) SASES must, on or before 30 September in each year, deliver to the Commission a report on the activities of SASES during the preceding financial year (and need not provide a report under the *Public Sector Act 2009*).
- (2) The report must—
 - (a) include the audited statements of account required under this Division; and
 - (b) include any other information that would be required if SASES were reporting under the *Public Sector Act 2009*; and
 - (c) comply with any other requirements prescribed by or under this Act or the regulations.

Reporting required under the *Carers' Recognition Act 2005*

Not applicable.

Public complaints

Number of public complaints reported

Complaint categories	Sub-categories	Example	Number of Complaints 2022-23
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; cultural competency	3
Professional behaviour	Staff competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	4
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	1
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	1
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	5
Policy	Policy content	Policy content difficult to understand; policy unreasonable or disadvantages customer	0

Complaint categories	Sub-categories	Example	Number of Complaints 2022-23
Service quality	Information	Incorrect, incomplete, out-dated or inadequate information; not fit for purpose	4
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	35 (all relate to 132500 during 11 Nov 2023 storm event)
Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness	4
Service quality	Service responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	6
No case to answer	No case to answer	Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate	7
		Total	71

Additional Metrics	Total
Number of positive feedback comments	21
Number of negative feedback comments	71
Total number of feedback comments	92
% complaints resolved within policy timeframes	92

Service Improvements

The SASES operates an internal Customer Relationship Management (CRM) System. The SASES website provides the public with the opportunity to lodge a compliment or a complaint, which are then logged into the CRM and distributed to the responsible business area. The CRM trends and statistics are reported to the monthly Governance Reporting and Review Group, which consists of senior executive within the agency.

Compliance Statement

SASES is compliant with Premier and Cabinet Circular 039 – complaint management in the South Australian public sector	N
SASES has communicated the content of PC 039 and the agency's related complaints policies and procedures to employees	N

Appendix: Audited financial statements 2022-23

South Australian State Emergency Service

Financial Statements

For the year ended 30 June 2023

South Australian State Emergency Service
Certification of the Financial Statements
for the year ended 30 June 2023

We certify that the:

- financial statements of the South Australian State Emergency Service:
 - are in accordance with the accounts and records of the South Australian State Emergency 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 State Emergency Service at the end of the financial year and the result of its operation and cash flows for the financial year.
- internal controls employed by the South Australian State Emergency Service for the financial year over its financial reporting and its preparation of financial statements have been effective.



Chris Beattie
Chief Officer

15 September 2023



Gabriel Tudini
Business Manager

15 September 2023

South Australian State Emergency Service
Statement of Comprehensive Income
for the year ended 30 June 2023

		2023	2022
	Note	\$'000	\$'000
Income			
Contributions from Community Emergency Services Fund	2.1	34 530	22 680
Appropriation	2.2	5 835	-
Fees and charges	2.3	163	326
SA Government grants, subsidies and transfers	2.4	451	5 658
Grants and contributions	2.5	254	250
Investment and interest revenues	2.6	64	6
Net gain from disposal of non-current assets	4.2	-	52
Other income	2.7	88	106
Total income		41 385	29 078
Expenses			
Employee benefits expenses	3.2	10 708	12 473
Supplies and services	4.1	24 964	12 866
Grants and subsidies		207	92
Depreciation and amortisation	5.1, 5.4	3 465	3 309
Net loss from disposal of non-current assets	4.2	793	-
Borrowing Costs		20	19
Other expenses		27	12
Total expenses		40 184	28 771
Net result		1 201	307
Other comprehensive income			
<i>Items that will not be reclassified to net result</i>			
Changes in property, plant and equipment asset revaluation surplus		272	177
<i>Items that will be reclassified to net result when specific conditions are met</i>			
Gains or losses recognised directly in equity	8.1	12	(8)
Total other comprehensive income		284	169
Total comprehensive result		1 485	476

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 State Emergency Service
Statement of Financial Position
as at 30 June 2023

	Note	2023 \$'000	2022 \$'000
Current assets			
Cash and cash equivalents	6.1	2 254	2 653
Receivables	6.2	871	846
Other financial assets	6.3	345	161
Non-current assets classified as held for sale	6.4	656	509
Total current assets		4 126	4 169
Non-current assets			
Property, plant and equipment	5.1	48 821	46 872
Intangible assets	5.4	71	113
Capital works in progress	5.5	6 420	6 786
Total non-current assets		55 312	53 771
Total assets		59 438	57 940
Current liabilities			
Payables	7.1	3 209	2 880
Employee benefits	3.3	1 579	1 486
Provisions	7.3	253	262
Financial liabilities	7.2	166	121
Total current liabilities		5 207	4 749
Non-current liabilities			
Payables	7.1	128	125
Employee benefits	3.3	1 287	1 298
Provisions	7.3	1 871	2 282
Financial liabilities	7.2	768	750
Total non-current liabilities		4 054	4 455
Total liabilities		9 261	9 204
Net assets		50 177	48 736
Equity			
Asset revaluation surplus	8.1	7 653	8 686
Retained earnings	8.1	42 513	40 051
Investments market value reserve	8.1	11	(1)
Total equity		50 177	48 736

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

South Australian State Emergency Service
Statement of Changes in Equity
for the year ended 30 June 2023

		Investment market value reserve \$'000	Asset revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
	Note				
Balance at 1 July 2021		7	8 489	39 764	48 260
Net result for 2021-22		-	-	307	307
Gain on revaluation of land and buildings during 2021-22		-	177	-	177
Gains or losses recognised directly in equity		(8)	-	-	(8)
Total comprehensive result for 2021-22		(8)	177	307	476
Transfer between equity components		-	20	(20)	-
Balance at 30 June 2022		(1)	8 686	40 051	48 736
Prior period adjustments		-	-	(44)	(44)
Restated balance at 30 June 2022		(1)	8 686	40 007	48 692
Net result for 2022-23		-	-	1 201	1 201
Gain on revaluation of land and buildings during 2022-23		-	272	-	272
Gains or losses recognised directly in equity		12	-	-	12
Total comprehensive result for 2022-23		12	272	1 201	1 485
Transfer between equity components		-	(1 305)	1 305	-
Balance at 30 June 2023	8.1	11	7 653	42 513	50 177

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

South Australian State Emergency Service
Statement of Cash Flows
for the year ended 30 June 2023

		2023	2022
	Note	\$'000	\$'000
Cash flows from operating activities			
Cash inflows			
Contributions from Community Emergency Services Fund		34 530	22 680
Appropriation		5 835	-
Receipts from grants and contributions		254	250
Fees and charges		186	328
Investment and interest received		64	6
SA Government grants, subsidies and transfers		450	6 238
GST recovered from the ATO		1 988	1 641
Other receipts		84	189
Cash generated from operations		43 391	31 332
Cash outflows			
Employee benefits payments		(10 937)	(12 904)
Payments for supplies and services		(27 501)	(14 014)
Payments of grants and subsidies		(207)	(92)
Interest paid		(20)	(19)
Cash used in operations		(38 665)	(27 029)
Net cash provided by operating activities	8.2	4 726	4 303
Cash flows from investing activities			
Cash inflows			
Proceeds from the sale of property, plant and equipment		1 000	102
Cash generated from investing activities		1 000	102
Cash outflows			
Purchase of property, plant and equipment		(5 778)	(3 824)
Purchase of investments		(172)	(10)
Cash used in investing activities		(5 950)	(3 834)
Net cash used in investing activities		(4 950)	(3 732)
Cash flows from financing activities			
Cash outflows			
Repayment of principal portion of lease liabilities		(175)	(164)
Cash used in financing activities		(175)	(164)
Net cash used in financing activities		(175)	(164)
Net increase in cash and cash equivalents		(399)	407
Cash and cash equivalents at the beginning of the period		2 653	2 246
Cash and cash equivalents at the end of the period	6.1	2 254	2 653

The accompanying notes form part of these financial statements.

South Australian State Emergency Service
Notes to and forming part of the financial statements
for the year ended 30 June 2023

Notes to the financial statements

1.	About the South Australian State Emergency Service	7
1.1.	Basis of preparation.....	7
1.2.	Trust funds	7
1.3.	Objectives and programs	8
1.4.	Budget performance	9
1.5.	Significant transactions with government entities	10
2.	Income	11
2.1.	Contributions from the Community Emergency Services Fund	11
2.2.	Appropriation	11
2.3.	Fees and charges.....	11
2.4.	SA Government grants, subsidies and transfers.....	11
2.5.	Grants and contributions.....	12
2.6.	Investment and interest revenues	12
2.7.	Other income.....	12
3.	Board, committees and employees	13
3.1.	Key management personnel	13
3.2.	Employee benefits expenses	13
3.3.	Employee benefits liability.....	15
4.	Expenses	16
4.1.	Supplies and services.....	16
4.2.	Net gain / (loss) from disposal of non-current assets	17
5.	Non-financial assets.....	18
5.1.	Property, plant and equipment	18
5.2.	Property, plant and equipment owned by the SES	21
5.3.	Property, plant and equipment leased by the SES	21
5.4.	Intangible assets	22
5.5.	Capital works in progress	22
6.	Financial assets.....	23
6.1.	Cash and cash equivalents.....	23
6.2.	Receivables.....	23
6.3.	Other financial assets	24
6.4.	Non-current assets classified as held for sale	24
7.	Liabilities	25
7.1.	Payables	25
7.2.	Financial Liabilities	26
7.3.	Provisions	26
8.	Other disclosures	28
8.1.	Equity	28
8.2.	Cash flow	28
9.	Outlook	29
9.1.	Unrecognised contractual commitments	29
9.2.	Contingent assets and liabilities	29
9.3.	Impact of standards not yet effective.....	29
9.4.	Events after the reporting period	29
10.	Measurement and risk.....	30
10.1.	Fair value	30
10.2.	Financial instruments.....	31
10.3.	Trust funds	32

South Australian State Emergency Service
Notes to and forming part of the financial statements
For the year ended 30 June 2023

1. About the South Australian State Emergency Service

Under the *Fire and Emergency Services Act 2005* (the Act), the South Australian State Emergency Service (SES) is a not-for-profit body corporate, an agency of the Crown and part of the consolidated Emergency Services Sector (ESS).

The SES does not control any other entities and has no interests in unconsolidated structured entities.

The financial statements and accompanying notes include all the controlled activities of the SES.

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.

No Australian Accounting Standards have been early adopted other than AASB 2021-2 which was adopted from 1 July 2021

The financial statements are prepared based on a 12-month reporting period and presented in Australian currency. All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000). Any transactions in foreign currency are translated into Australian dollars at the exchange rate at the date the transaction occurs. 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 SES is not subject to Income Tax. The SES is liable for Payroll Tax, Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

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

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, in which case 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.

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

1.2. Trust funds

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

Transactions and balances relating to the trust assets are not recognised as the SES's income, expenses, assets and liabilities, but are disclosed in the accompanying schedules as 'Trust Funds', refer note 10.3.

South Australian State Emergency Service
Notes to and forming part of the financial statements
For the year ended 30 June 2023

1.3. Objectives and programs

Objectives

The SES is predominantly volunteer based with the following objectives:

- to assist the Commissioner of Police, South Australian Metropolitan Fire Service and South Australian Country Fire Service in dealing with any emergency
- to assist the State Co-ordinator, in accordance with the State Emergency Management Plan, in carrying out prevention, preparedness, response or recovery operations under the *Emergency Management Act 2004*
- to deal with any emergency where the emergency is caused by flood or storm damage, or where there is no other body or person with lawful authority to assume control of operations for dealing with the emergency
- to deal with any emergency until such time as anybody or person that has the lawful authority to assume control of operations for dealing with the emergency
- to respond to emergency calls and where appropriate, provide assistance in any situation of need whether or not the situation constitutes an emergency
- to undertake rescues.

Funding arrangements

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

Funds generated by Units through fund raising activities are held by the respective Unit for expenditure in the local community.

These funds are recognised as part of the 'other income' within the SES's financial statements.

Programs

In achieving its objectives, the SES provides these services classified under one program titled 'State Emergency Service'.

These services are predominantly provided by volunteers.

South Australian State Emergency Service
Notes to and forming part of the financial statements
For the year ended 30 June 2023

1.4. Budget performance

The budget performance table compares the SES outcomes against budget information presented to Parliament (2022-23 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 2023 \$'000	Actual 2023 \$'000	Variance \$'000
Statement of Comprehensive Income				
Income				
Contributions from the Community Emergency Services				
Fund	a	25 129	34 530	9 401
Appropriation	b	1 000	5 835	4 835
Fees and charges		-	163	163
SA Government grants, subsidies and transfers		-	451	451
Investment and interest revenues		-	64	64
Net gain from the disposal of property, plant and equipment		(139)	-	139
Other income		102	88	(14)
Total income		26 092	41 385	15 293
Expenses				
Employee benefits	c	8 704	10 708	2 004
Supplies and services	d	9 782	24 964	15 182
Grants and subsidies		95	207	112
Depreciation and amortisation		3 094	3 465	371
Net loss from disposal of non-current assets		-	793	793
Payments to state government		630	-	(630)
Intra-government transfers		8	-	(8)
Borrowing costs		16	20	4
Other expenses		214	27	(187)
Total expenses		22 543	40 184	17 641
Net result		3 549	1 201	(2 348)
Total comprehensive result		3 549	1 485	(2 064)

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

- (a) Due to additional funding provided to SES for the River Murray high flow event that occurred in the 2022-23 financial year.
- (b) Variance mainly attributable to Governor's Appropriation Funding received from the Department of Treasury (DTF) to assist with the River Murray high-flow event.
- (c) Principally due to salaries and wages attributed to the River Murray high flow event and other SES major incidents.
- (d) Principally due to various costs attributed to the River Murray high flow event and other SES major incidents.

South Australian State Emergency Service
Notes to and forming part of the financial statements
For the year ended 30 June 2023

	Note	Original budget 2023 \$'000	Actual 2023 \$'000	Variance \$'000
Investing expenditure summary				
Total existing projects	e	1 000	100	900
Total Annual Programs		5 862	6 321	(459)
Total Leases		179	197	(18)
Total investing expenditure		7 041	6 618	423

(e) Due to preconstruction delays in the Willaston build. A carryover of \$850k was approved by DTF in May 2023.

1.5. Significant transactions with government entities

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

The following transactions were significant for the SES:

- Contributions from the Fund (refer to note 2.1).
- Appropriation received from DTF of \$4.835 million for assistance with the River Murray high flow event.
- Payment to the Attorney-General's Department for the government radio network of \$3.3 million (refer note 4.1).

South Australian State Emergency Service
Notes to and forming part of the financial statements
For the year ended 30 June 2023

2. Income

2.1. Contributions from the Community Emergency Services Fund

Contributions from The Fund \$34.530 million (2022: \$22.680 million) are recognised as revenues when the SES obtains control over the funding. Control over contributions is normally obtained upon receipt.

For details on the expenditure associated with the operational funding and capital funding refer to notes 3.2, 4.1 and 5.1.

2.2. Appropriation

	2023	2022
	\$'000	\$'000
Appropriation from Consolidated Account pursuant to the <i>Appropriation Act</i>	1 000	-
Appropriations from Governor's Appropriation Fund	4 835	-
Total appropriation	5 835	-

Appropriation is recognised on receipt.

Appropriation pursuant to the *Appropriation Act* consists of \$4.835 million for operational funding and \$1 million for capital projects.

2.3. Fees and charges

Revenue from fees and charges \$163 000 (2022: \$326 000) is for incident cost recoveries which are from contracts with customers and are recognised in arrears.

The SES provide support to other jurisdictions that request it when an emergency incident occurs. The inputs of the request are outlined in an operating plan and may include personnel, 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.

2.4. SA Government grants, subsidies and transfers

	2023	2022
	\$'000	\$'000
COVID 19 Support - SAPOL	439	2 402
Contingency funding provided by the Department of Treasury and Finance	-	1 527
Intra government transfers	12	1 109
COVID 19 Support - Health SA	-	317
Capital Program	-	303
Total SA Government grants subsidies and transfers	451	5 658

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

Capital Program funding from the Department of Treasury and Finance (DTF) is for accelerated unit upgrades, vehicle replacements and purchase of land.

South Australian State Emergency Service
Notes to and forming part of the financial statements
For the year ended 30 June 2023

2.5. Grants and contributions

Grants and Contributions of \$254 000 (2022: \$250 000) are recognised as an asset and income when the SES 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.

The grant was received from NRMA Insurance to support joint storm preparedness programs and grassroots community engagement activities.

2.6. Investment and interest revenues

	2023 \$'000	2022 \$'000
Dividend Income	6	6
Interest on deposit accounts	58	-
Total interest revenues	64	6

2.7. Other income

	2023 \$'000	2022 \$'000
Donations	31	6
Insurance recoveries	22	2
Salary recoveries	17	45
Sundry revenues	3	41
Other	15	12
Total other income	88	106

Other income is recognised upon receipt.

SES volunteer members give a significant number of hours to providing frontline emergency response services to the community. A value for volunteer services received has not been recognised in the financial statements as the recognition criteria of AASB 1058 *Income of Not for Profit Entities* has not been met.

South Australian State Emergency Service
Notes to and forming part of the financial statements
For the year ended 30 June 2023

3. Board, committees and employees

3.1. Key management personnel

Key management personnel of the SES include the Minister, the Chief Officer, Deputy Chief Officer and the General Manager of the SES who have responsibility for the strategic direction and management of the SES.

The compensation disclosed in this note excludes salaries and other benefits 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 under section 6 the *Parliamentary Remuneration Act 1990*.

	2023	2022
	\$'000	\$'000
Compensation		
Salaries and other short-term employee benefits	604	550
Post-employment benefits	62	56
Total compensation	666	606

Transactions with key management personnel and other related parties

The SES 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. Employee benefits expenses

	2023	2022
	\$'000	\$'000
Salaries and wages	8 564	9 708
Workers compensation	490	312
Employment on-costs - superannuation	930	991
Annual leave	695	869
Long service leave	122	(88)
Payroll tax	511	573
Skills and experience retention leave	35	34
Targeted voluntary separation payments	-	69
Additional compensation	(684)	(59)
Other employment related expenses	45	64
Total employee benefits expenses	10 708	12 473

Employment expenses

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

The SES's staff are employed under Part 5 of the Act.

South Australian State Emergency Service
Notes to and forming part of the financial statements
For the year ended 30 June 2023

3.2. Employee benefits expenses (continued)

Employee remuneration

	Employees 2023 Number	2022 Number
The number of employees whose remuneration received or receivable falls within the following bands:		
\$157 001 to \$160 000 *	-	2
\$160 001 to \$180 000	5	2
\$180 001 to \$200 000	1	1
\$280 001 to \$300 000	-	1
\$300 001 to \$320 000	1	-
Total	7	6

*This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration for 2022-23.

The total remuneration received by these employees for the year was \$1.336 million (2022: \$1.134 million).

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

Targeted voluntary separation packages (TVSP)

The number of employees who received a TVSP during the reporting period was nil (2021-22: 2).

	2023 \$'000	2022 \$'000
Amount paid to separated employees:		
Public Sector Workforce Rejuvenation Scheme payments	-	69
Leave paid to those employees	-	44
Net cost to the TVSP's	-	113

In 2021-22 TVSPs included payments made under the Public Sector Workforce Rejuvenation Scheme.

South Australian State Emergency Service
Notes to and forming part of the financial statements
For the year ended 30 June 2023

3.3. Employee benefits liability

	2023 \$'000	2022 \$'000
Current		
Annual leave	1 369	1 281
Skills and experience retention leave	52	48
Long service leave	158	157
Total current employee benefits	1 579	1 486
Non-current		
Long service leave	1 287	1 298
Total non-current employee benefits	1 287	1 298
Total employee benefits	2 866	2 784

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 is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid. The salary inflation rate applied to the annual leave and SERL liabilities increased to 2% in 2023 from 1.5% in 2022.

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 method.

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

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

AASB 119 requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has increased from 3.75% in 2022 to 4% in 2023. This increase in the bond yield, which is used as the rate to discount future long service leave cash flows, results in an overall 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 reduction in the long service leave liability and employee benefits expense of \$29 000. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions - a key assumption is the long-term discount rate.

The actuarial assessment performed by DTF increased the salary inflation rate to 3.5% (2022: 2.5%) 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 State Emergency Service
Notes to and forming part of the financial statements
For the year ended 30 June 2023

4. Expenses

4.1. Supplies and services

	2023	2022
	\$'000	\$'000
Government radio network	3 304	3 223
Aerial support costs	619	6
Short term leases	80	180
Accommodation	1 832	1 587
Operational costs	5 823	1 300
Postage and freight	4 213	55
Vehicle	1 023	1 029
Travel and training	1 672	912
Property costs	942	897
Computing costs	1 040	1 178
Communication	388	333
Consultancy, contractors and legal fees	2 502	1 000
Uniforms and protective clothing	605	363
Insurance premiums	130	109
Other expenses	791	694
Total supplies and services	24 964	12 866

Accommodation

A part of the SES's accommodation is provided by DIT under 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').

Other Expenses

Includes audit fees paid/payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* of \$59 700 (2022: \$31 000). No other services were provided by the Auditor-General's Department.

Leases

The SES recognises lease payments associated with short-term leases (12 months or less) and low value (less than \$10 000) as an expense on a straight-line basis over the lease term. Lease commitments for short-term leases are similar to short term lease expenses disclosed.

Consultants

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

	No.	2023	No.	2022
		\$'000		\$'000
Below \$10 000	2	17	1	8
Above \$10 000	1	16	1	13
Total paid / payable to the consultants	3	33	2	21

South Australian State Emergency Service
Notes to and forming part of the financial statements
For the year ended 30 June 2023

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

	2023	2022
	\$'000	\$'000
Land and buildings		
Proceeds from disposal	-	-
Costs of disposal	(59)	(17)
Less net book value of assets disposed	(114)	(14)
Net gain / (loss) from disposal of land and buildings	(173)	(31)
Vehicles		
Proceeds from disposal	297	119
Less net book value of assets disposed	(117)	(36)
Net gain from disposal of vehicles	180	83
Assets held for sale		
Proceeds from disposal	692	-
Less net book value of assets disposed	(508)	-
Net gain from disposal of assets held for sale	184	-
Plant and equipment		
Proceeds from disposal	11	-
Less net book value of assets disposed	(995)	-
Net gain from disposal of plant and equipment	(984)	-
Total assets:		
Proceeds from disposal of non-current assets	1 000	119
Costs of disposal	(59)	(17)
Less net book value of assets disposed	(1 734)	(50)
Net gain from disposal of non-current assets	(793)	52

Gains/losses on disposal of non-current assets are recognised at the date 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.

South Australian State Emergency Service
Notes to and forming part of the financial statements
For the year ended 30 June 2023

5. Non-financial assets

5.1. Property, plant and equipment

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

Reconciliation of property, plant and equipment during 2022-23

Carrying amount at the beginning of the period

Prior period adjustments

Restated carrying amount at the beginning of the period

Acquisitions

Transfers from capital WIP (Refer to note 5.5)

Transfers between asset classes

Revaluation increment

Disposals

Remeasurement

Transfer out to held for sale

Subtotal:

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

Depreciation

Subtotal:

Carrying amount at the end of the period

Gross carrying amount

Gross carrying amount

Accumulated depreciation

Carrying amount at the end of the period

* All property, plant and equipment are classified in the level 3 fair value hierarchy except for land valued at \$320 000 and land and building held for sale at \$656 000. Refer to note 7.2 for details about the lease liability for right-of-use assets.

	Land \$'000	Buildings \$'000	Surplus land and buildings \$'000	Vehicles \$'000	Plant & equipment ROU Buildings \$'000	Total \$'000
Carrying amount at the beginning of the period	5 836	20 331	-	15 415	855	46 872
Prior period adjustments	-	-	-	(44)	-	(44)
Restated carrying amount at the beginning of the period	5 836	20 331	-	15 371	855	46 828
Acquisitions	-	-	-	50	197	247
Transfers from capital WIP (Refer to note 5.5)	275	2 990	-	2 866	606	6 737
Transfers between asset classes	(350)	(34)	384	-	-	-
Revaluation increment	-	-	272	-	-	272
Disposals	(9)	(105)	-	(117)	(995)	(1 226)
Remeasurement	-	-	-	-	42	42
Transfer out to held for sale	-	-	(656)	-	-	(656)
Subtotal:	5 752	23 182	-	18 170	1 094	52 244

Depreciation	-	(1 063)	-	(1 269)	(914)	(3 423)
Subtotal:	-	(1 063)	-	(1 269)	(914)	(3 423)
Carrying amount at the end of the period	5 752	22 119	-	16 901	3 132	48 821

Gross carrying amount	5 752	25 644	-	21 274	4 962	59 155
Gross carrying amount	-	(3 525)	-	(4 373)	(1 830)	(10 334)
Accumulated depreciation	-	-	-	-	-	-
Carrying amount at the end of the period	5 752	22 119	-	16 901	3 132	48 821

South Australian State Emergency Service
Notes to and forming part of the financial statements
For the year ended 30 June 2023

5.1 Property, plant and equipment (continued)

Reconciliation of property, plant and equipment during 2021-22

Carrying amount at the beginning of the period

	Land \$'000	Buildings \$'000	Surplus land and buildings \$'000	Vehicles \$'000	Plant & equipment ROU Buildings \$'000	Total \$'000
Transfers from capital WIP (Refer to note 5.5)	5 262	21 253	-	14 447	4 907	46 822
Transfers between asset classes	724	286	-	2 196	427	3 633
Revaluation increment/(decrement)	(150)	(182)	332	-	-	-
Disposals	-	-	177	-	-	177
Remeasurement	-	(14)	-	(36)	-	(50)
Transfer out of held for sale	-	-	-	-	66	66
Subtotal:	5 836	21 343	-	16 607	5 334	50 139

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

Depreciation	-	(1 012)	-	(1 192)	(899)	(3 267)
Subtotal:	-	(1 012)	-	(1 192)	(899)	(3 267)
Carrying amount at the end of the period	5 836	20 331	-	15 415	4 435	46 872

Gross carrying amount

Gross carrying amount	5 836	22 875	-	18 527	6 753	55 314
Accumulated depreciation	-	(2 544)	-	(3 112)	(2 318)	(8 442)
Carrying amount at the end of the period	5 836	20 331	-	15 415	4 435	46 872

* All property, plant and equipment are classified in the level 3 fair value hierarchy except for land valued at \$320 000 and land and building held for sale at \$509 000. Refer to note 7.2 for details about the lease liability for right-of-use assets.

South Australian State Emergency Service
Notes to and forming part of the financial statements
For the year ended 30 June 2023

5.1. Property, plant and equipment (continued)

Depreciation

All non-current assets not held for sale with 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	1-40
Vehicles	1-30
Plant and equipment	1-20
ROU Buildings	3-11

Review of Accounting Estimates

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

South Australian State Emergency Service
Notes to and forming part of the financial statements
For the year ended 30 June 2023

5.2. Property, plant and equipment owned by the SES

Property, plant and equipment owned by the SES with a value equal to or in excess of \$10,000 is capitalised. However, the SES 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, SES groups these asset types for the purpose of capitalisation in the financial statements.

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

Impairment

Property, plant and equipment owned by the SES has 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.

5.3. Property, plant and equipment leased by the SES

Right-of-use assets leased by the SES as lessee are measured at cost and there was no indication of impairment for right-of-use assets.

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 SES has 3 commercial leases for buildings which are used for the purpose of SES operational and administrative activities.

The lease liabilities and interest expense related to the right-of-use assets are disclosed in note 7.2. The SES's maturity analysis of its lease liabilities is disclosed in note 7.2. Depreciation expense is disclosed in note 5.1. Cash outflows related to leases are disclosed in note 8.2. SES has not committed to any lease arrangements that have not commenced from 1 July.

South Australian State Emergency Service
Notes to and forming part of the financial statements
For the year ended 30 June 2023

5.4. Intangible assets

Computer software	2023	2022
	\$'000	\$'000
Carrying amount at the beginning of the period	113	155
Subtotal:	113	155
Gains/(losses) for the period recognised in net result:		
Amortisation	(42)	(42)
Subtotal:	(42)	(42)
Carrying amount at the end of the period	71	113
Gross carrying amount		
Gross carrying amount	209	209
Accumulated amortisation	(138)	(96)
Carrying amount at the end of the period	71	113

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting period. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation of the SES's computer software is calculated on a straight-line basis over the estimated useful life of five 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

	2023	2022
	\$'000	\$'000
Carrying amount at the beginning of the period	6 786	5 412
Acquisitions	6 371	5 019
Transfers to property, plant and equipment	(6 737)	(3 633)
CWIP write off	-	(12)
Carrying amount at the end of the period	6 420	6 786

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 to note 5.1) or intangible assets (refer to note 5.4) and are valued at cost.

South Australian State Emergency Service
Notes to and forming part of the financial statements
For the year ended 30 June 2023

6. Financial assets

6.1. Cash and cash equivalents

	2023	2022
	\$'000	\$'000
Deposits with the Treasurer (Special deposit accounts)	1 195	1 425
Cash at bank - Units	886	856
Short-term deposits - Units	36	264
Short-term deposits	137	108
Total cash and cash equivalents	2 254	2 653

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. There was no interest earned during 2022 due to Treasury advising public authorities in November 2020 that, given interest rates were approximately 0%, no interest would be paid on any interest bearing accounts held with the Treasurer. Interest re-commenced being paid in February 2023 on cash balances from May 2022.

Cash at Bank - Units

Accounts held at Unit level comprising of proceeds from fundraising, donations and other local activities.

Short term deposits

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

6.2. Receivables

	2023	2022
	\$'000	\$'000
Current		
Receivables	92	39
Prepayments	231	307
Accrued revenues	32	92
GST input tax recoverable	516	408
Total current receivables	871	846
Total receivables	871	846

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.

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.

South Australian State Emergency Service
Notes to and forming part of the financial statements
For the year ended 30 June 2023

6.3. Other financial assets

	2023	2022
	\$'000	\$'000
Medium term deposits - Units	235	63
<i>Investments classified as fair value through other comprehensive income:</i>		
Listed equity instruments	110	98
Total other financial assets	345	161

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

The equity instruments are carried at fair value.

Investments were designated at fair value through other comprehensive income with all changes in fair value being taken to the investment reserve. These investments are not subject to impairment testing.

On disposal of these equity investments, any related balance within the investment reserve will be reclassified to retained earnings. Dividends arising from these investments are recognised in the statement of comprehensive income.

For further information on risk management refer to note 10.2.

6.4. Non-current assets classified as held for sale

	2023	2022
	\$'000	\$'000
Land	548	221
Building	108	288
Total non-current assets classified as held for sale	656	509

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

The SES has measured the land and buildings held for sale at fair value less costs to sell.

The property at Strathalbyn comprises land and buildings that previously housed an SES Unit that was relocated to a new building in Strathalbyn. The property was deemed surplus to requirements and was referred to RenewalSA for sale.

South Australian State Emergency Service
Notes to and forming part of the financial statements
For the year ended 30 June 2023

7. Liabilities

7.1. Payables

	2023 \$'000	2022 \$'000
Current		
Creditors	218	77
Accrued expenses	2 684	2 512
Employment on-costs	307	291
Total current payables	3 209	2 880
Non-current		
Employment on-costs	128	125
Total non-current payables	128	125
Total payables	3 337	3 005

Payables are measured at nominal amounts.

Payables and accrued expenses are recognised 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 benefit that they relate to are discharged. These on-costs primarily relate to the balance of leave owing to employees. Estimates as to the proportion of long service leave estimated to be taken as leave, rather than paid on termination, affects whether certain on-costs are recognised as a consequence of long service leave liabilities.

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

As a result of an actuarial assessment performed by DTF, the proportion of long service leave taken has increased to 43% from 42% in 2022. The average factor for the calculation of employer superannuation on-costs has changed to 11.1% from 10.6% in 2022. 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.

South Australian State Emergency Service
Notes to and forming part of the financial statements
For the year ended 30 June 2023

7.2. Financial Liabilities

The SES measures financial liabilities at amortised cost. Lease liabilities have been measured via discounting future lease payments using either the interest rate implicit in the lease or DTF's incremental borrowing rate, \$0.934 million (2022: \$0.871 million). There were no defaults or breaches throughout the year.

Interest expense paid on lease liabilities during 2022-23 was \$20 000 (2022: \$19 000). SES does not capitalise borrowing costs.

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

	2023	2022
	\$'000	\$'000
Lease liabilities		
within 1 year	184	141
1 to 5 years	628	501
More than 5 years	176	292
Total lease liabilities (undiscounted)	988	934

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

7.3. Provisions

	2023	2022
	\$'000	\$'000
Current		
Provision for workers compensation	233	201
Additional compensation	20	61
Total current provisions	253	262

Non-current		
Provision for workers compensation	1 016	785
Additional compensation	855	1 497
Total non-current provisions	1 871	2 282
Total provisions	2 124	2 544

Movement in provisions	2023	2022
	\$'000	\$'000

Workers compensation:

Carrying amount at the beginning of the period	986	862
Changes from remeasurement	468	312
Reductions arising from payments	(204)	(188)
Carrying amount at the end of the period	1 250	986

Additional compensation:

Carrying amount at the beginning of the period	1 558	1 618
Changes from remeasurement	(670)	(23)
Reductions arising from payments	(14)	(37)
Carrying amount at the end of the period	874	1 558

South Australian State Emergency Service
Notes to and forming part of the financial statements
For the year ended 30 June 2023

7.3. Provisions (continued)

Workers Compensation provision (statutory and additional compensation schemes)

The SES is an exempt employer under the *Return to Work Act 2014*. Under a scheme arrangement, the SES 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 2023 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.

South Australian State Emergency Service
Notes to and forming part of the financial statements
For the year ended 30 June 2023

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.

Investment market value reserve

The reserve is used to record all changes in fair value of investments classified as fair value through other comprehensive income.

Asset revaluation reserve

Previous SES Unit at Strathalbyn was identified as surplus to requirements and subsequently referred to RenewalSA for sale. Prior to recognition as an asset held for sale, a valuation was completed resulting in a revaluation increment of \$272 000.

8.2 Cash flow

	2023 \$'000	2022 \$'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	2 254	2 653
Balance as per the Statement of Cash Flows	2 254	2 653
Reconciliation of net cash provided by operating activities to net cost of providing services		
Net cash provided by operating activities	4 726	4 303
Add / (less) non-cash items		
Depreciation and amortisation	(3 465)	(3 309)
Net gain/(loss) from disposal of non-current assets	(734)	52
CWIP write off	-	(12)
Capital accruals	643	1 195
Movement in assets and liabilities		
Increase/(decrease) in receivables	25	(615)
(Increase)/decrease in payables	(332)	(1 693)
(Increase)/decrease in employee benefits	(82)	450
(Increase)/decrease in provisions	420	(64)
Net result	1 201	307

Total cash outflows for leases for the SES was \$275 000 (2022: \$363 000).

South Australian State Emergency Service
Notes to and forming part of the financial statements
For the year ended 30 June 2023

9. Outlook

9.1. Unrecognised contractual commitments

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

Contractual commitments to acquire property, plant & equipment

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

	2023 \$'000	2022 \$'000
Within one year	25	409
Later than one year but not later than five years	-	141
Total capital commitments	25	550

The SES's capital commitments are for building, vessel and equipment projects.

Other contractual commitments

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

	2023 \$'000	2022 \$'000
Within one year	1 896	1 906
Later than one year but not later than five years	4 912	5 414
Later than five years	11 547	12 807
Total expenditure commitments	18 355	20 127

The SES expenditure commitments relate to information technology contracts, equipment and promotional goods.

Major expenditure commitments include MOAAs with DIT for accommodation.

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 SES is not aware of any contingent assets or liabilities.

9.3. Impact of standards not yet effective

The SES has assessed the impact of the new and amended Australian Accounting Standards and Interpretations not yet effective and does not expect these to have a material impact on the SES statements.

9.4. Events after the reporting period

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

South Australian State Emergency Service
Notes to and forming part of the financial statements
For the year ended 30 June 2023

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.

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, the asset is 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.

Fair value hierarchy

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

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

During 2022 and 2023, the SES 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.

Land and Buildings

An independent valuation of land and buildings was performed by a Certified Practising Valuer from Liquid Pty Ltd as at 1 November 2019. The Emergency Services Sector did not revalue land and buildings related to peppercorn leased sites. These have been recognised at their carrying amounts from 30 June 2022. The land and buildings values at revaluation were considered relevant for 30 June 2023.

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.

South Australian State Emergency Service
Notes to and forming part of the financial statements
For the year ended 30 June 2023

10.2. Financial instruments

Financial risk management

Risk management is managed by the SES corporate services section. The SES risk management policies are in accordance with the *SA Government Risk Management Guide* and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

The exposure of the SES 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 SES is unable to meet its financial obligations as they fall due. The SES is funded principally from the Fund. The SES 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 notes 1.3 and 2.1 for further information.

Credit risk

The SES has minimal concentration of credit risk. The SES has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history. The SES 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 SES.

Impairment of financial assets

The SES 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. It is expected the credit loss for the SES is nil.

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

Cash

The SES 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.

Market risk

The SES does not trade in foreign currency, nor enter into transactions for speculative purpose nor for hedging. The SES 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*.

The SES has non-interest-bearing assets (receivables) and liabilities (payables) and interest-bearing assets (cash at bank and investments). The SES's exposure to market risk and cash flow interest risk is minimal. There is minimal 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.

Classification of financial instruments

The SES measures all financial instruments at amortised cost excluding 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 2023 and are expected to be settled within one year excluding financial liabilities. Refer to the Lease Liabilities Maturity analysis in note 7.2 for more information.

South Australian State Emergency Service
Notes to and forming part of the financial statements
For the year ended 30 June 2023

10.3. Trust funds

	2023	2022
	\$'000	\$'000
Cash at bank	249	221
Receivables	21	21
Total trust funds	270	242

The trust funds represent funds held by the Australian Council of State Emergency Services. The funds will be utilised to meet expenses incurred by each of the State Emergency Services Headquarters in Australia. The SES will administer these funds until they are fully expended. In 2022-23, total income earned by the Council was \$27 300 (2022: \$21 300) and expenses incurred were nil (2022: nil).

