



# SA State Emergency Service

## 2018-19 Annual Report

SA State Emergency Service  
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ISSN:	2200-2774
Date presented to SAFEKOM	30 September 2019

To:

Mr Dominic Lane  
**Chief Executive**  
**SAFECOM**

This annual report is provided to you to meet the statutory reporting requirements of *(Fire and Emergency Services Act 2005 Section 121)* and the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

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

Submitted on behalf of the SA State Emergency Service by:

Chris Beattie  
**Chief Officer**  
**SA State Emergency Service**

Date 30 September 2019

Signature



## From the Chief Officer



The 2018-19 year was once again a busy one for SASES. SASES received over 6,800 requests for assistance during the reporting period. Just over 75% were for flood and storm related incidents, including trees down and severe weather, with the remaining 25% being for a range of search and rescue related activities, including road crash rescue and assisting SAPOL and other emergency service agencies. In addition, Volunteer Marine Rescue organisations responded to approximately 450 marine related incidents around the South Australian coast.

SASES commenced 2018-19 with ambitious plans to move forward in all areas of strategic priority. These plans proved to be challenging, however progress was made in most areas.

The primary areas of organisational focus for the year were:

- Enhancing incident management capabilities
- Improving training for volunteers
- Addressing declining volunteer numbers
- Implementing programs to enhance mental health and wellbeing, and diversity and inclusion
- Developing new or upgraded IT systems.

Incident management capability was improved through development of a new SASES Incident Management Manual and establishment of doctrine to support endorsement for incident management roles. Significant effort was also applied during the year to enhance SASES' basecamp capabilities including the acquisition of Humanihut accommodation solution for operational readiness in 2019-20. This involved development of numerous modifications to the original design, together with purchase of ancillary equipment such as a new trailer mounted mobile 150kVA generator, trailers, handling equipment and organising storage facilities and training of volunteers and staff on its deployment and use. SASES' ability to provide base camp support has been significantly enhanced and will be far superior to the previous use of small tents.

Training improvements included the development of four new online courses, establishment of a marine training pathway and the completion of a number of accredited training packages including for marine crew, unrestricted skippers, crew leaders, communications, remotely piloted aircraft, and vertical (rescue) operators. It was also pleasing to see over 200 participants taking part in the State Training Challenge and/or State Rescue Challenges conducted throughout the year.

Maintaining sustainable volunteer numbers to provide an effective emergency response service continued to be a challenge. SASES needs to maintain and improve overall volunteer numbers, but also maintain the geographic coverage provided by the 67 volunteer units distributed across the state to enable the service to be delivered in a timely manner. The recruitment team assisted SASES district staff and individual units to attract interested people, facilitate information sessions, and support interviewing and on-boarding processes. Despite some success in increasing the rate of recruitment, significant separation rates limited the overall success of the program. Additional emphasis will be applied in 2019-20 to improving volunteer retention with a particular focus on reducing volunteer churn rates in the first 18 month of service.

SASES continued its wellbeing and resilience program in partnership with the South Australian Health and Medical Research Institute's Centre for Wellbeing and Resilience. SASES also continued to partner with SAFECOM and SACFS to deliver the Mental Health First Aid pilot project with a large number of staff and volunteers completing the training. An SES Diversity and Equity Strategy was launched and Domestic Violence policy and guidelines were issued to staff.

Upgrades and improvements continued on our core incident management information and intelligence systems: SESIIMS and FloodMon; while Respond52, software designed to assist SASES units with operational management including information on incidents, crew availability, unit attendance, and incident deployment was rolled out during the year. As part of the Emergency Services Sector, SASES continued to invest and be heavily involved in sector projects to develop new membership management, and training and learning management systems.

It is important to acknowledge external recognition of SASES activities received during the year including:

- White Ribbon Accreditation
- SASES became the first SES in Australia to receive the Remote Operators Certificate to operate remotely piloted aircraft (drones)
- SASES was "Highly Commended" at the national EMPA awards for its 132 500 community education campaign.

SASES has continued to invest in volunteer assets and facilities throughout 2018-19. Work on the redevelopment of the Loxton SES Unit was completed and construction of new facilities for Burra SES were commenced. SASES also purchased five new rescue trucks, three quick response vehicles, launched a new 5.5metre rigid hull inflatable training vessel for SES marine units. In addition, the agency replaced a quantity of GRN radios and road crash rescue equipment. For the VMR a new vessel and tow vehicle was delivered for the Victor Harbor – Goolwa Sea Rescue Squadron and construction commenced on a new vessel for the Wyalla Sea Rescue Squadron.

SASES continued to support, and work closely with the 11 Zone Emergency Management Committees and other key partners involved in emergency management. Of note was the publication of zone *Key Hazard and Risks Summaries* which provide insight into each of the zone's most significant hazards, vulnerabilities and exposures. The reports also promote information resources for community members to learn more and access advice on practical mitigation options.

In summary, despite 2018-19 being a busy year in terms of response workload, numerous important strategic matters have progressed that will position us well for next year and beyond.

I would like to take this opportunity to sincerely thank all of our volunteers for their commitment and dedication to supporting their communities; the service would not exist without them. I also acknowledge the invaluable support of SASES staff. Together, we make this organisation what it is. Thank you and well done to everyone.



**Chief Officer**  
SA State Emergency Service

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## Overview: about the agency

### Our strategic focus

<p><b>Our Purpose</b></p>	<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 the loss of life, injuries and damage from emergencies and natural disasters. SASES' functions are to:</p> <ul style="list-style-type: none"> <li>- to assist the Commissioner of Police in dealing with any emergency;</li> <li>- 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 <i>Emergency Management Act 2004</i>;</li> <li>- to 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;</li> <li>- to assist SAMFS and SACFS in dealing with any emergency;</li> <li>- to deal with any emergency— <ul style="list-style-type: none"> <li>o (i) where the emergency is caused by flood or storm damage; or</li> <li>o (ii) where there is no other body or person with lawful authority to assume control of operations for dealing with the emergency;</li> </ul> </li> <li>- 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 has assumed control;</li> <li>- to respond to emergency calls and, where appropriate, provide assistance in any situation of need whether or not the situation constitutes an emergency;</li> <li>- to undertake rescues; and</li> <li>- to perform any other function assigned to SASES by the <i>Fire and Emergency Services Act 2005</i> or any other Act.</li> </ul>
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<b>Our Vision</b>	A reliable and trusted volunteer based organisation building safe and resilient communities.
<b>Our Values</b>	<ul style="list-style-type: none"> <li>• Service</li> <li>• Professionalism</li> <li>• Trust</li> <li>• Respect</li> <li>• Collaboration &amp; Engagement</li> <li>• Honest &amp; Integrity</li> <li>• Courage &amp; Tenacity</li> <li>• Sustainability</li> </ul>
<b>Our functions, objectives and deliverables</b>	<ul style="list-style-type: none"> <li>• Disaster resilient communities</li> <li>• Coordinated, well-managed emergency response</li> <li>• Sustainable, well-trained volunteer workforce</li> <li>• Ethical, well-managed agency</li> </ul>

## Our organisational structure



## Changes to the agency

During 2018-19 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. Corey Wingard 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, ancillary responsibilities for Volunteer Marine Rescue organisations and related elements 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. He also performs a representational function for the state on a range of intergovernmental and national committees and boards.



**Dermot Barry** 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. He is also responsible for the leadership and direct management of SASES operations at State, Regional and local-levels and is the line manager for all operational staff and volunteers.



**David Carman** is the SASES General Manager, responsible for the day-to-day management and high level strategic leadership of SASES frontline support services. He provides leadership, direction and support for SASES Planning and Doctrine, Operations Support and Finance and Administration functional areas.

## Legislation administered by the agency

NIL



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

South Australian Metropolitan Fire Service (SAMFS)

South Australian Country Fire Service (SACFS)

SA Fire and Emergency Services Commission (SAFECOM)

## The agency's performance

### Performance at a glance

SES successfully delivered on its mission throughout 2018-2019 while fulfilling its obligations as a public sector organisation.

Progress was made on all of the priority strategies outlined in the 2018-2019 Annual Business Plan. These priorities were informed by national, state, and sector directions and legislative and regulatory requirements.

Furthermore:

- Finances were managed responsibly, and were close to the established budget 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
- SASES social responsibilities were progressed with programs to raise awareness of domestic violence, establishment of a diversity and equity strategy, and development of information collateral specifically designed to assist people from non-English speaking backgrounds.
- Environmental responsibilities were progressed through a range of initiatives ranging from installation of solar panels on new builds, environmental consideration during asset and equipment procurement processes, and local recycling activities.

### Agency contribution to whole of Government objectives

Key objective	Agency's contribution
More jobs	<p>Training programs for volunteers provide valuable and relevant work skills making volunteers more employable.</p> <p>Emergency management prevention and preparedness programs together with effective emergency response services assist in minimising costs associated with natural disasters, increasing business confidence, and potentially leading to greater employment.</p>
Lower costs	<p>Volunteer based emergency service organisations are an extremely cost effective service delivery model in comparison to paid services. SES volunteers contributed an estimated 90,000 hours of unpaid time responding to emergency incidents during 2018-19. This excludes training and non-operational time such as maintenance, community engagement and administrative activities.</p>

Better Services	SES has focussed heavily during 2018-19 on shoring up the number and distribution of volunteers across the state. This is important to ensure emergency response services are available when, and where they are needed. The majority of the SASES budget directly supports better service delivery through the provision of improved volunteer facilities, equipment, training and coordination.
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### Agency specific objectives and performance

Agency Goal	Performance commentary
Disaster resilient communities	<ul style="list-style-type: none"> <li>• Participated in, or conducted 22 major exercises</li> <li>• Supported 46 Zone Emergency Management Committee meetings</li> <li>• Reviewed and updated the state-level extreme weather risk assessments and hazard plan</li> <li>• 19,000 website hits on SES community safety pages</li> <li>• 105,000 social media interactions</li> <li>• Established a new SES Infoline and trained 35 volunteer call takers</li> <li>• Established 50 new community sandbag bins across the state – mostly located at SES units</li> <li>• Developed and published “Easy English” brochures for storm, flood and heatwave awareness</li> </ul>
Coordinated, well-managed emergency response	<ul style="list-style-type: none"> <li>• Responded to 6,829 requests for assistance</li> <li>• 8 minute average response time to road rescues</li> <li>• Received 63 SACAD grievances from SES units representing less than 1% of all callouts</li> </ul>
Sustainable, well-trained volunteer workforce	<ul style="list-style-type: none"> <li>• Size of volunteer workforce largely maintained</li> <li>• Average length of volunteer service increased from 8 years and 3 months to 8 years and 5 months</li> <li>• Number of accredited assessors, trainers and local instructors increased from 207 to 225</li> <li>• Number of state and regional training courses conducted increased from 293 to 313</li> </ul>
Ethical, well-managed agency	<ul style="list-style-type: none"> <li>• 27 injuries recorded in the cross-government HIRM reporting system</li> <li>• Reduced cost of injury management from \$391,000 to \$167,000</li> <li>• 55% of staff participated in a Performance Review and Development session within the last 6 months</li> <li>• Achieved White Ribbon accreditation</li> </ul>

### 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.	At end of June 2018, 55% of SES staff had a current PRD in place.

**Work health, safety and return to work programs**

<b>Program name</b>	<b>Performance</b>
South Australian Health and Medical Research Institute's Wellbeing and Resilience Program	SASES entered into partnership with the Wellbeing and Resilience Centre of SAHMRI to build on wellbeing and resilience of SASES staff and volunteers in order to improve productivity, engagement, safety and performance using PERMA+ framework. The program involves training in ten skills for staff and volunteers. Six workshops with a focus on embedding healthy practises that support wellbeing (Sleep, Nutrition Exercise etc.) and building on the baseline measurement with a follow-up survey of staff. The current focus is on adapting a flexible delivery program to volunteers with an initial emphasis on new volunteers.
Mental Health First Aid	Mental Health First Aid two day workshops have been delivered to volunteers and staff of SASES, SAFECOM and CFS via a project co-funded by SASES and SACFS through the Natural Disaster Resilience Program (managed by SAFECOM). The project commenced in 2017 and will cease in December 2019. By the end of June 2019, 307 people will have completed the training and this includes 106 SES volunteers and 4 SES staff members. An evaluation of the program is currently being conducted. This training has raised awareness on identifying mental health issues in self and others and increases skills in having a conversation with someone about mental health.
White Ribbon	During April 2019 SASES was endorsed as a White Ribbon Workplace after a comprehensive 18 month audit process. The agency was assessed as being proactive and clearly demonstrating its leadership and commitment in ending violence against women with 15 criterion being successfully achieved.
Peer Support Officer Team	Training for Peer Support Officers is held twice per year and recruitment takes place annually. Currently there are twenty peer support officers and seven of these are SASES volunteers. Another four SASES volunteers are progressing through the recruitment process. The Peer Support Officers support their colleagues on an individual basis and also deliver Stress, Trauma and Suicide awareness sessions with volunteers on training nights. These sessions are a preventative measure in raising awareness about critical incidents and possible reactions that may be experienced and how to respond.

Employee Assistance Program (incl. Stress Prevention and Management Program)	The Employee Assistance Program is contracted to a panel of three providers. During the 2018-19 financial year, 37 SES personnel used the service. This includes volunteers, staff and family members. Three Critical Incident Response sessions were held for SES crews experiencing a potentially traumatic incident and six crews were followed up with phone calls. The EAP intervention aims to reduce the exposure to potentially traumatic events and assists personnel to manage their issues and teaches strategies to build resilience.
Flu Vaccination Program	72.4% of SES State Headquarters workforce voluntarily participated in the program.

<b>Workplace injury claims</b>	2018-2019	2017-2018	% Change (+ / -)
Total new workplace injury claims	13	13	0
Fatalities	0	0	0
Seriously injured workers*	0	0	0
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	14.08	50.85	-72.31

\*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)

<b>Work health and safety regulations</b>	2018-2019	2017-2018	% Change (+ / -)
Number of notifiable incidents ( <i>Work Health and Safety Act 2012, Part 3</i> )	0	2	-200
Number of provisional improvement, improvement and prohibition notices ( <i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i> )	0	0	0

<b>Return to work costs**</b>	<b>2018-2019</b>	<b>2017-2018</b>	<b>% Change (+ / -)</b>
Total gross workers compensation expenditure (\$)	\$161,554	\$391,208	-59
Income support payments – gross (\$)	\$86,842	\$49,267	76

\*\*before third party recovery

### Executive employment in the agency

<b>Executive classification</b>	<b>Number of executives</b>
EXB	1
EXA	1

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

<b>Consultancies</b>	<b>Purpose</b>	<b>\$ Actual payment</b>
Nil		\$0

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

<b>Consultancies</b>	<b>Purpose</b>	<b>\$ Actual payment</b>
New Focus	Post media campaign evaluation	\$24,197
Galpins Accountants	Audit of VMR capabilities with Gap analysis	\$12,300
	Total	\$36,497

### 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**

<b>Contractors</b>	<b>Purpose</b>	<b>\$ Actual payment</b>
All contractors below \$10,000 each - combined	Various	\$30,110

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

<b>Contractors</b>	<b>Purpose</b>	<b>\$ Actual payment</b>
Bureau of Meteorology	2018-19 Embedded Meteorologist Services	\$76,005
Adelaide University	Heatwave forecasting and warning decision support tools	\$30,000
	Total	\$106,005

**Other information**

NIL



## Risk management

### Fraud detected in the agency

Category/nature of fraud	Number of instances
Misuse of Government purchase card	1

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

### Strategies implemented to control and prevent fraud

- Fraud, corruption, misconduct and maladministration policy, procedure and control plan in place.
- Code of Ethics training for staff.
- Financial and human resource policies and procedures.
- A sector Audit and Risk Committee reporting to the SAFECOM Board.
- Regular financial monitoring and reporting.
- An SES internal audit program.

### Whistle-blowers disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Whistleblowers Protection Act 1993*:

NIL

## 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 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

Not available. SASES is currently in the process of implementing a “customer relationship management system”. This system will assist in managing both internal and external customer enquiries and provide details of complaints and the action taken in response.

### Service improvements for period

Service improvements that responded to customer complaints or feedback
NIL

## **Appendix: Audited financial statements 2018-19**

### **South Australian State Emergency Service (SES)**

#### **Financial Statements**

For the year ended 30 June 2019

**South Australian State Emergency Service**  
**Certification of the Financial Statements**  
*for the year ended 30 June 2019*

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We certify that the attached general purpose financial statements for the South Australian State Emergency Service:

- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards
- are in accordance with the accounts and records of the South Australian State Emergency Service
- present a true and fair view of the financial position of the South Australian State Emergency Service as at 30 June 2019 and the results of its operations and cash flows for the financial year.

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



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Chris Beattie  
Chief Officer  
13 September 2019



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Silvana Di Ciocco  
Business Manager  
13 September 2019

**South Australian State Emergency Service**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2019*

	Note	2019 \$'000	2018 \$'000
<b>Expenses</b>			
Employee benefits	2.2	7 400	9 758
Supplies and services	3.1	9 044	8 538
Grants and subsidies	3.2	123	127
Depreciation and amortisation	3.3	2 460	2 348
Net loss from disposal of non-current assets	3.4	-	3
<b>Total expenses</b>		<b>19 027</b>	<b>20 774</b>
<b>Income</b>			
Grants and contributions	4.2	465	285
Fees and charges	4.3	-	53
Investment and interest revenues	4.4	23	21
Donated asset	4.5	99	-
Other income	4.6	105	172
Net gain from disposal of non-current assets	3.4	4	-
<b>Total income</b>		<b>696</b>	<b>531</b>
<b>Net cost of providing services</b>		<b>18 331</b>	<b>20 243</b>
<b>Revenues from / (payments to) SA Government</b>			
Revenues from SA Government	4.1	21 084	19 689
<b>Total net revenues from SA Government</b>		<b>21 084</b>	<b>19 689</b>
<b>Net result</b>		<b>2 753</b>	<b>(554)</b>
<b>Other comprehensive income</b>			
<i>Items that will be reclassified to net result</i>			
Changes in fair value of investments classified as fair value through other comprehensive income		6	-
<b>Total other comprehensive income</b>		<b>6</b>	<b>-</b>
<b>Total comprehensive result</b>		<b>2 759</b>	<b>(554)</b>

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 2019*

	Note	2019 \$'000	2018 \$'000
<b>Current assets</b>			
Cash and cash equivalents	6.1	2 267	1 379
Receivables	6.2	307	371
Other financial assets	6.3	283	388
<b>Total current assets</b>		<b>2 857</b>	<b>2 138</b>
<b>Non-current assets</b>			
Property, plant and equipment	5.1	43 748	41 674
Intangible assets	5.2	19	-
<b>Total non-current assets</b>		<b>43 767</b>	<b>41 674</b>
<b>Total assets</b>		<b>46 624</b>	<b>43 812</b>
<b>Current liabilities</b>			
Payables	7.1	1 504	1 302
Employee benefits	2.3	1 090	1 036
Provisions	7.2	210	244
<b>Total current liabilities</b>		<b>2 804</b>	<b>2 582</b>
<b>Non-current liabilities</b>			
Payables	7.1	151	141
Employee benefits	2.3	1 654	1 512
Provisions	7.2	1 436	1 757
<b>Total non-current liabilities</b>		<b>3 241</b>	<b>3 410</b>
<b>Total liabilities</b>		<b>6 045</b>	<b>5 992</b>
<b>Net assets</b>		<b>40 579</b>	<b>37 820</b>
<b>Equity</b>			
Asset revaluation surplus		5 152	5 152
Retained earnings		35 421	32 668
Investments market value reserve		6	-
<b>Total equity</b>		<b>40 579</b>	<b>37 820</b>

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 2019*

	Investments market value reserve	Asset revaluation surplus	Retained earnings	Total equity
	\$'000	\$'000	\$'000	\$'000
<b>Balance at 30 June 2017</b>	-	5 152	33 222	38 374
Net result for 2017-18	-	-	(554)	(554)
<b>Total comprehensive result for 2017-18</b>	-	-	(554)	(554)
<b>Balance at 30 June 2018</b>	-	5 152	32 668	37 820
Net result for 2018-19	-	-	2 753	2 753
Changes in fair value of investments classified as fair value through other comprehensive income	6	-	-	6
<b>Total comprehensive result for 2018-19</b>	6	-	2 753	2 759
<b>Balance at 30 June 2019</b>	6	5 152	35 421	40 579

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 Cash Flows**  
*for the year ended 30 June 2019*

		2019 (Outflows) Inflows \$'000	2018 (Outflows) Inflows \$'000
<b>Cash flows from operating activities</b>	<b>Note</b>		
<b>Cash outflows</b>			
Employee benefits payments		(7 544)	(7 445)
Supplies and services payments		(9 891)	(9 707)
Grants and subsidies payments		(123)	(127)
<b>Cash used in operations</b>		<b>(17 558)</b>	<b>(17 279)</b>
<b>Cash inflows</b>			
Receipts from grants and contributions		465	285
Investment and interest received		23	21
GST recovered from the Australian Taxation Office		1 026	1 106
Other receipts		187	229
<b>Cash generated from operations</b>		<b>1 701</b>	<b>1 641</b>
<b>Cash flows from SA Government</b>			
Contributions from Community Emergency Services Fund	4.1	21 084	19 640
Other receipts from SA Government	4.1	-	49
<b>Cash generated from SA government</b>		<b>21 084</b>	<b>19 689</b>
<b>Net cash provided by / (used in) operating activities</b>	<b>8.2</b>	<b>5 227</b>	<b>4 051</b>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Purchase of property, plant and equipment		(4 623)	(4 597)
Purchase of investment		210	(1)
<b>Cash used in investing activities</b>		<b>(4 413)</b>	<b>(4 598)</b>
<b>Cash inflows</b>			
Proceeds from the sale of property, plant and equipment		74	126
<b>Cash generated from investing activities</b>		<b>74</b>	<b>126</b>
<b>Net cash provided by / (used in) investing activities</b>		<b>(4 339)</b>	<b>(4 472)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>888</b>	<b>(421)</b>
Cash and cash equivalents at the beginning of the reporting period		1 379	1 800
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>6.1</b>	<b>2 267</b>	<b>1 379</b>

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 2019*

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**South Australian State Emergency Service**  
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**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 body corporate, an agency of the Crown and part of the consolidated emergency services sector.

The financial statements include all the controlled activities of SES.

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

SES has not entered into any contractual arrangements which involve the sharing of control or significant influence over another entity.

**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

For the 2018-19 financial statements SES adopted AASB 9 – *Financial Instruments* and is required to comply with new *Treasurer's Instructions (Accounting Policy Statements)* issued on 22 March 2019. Further information is provided in note 9.

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

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

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

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

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

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

**1.2. Trust funds**

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 SES's own objectives.

Transactions and balances relating to the trust assets are not recognised as SES's income, expenses, assets and liabilities, but are disclosed in the accompanying schedules as 'Trust Funds', refer note 11.4.

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

**South Australian State Emergency Service**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**1.3. Objectives and programs**

**Objectives**

The South Australian State Emergency Service (SES) is a volunteer based, not for profit body corporate of the State of South Australia. SES was established on 1 October 2005 under the *Fire and Emergency Services Act 2005* (the Act) 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 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 locally for expenditure in the local community.

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

**Programs**

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

These services are predominantly provided by volunteers. As at 30 June 2019, the State Emergency Services has 1541 volunteers.

**South Australian State Emergency Service**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

**1.4. Budget performance**

The budget performance table compares SES outcomes against budget information presented to Parliament (2018-19 Budget paper 4). The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

		Original budget 2019 \$'000	Actual 2019 \$'000	Variance \$'000
<b>Statement of Comprehensive Income</b>	<b>Note</b>			
<b>Expenses</b>				
Employee benefits		7 378	7 400	22
Supplies and services		8 939	9 044	105
Grants and subsidies		87	123	36
Depreciation and amortisation		2 316	2 460	144
<b>Total expenses</b>		<b>18 720</b>	<b>19 027</b>	<b>307</b>
<b>Income</b>				
Grants and contributions		504	465	(39)
Donated Asset		-	99	99
Investment and interest revenues		23	23	-
Other income		93	105	12
Net gain from disposal of non-current assets		-	4	4
<b>Total income</b>		<b>620</b>	<b>696</b>	<b>76</b>
<b>Net cost of providing services</b>		<b>18 100</b>	<b>18 331</b>	<b>231</b>
<b>Revenues from / payments to SA government</b>				
Revenues from SA government		20 853	21 084	231
<b>Total net revenues from SA Government</b>		<b>20 853</b>	<b>21 084</b>	<b>231</b>
<b>Net result</b>		<b>2 753</b>	<b>2 753</b>	<b>-</b>
<b>Other comprehensive income</b>				
<i>Items that will be reclassified to net result</i>				
Changes in fair value of investments classified as fair value through other comprehensive income		-	6	6
<b>Total other comprehensive income</b>		<b>-</b>	<b>6</b>	<b>6</b>
<b>Total comprehensive result</b>		<b>2 753</b>	<b>2 759</b>	<b>6</b>

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

	Original budget 2019 \$'000	Actual 2019 \$'000	Variance \$'000
<b>Investing expenditure summary</b>			
Total annual program	4 421	4 600	179
<b>Total investing expenditure</b>	<b>4 421</b>	<b>4 600</b>	<b>179</b>

There is no material variance.

**South Australian State Emergency Service**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**1.5. Significant transactions with government entities**

**Significant transactions with government related entities**

The following transactions were significant for SES:

- Contributions from the Community Emergency Services Fund (refer note 4.1).

**2. Board, committees and employees**

**2.1. Key management personnel**

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

The compensation detailed below excludes salaries and other benefits received by:

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

	2019 \$'000	2018 \$'000
<b>Compensation</b>		
Salaries and other short term employee benefits	473	454
Post-employment benefits	43	42
<b>Total compensation</b>	<b>516</b>	<b>496</b>

**Transactions with key management personnel and other related parties**

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

**South Australian State Emergency Service**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

**2.2. Employee benefits expenses**

	2019	2018
	\$'000	\$'000
Salaries and wages	5 675	5 664
Workers compensation	37	1 123
Employment on-costs - superannuation	640	632
Annual leave	554	549
Long service leave	295	421
Payroll tax	356	362
Skills and experience retention leave	27	30
Additional compensation	(226)	937
Other employment related expenses	42	40
<b>Total employee benefits expenses</b>	<b>7 400</b>	<b>9 758</b>

**Employment on-costs - superannuation**

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

**Remuneration of employees**

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

	2019	2018
	Number	Number
\$149 000 to \$151 000*	N/A	1
\$151 001 to \$171 000	2	4
\$171 001 to \$191 000	1	-
\$211 001 to \$231 000	1	1
\$271 001 to \$291 000	1	1
<b>Total</b>	<b>5</b>	<b>7</b>

(\*) This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2017-18.

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year.

Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any FBT paid or payable in respect of those benefits.

The total remuneration received by these employees for the year was \$1.02 million (2018: \$1.28 million).



**South Australian State Emergency Service**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**2.3. Employee benefits liability**

	2019	2018
	\$'000	\$'000
<b>Current</b>		
Accrued salaries and wages	123	134
Annual leave	838	792
Skills and experience retention leave	35	39
Long service leave	94	71
<b>Total current employee benefits</b>	<b>1 090</b>	<b>1 036</b>
<b>Non-current</b>		
Long service leave	1 654	1 512
<b>Total non-current employee benefits</b>	<b>1 654</b>	<b>1 512</b>
<b>Total employee benefits</b>	<b>2 744</b>	<b>2 548</b>

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 and sick leave**

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

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

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

**Long service leave**

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

**South Australian State Emergency Service**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**3. Expenses**

Employee benefits expenses are disclosed in note 2.2

**3.1. Supplies and services**

	2019	2018
	\$'000	\$'000
Government radio network	2 960	2 333
Operating lease costs	1 130	958
Operational costs	958	906
Vehicle	698	806
Travel and training	613	671
Property Costs	540	579
Computing costs	573	436
Consultancy, contractors and legal fees	270	364
Uniforms and protective clothing	345	376
Communications	310	294
Insurance premiums	83	85
Other expenses	564	730
<b>Total supplies and services</b>	<b>9 044</b>	<b>8 538</b>

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

**Other**

Audit fees paid/payable to the Auditor-General's Department (AGD) relating to work performed under the *Public Finance and Audit Act* were \$29 000 (2018: \$29 000). These costs are recognised in Other Expenses above. No other services were provided by the Auditor-General's Department.

**Operating leases**

Operating lease payments (less any lease incentives) are recognised as an expense on a straight-line basis over the lease term.

**Consultants**

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

	2019	2019	2018	2018
	Number	\$'000	Number	\$'000
\$10 000 or above	2	36	1	10
<b>Total</b>	<b>2</b>	<b>36</b>	<b>1</b>	<b>10</b>

**South Australian State Emergency Service**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

**3.2. Grants and subsidies**

	2019	2018
	\$'000	\$'000
Recurrent grant	123	127
<b>Total grants and subsidies</b>	<b>123</b>	<b>127</b>

**3.3. Depreciation and amortisation**

	2019	2018
	\$'000	\$'000
<b>Depreciation</b>		
Vehicles	928	981
Buildings	777	738
Communications	341	244
Computers	212	213
Plant and equipment	198	172
<b>Total depreciation</b>	<b>2 456</b>	<b>2 348</b>
<b>Amortisation</b>		
Software	4	-
<b>Total amortisation</b>	<b>4</b>	<b>-</b>
<b>Total depreciation and amortisation</b>	<b>2 460</b>	<b>2 348</b>

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

Land is not depreciated.

**Review of Accounting Estimates**

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

**Useful life**

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

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

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

**South Australian State Emergency Service**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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

	2019 \$'000	2018 \$'000
<b>Vehicles</b>		
Proceeds from disposal	72	126
Less net book value of assets disposed	(70)	(129)
<b>Net gain / (loss) from disposal of vehicles</b>	<b>2</b>	<b>(3)</b>
<b>Plant and equipment</b>		
Proceeds from disposal	2	-
Less net book value of assets disposed	-	-
<b>Net gain / (loss) from disposal of plant and equipment</b>	<b>2</b>	<b>-</b>
<b>Total assets</b>		
Total proceeds from disposal	74	126
Less total value of assets disposed	(70)	(129)
<b>Total net gain / (loss) from disposal of non-current assets</b>	<b>4</b>	<b>(3)</b>

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.

**4. Income**

**4.1. Net revenues from SA Government**

	2019 \$'000	2018 \$'000
<b>Revenues from SA Government</b>		
Contributions from Community Emergency Services Fund	21 084	19 655
Other revenues from SA Government	-	34
	<b>21 084</b>	<b>19 689</b>
<b>Net revenues from SA Government</b>	<b>21 084</b>	<b>19 689</b>

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

Revenues from SA Government consist of \$16.38 million (2018: \$15.75 million) for operational funding, \$4.70 million (2018: \$3.93 million) for capital projects.

For details on the expenditure associated with the operational funding and capital funding refer notes 2.2, 3.1, 3.2 and 5.1.

**South Australian State Emergency Service**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

**4.2. Grants and contributions**

	2019	2018
	\$'000	\$'000
State Government	465	285
<b>Total grants and contributions</b>	<b>465</b>	<b>285</b>

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

SA Government grants and contributions consist of National Disaster Resilience Program funding for SES, Extreme Weather and Heatwave Risk Mitigation Project, Emergency Management Workforce Mapping Project Within and Basecamp Shelters.

**4.3. Fees and charges**

	2019	2018
	\$'000	\$'000
Incident cost recoveries	-	53
<b>Total fees and charges</b>	<b>-</b>	<b>53</b>

Income from fees and charges is derived from recoveries of costs associated with other state government emergencies where SASES has been deployed to assist. This revenue is recognised upon delivery of the service or by reference to the stage of completion.

**4.4. Investment and interest revenues**

	2019	2018
	\$'000	\$'000
Dividend Income	6	-
Interest on deposit accounts	17	21
<b>Total investment and interest revenues</b>	<b>23</b>	<b>21</b>

**4.5. Donated Asset**

	2019	2018
	\$'000	\$'000
Donated asset	99	-
<b>Total donated asset</b>	<b>99</b>	<b>-</b>

In 2018-19 the SES received donated shares. These shares are not held for trading.

**4.6. Other income**

	2019	2018
	\$'000	\$'000
Donations	5	4
Unit fundraising	26	7
Insurance recoveries	1	-
Salary recoveries	-	89
Sundry revenues	3	54
Other	70	18
<b>Total other income</b>	<b>105</b>	<b>172</b>

Other income is recognised upon receipt.

**South Australian State Emergency Service**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**4.7. Resources received free of charge**

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.

**5. Non-financial assets**

**5.1. Property, plant and equipment**

	2019 \$'000	2018 \$'000
<b>Land</b>		
Land at fair value	4 236	3 546
<b>Total land</b>	<b>4 236</b>	<b>3 546</b>
<b>Buildings</b>		
Buildings at fair value	23 845	21 492
Accumulated depreciation	(3 937)	(3 160)
<b>Total buildings</b>	<b>19 908</b>	<b>18 332</b>
<b>Vehicles</b>		
Vehicles at fair value	17 317	16 039
Accumulated depreciation	(4 089)	(3 210)
<b>Total vehicles</b>	<b>13 228</b>	<b>12 829</b>
<b>Communications (Comms.) equipment</b>		
Communications equipment at fair value	2 703	2 372
Accumulated depreciation	(1 361)	(1 020)
<b>Total communications equipment</b>	<b>1 342</b>	<b>1 352</b>
<b>Computer equipment</b>		
Computer equipment at fair value	1 072	1 061
Accumulated depreciation	(834)	(622)
<b>Total computer equipment</b>	<b>238</b>	<b>439</b>
<b>Plant and equipment</b>		
Plant and equipment at fair value	1 846	1 615
Accumulated depreciation	(921)	(723)
<b>Total plant and equipment</b>	<b>925</b>	<b>892</b>
<b>Capital work in progress</b>		
Capital works in progress at cost (deemed fair value)	3 871	4 284
<b>Total capital work in progress</b>	<b>3 871</b>	<b>4 284</b>
<b>Total property, plant and equipment</b>	<b>43 748</b>	<b>41 674</b>

**South Australian State Emergency Service**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

**5.1. Property, plant and equipment (continued)**

**Acquisition and recognition**

Property, plant and equipment is recorded at fair value. Detail about SES's approach to fair value is set out in note 11.2.

Property, plant and equipment with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed.

**Impairment**

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

**Reconciliation of property, plant and equipment**

The following table shows the movement of property, plant and equipment assets during 2018-19:

	Land	Buildings	Vehicles	Comms. equipment	Computer equipment	Plant & equipment	Work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2018	3 546	18 332	12 829	1 352	439	892	4 284	41 674
Acquisitions	690	-	-	-	-	-	3 910	4 600
Transfers from capital WIP	-	2 353	1 397	331	11	231	(4 323)	-
Depreciation	-	(777)	(928)	(341)	(212)	(198)	-	(2 456)
Disposals	-	-	(70)	-	-	-	-	(70)
<b>Carrying amount at 30 June 2019</b>	<b>4 236</b>	<b>19 908</b>	<b>13 228</b>	<b>1 342</b>	<b>238</b>	<b>925</b>	<b>3 871</b>	<b>43 748</b>

**Reconciliation of property, plant and equipment**

The following table shows the movement of property, plant and equipment assets during 2017-18:

	Land	Buildings	Vehicles	Comms. equipment	Computer equipment	Plant & equipment	Work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2017	3 546	18 793	10 802	1 127	652	784	3 850	39 554
Acquisitions	-	-	-	-	-	-	4 597	4 597
Transfers from capital WIP	-	277	3 137	469	-	280	(4 163)	-
Depreciation	-	(738)	(981)	(244)	(213)	(172)	-	(2 348)
Disposals	-	-	(129)	-	-	-	-	(129)
<b>Carrying amount at 30 June 2018</b>	<b>3 546</b>	<b>18 332</b>	<b>12 829</b>	<b>1 352</b>	<b>439</b>	<b>892</b>	<b>4 284</b>	<b>41 674</b>

**South Australian State Emergency Service**  
**Notes to and forming part of the financial statements**  
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**5.2. Intangible assets**

	2019 \$'000	2018 \$'000
<b>Software</b>		
Computer software	23	-
Accumulated amortisation	(4)	-
<b>Total software</b>	<b>19</b>	<b>-</b>
<b>Total intangible assets</b>	<b>19</b>	<b>-</b>

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

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.

**6. Financial assets**

**6.1. Cash and cash equivalents**

	2019 \$'000	2018 \$'000
Deposits with the Treasurer	1 177	432
Cash on hand	1	-
Cash at bank	12	118
Cash at bank - Units	774	769
Short-term deposits - Units	231	-
Short-term deposits	72	60
<b>Total cash and cash equivalents</b>	<b>2 267</b>	<b>1 379</b>

Cash is measured at nominal amounts.

**Deposits with the Treasurer**

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

**Short term deposits**

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

**Interest rate risk**

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



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**6.2. Receivables**

	2019	2018
	\$'000	\$'000
<b>Current</b>		
Receivables	-	31
Prepayments	80	107
Accrued revenues	1	2
GST input tax recoverable	226	231
<b>Total current receivables</b>	<b>307</b>	<b>371</b>
<b>Total receivables</b>	<b>307</b>	<b>371</b>

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

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

Refer to note 11.3 for further information on risk management.

**6.3. Other financial assets**

	2019	2018
	\$'000	\$'000
Medium term deposits - Units	178	388
Investments classified as fair value through other comprehensive income		
Listed equity instruments	105	-
<b>Total other financial assets</b>	<b>283</b>	<b>388</b>

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.

During the current year, the 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 will be recognised in the statement of comprehensive income.

For further information on risk management refer to note 11.3. For further information on the impact of the AASB 9 refer to note 9.2

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**7. Liabilities**

Employee benefits liabilities are disclosed in note 2.3

**7.1. Payables**

	2019 \$'000	2018 \$'000
<b>Current</b>		
Creditors	210	96
Accrued expenses	1 107	1 024
Employment on-costs	187	182
<b>Total current payables</b>	<b>1 504</b>	<b>1 302</b>
<b>Non-current</b>		
Employment on-costs	151	141
<b>Total non-current payables</b>	<b>151</b>	<b>141</b>
<b>Total payables</b>	<b>1 655</b>	<b>1 443</b>

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

**Employment on-costs**

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

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

As a result of an actuarial assessment performed by the Department of Treasury and Finance (DTF), the percentage of the proportion of long service leave taken as leave has remained unchanged at 41% and the average factor for the calculation of employer superannuation cost on-cost is 9.8% (2018: 9.9%). These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is not material. The estimated impact on future periods is not expected to be materially different to the effect on the current period as shown above.

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**7.2. Provisions**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Provision for workers' compensation	197	225
Additional compensation	13	19
<b>Total current provisions</b>	<b>210</b>	<b>244</b>
<b>Non-current</b>		
Provision for workers' compensation	753	839
Additional compensation	683	918
<b>Total non-current provisions</b>	<b>1 436</b>	<b>1 757</b>
<b>Total provisions</b>	<b>1 646</b>	<b>2 001</b>
<b>Provision movement</b>	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Workers' compensation:</b>		
Carrying amount at the beginning of the period	1 064	367
Additional provisions recognised	37	1 123
Reductions arising from payments	(151)	(426)
<b>Carrying amount at the end of the period</b>	<b>950</b>	<b>1 064</b>
<b>Additional compensation:</b>		
Carrying amount at the beginning of the period	937	-
Additional provisions recognised	-	937
Reductions resulting from re-measurement	(226)	-
Reductions arising from payments	(15)	-
<b>Carrying amount at the end of the period</b>	<b>696</b>	<b>937</b>

**Workers' Compensation**

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

A liability has been reported to reflect unsettled workers' compensation claims. The workers' compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2019 provided by a consulting actuary engaged through the Office for the Public Sector. The liability was calculated in accordance with Australian Accounting Standard AASB 137 'Provisions, Contingent Liabilities and Contingent Assets' as the present value of the expenditures expected to be required to settle obligations incurred as at 30 June. No risk margin is included in this estimate.

There is a significant degree of uncertainty associated with estimating future claim and expense payments. The liability is impacted by agency claim experience, average claim sizes and other economic and actuarial assumptions.

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**7.2. Provisions (continued)**

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

The Additional Compensation provision 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 non-serious injuries sustained in circumstances which involved, or appeared to involve, the commission of a criminal offence, or which arose from a dangerous situation.

The Additional Compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2019 provided by a consulting actuary engaged by the Office for the Public Sector. The liability was calculated in accordance with Australian Accounting Standard AASB 137 'Provisions, Contingent Liabilities and Contingent Assets' as the present value of the expenditures expected to be required to settle obligations incurred as at 30 June. The liability comprises an estimate for known claims and an estimate of incurred but not reported (IBNR) applications. No risk margin is included in the estimate.

Key assumptions in the estimate include:

- application frequency
- the probability of applications becoming successful claims
- projections of annual claim payments
- rates of benefit continuance
- retirement age and mortality rates.

There is a significant degree of uncertainty associated with this estimate. In addition to the general uncertainties associated with estimating future claim and expense payments, the Additional Compensation provision is impacted by the absence of claims history and the evolving nature of the interpretation of, and evidence required to meet, eligibility criteria.

Given these uncertainties, the actual cost of Additional Compensation claims may differ materially from the estimate. The assumptions used will continue to be refined to reflect emerging experience.

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**8. Other disclosures**

**8.1 Equity**

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

**Investment reserve**

Current year – the reserve is used to record all changes in fair value of investments classified as fair value through other comprehensive income.

**8.2 Cash flow reconciliation**

	2019 \$'000	2018 \$'000
<b>Reconciliation of cash and cash equivalents at the end of the reporting period</b>		
Cash and cash equivalents disclosed in the Statement of Financial Position	2 267	1 379
Balance as per the Statement of Cash Flows	2 267	1 379
<b>Reconciliation of net cash provided by / (used in) operating activities to net cost of providing services</b>		
Net cash provided by/(used in) operating activities	5 227	4 051
Less revenues from SA Government	(21 084)	(19 689)
<b>Add / (less) non-cash items</b>		
Depreciation and amortisation	(2 460)	(2 348)
Donated Asset	99	-
Net gain/(loss) from disposal of non-current assets	4	(3)
<b>Movement in assets and liabilities</b>		
Increase/(decrease) in receivables	(64)	47
(Increase)/decrease in payables	(212)	(65)
(Increase)/decrease in employee benefits	(196)	(602)
(Increase)/decrease in provisions	355	(1 634)
<b>Net cost of providing services</b>	<b>(18 331)</b>	<b>(20 243)</b>

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**9. Changes in accounting policy**

**9.1 Treasurer's Instructions (Accounting Policy Statements)**

On 22 March 2019 the *Treasurer's Instructions (Accounting Policy Statements) 2019* were issued by the Treasurer under the *Public Finance and Audit Act 1987*. The Accounting Policy Statements replaced the following Accounting Policy Frameworks:

- Purpose and Scope
- General Purpose Financial Statements Framework
- Asset Accounting Framework
- Financial Asset and Liability Framework
- Income Framework
- Definitions.

The new Accounting Policy Statements have largely been prepared on a no-policy change basis. Changes that impact on these financial statements are:

- removal of the additional requirement to report transactions with the SA Government.
- removal of the additional requirement to report a statement of equity for administered items.
- increasing the bands from \$10,000 to \$20,000 for employee and board member reporting.

These changes, however, do not impact on the amounts reported in the financial statements.

The Accounting Policy Statements also set out requirements in relation to Accounting Standards and Statements not yet effective.

**9.2 AASB 9 Financial Instruments**

AASB 9 Financial Instruments replaces the provisions of AASB 139 that relate to recognition, classification and measurement of financial assets and financial liabilities derecognition of financial instruments, impairment of financial assets and hedge accounting. The adoption of AASB 9 from 1 July 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in financial statements.

As part of the adoption of AASB 9, SES adopted consequential amendments to other accounting standards and the *Treasurer's Instructions (Accounting Policy Statements)* arising from the issue of AASB 9 as follows:

- *AASB 7 Financial Instruments*: Disclosures requires amended disclosures due to changes arising from AASB 9, these disclosures have been provided for the current year because the comparatives have not been restated.

In accordance with transitional provisions and the *Treasurer's Instructions (Accounting Policy Statements)*, AASB 9 Financial Instruments was adopted without restating comparative information for classification and measurement requirements. All adjustments relating to classification and measurement are recognised in retained earnings at 1 July 2018.

The adoption of AASB 9 has not had an effect on the recognition, measurement or classification of financial liabilities.

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**9.2. AASB 9 Financial Instruments (continued)**

On 1 July 2018, SES has assessed and reclassified its financial assets into the appropriate AASB 9 categories depending on the business model and contractual cash flow characteristics applying to the asset. AASB 9 eliminates the AASB 139 categories of held to maturity, loans and receivables and available for sale. On assessment, SES found no material changes to the value of financial assets.

***Impairment of financial assets***

AASB 9 replaces the 'incurred loss' model in AASB 139 with an 'expected credit loss' model. The following financial assets of SES are subject to AASB 9's new expected credit loss model:

- trade receivables from provision of services

This model generally results in earlier recognition of credit losses than the previous one.

***Trade receivables***

New impairment requirements result in a provision being applied to all receivables rather than only on those receivables that are credit impaired. SES has adopted the simplified approach under AASB 9 Financial Instruments and measured lifetime expected credit losses on all trade receivables using a provision matrix approach as a practical expedient to measure the impairment provision.

There are no additional impairment provisions for State, Territory, or Commonwealth Government receivables due to the Government's high quality credit risk.

Trade and other receivables that were classified as loans and receivables under AASB 139 are now classified at amortised cost as they meet the appropriate criteria under AASB 9.

***Equity investments***

Equity investments that would previously have been classified as available-for-sale are have been designated as fair value through other comprehensive income because these investments were donated for SES to hold for the long-term to be used to support public education campaigns on a range of government initiatives.

As a result, equity investments with a fair value of \$105 were reclassified from available-for-sale financial assets to financial assets at fair value through other comprehensive income upon recognition. A new reserve has not been established, however the nature and purpose of the reserve has changed as described in note 8.1. This change did not affect retained earnings at 1 July 2018.

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**10. Outlook**

**10.1. Unrecognised contractual commitments**

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

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

**Operating lease commitments**

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

	2019	2018
	\$'000	\$'000
Within one year	847	938
Later than one year but not later than five years	1 856	1 372
Later than five years	627	-
<b>Total operating lease commitments</b>	<b>3 330</b>	<b>2 310</b>

These non-cancellable leases relate to vehicle and property leases, with rental payable monthly. Contingent rental provisions within the property lease agreements require the minimum lease payments to be increased annually based on consumer price index movement or by fixed amounts determined in the contracts.

**Capital commitments**

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

	2019	2018
	\$'000	\$'000
Within one year	203	224
<b>Total capital commitments</b>	<b>203</b>	<b>224</b>

The capital commitments relate to building improvements.

**Expenditure commitments**

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

	2019	2018
	\$'000	\$'000
Within one year	131	164
Later than one year but not later than five years	-	123
<b>Total expenditure commitments</b>	<b>131</b>	<b>287</b>

Contractual commitments relate to information technology contracts and staff training.



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**10.2. Contingent assets and liabilities**

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

SES is not aware of any contingent assets or liabilities.

**10.3. Impact of standards and statements not yet effective**

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

*Treasurer's Instructions (Accounting Policy Statements) 2019* issued by the Treasurer on 22 March 2019 are effective for 2018-19 reporting period and are addressed below in relation to Standards not yet effective and in note 9.1. There are no Accounting Policy Statements that are not yet effective.

The material impacts on SES are outlined below.

**AASB 15 – Revenue from Contracts with Customers and AASB 1058 – Income of Not for Profit Entities**

SES will adopt AASB 15 – *Revenue from Contracts with Customers* and AASB 1058 – *Income of Not for Profit Entities* from 1 July 2019.

**Objective**

AASB 15 introduces a 5-step approach to revenue recognition. The objective of AASB 15 is that recognition of revenue depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. It provides extensive guidance as to how to apply this revenue recognition approach to a range of scenarios. AASB 15 – *Revenue from Contracts* replaces AASB 111 – *Construction Contracts* and AASB 118 – *Revenue*.

AASB 1058 introduces consistent requirements for the accounting of non-reciprocal transactions by not-for-profit entities, in conjunction with AASB 15. These requirements closely reflect the economic reality of not-for-profit entity transactions that are not contracts with customers. AASB 1058 replaces parts of AASB 1004 – *Contributions*.

**Impact on 2019-20 financial statements**

Adopting AASB 15 and AASB 1058 will not have an impact on the timing of recognition of revenue by the SES.

**Related accounting policies**

The Treasurer's Instructions (Accounting Policy Statements) 2019 also sets out requirements for on-going application. These requirements include that SES will:

- apply, where permitted, the short-term licences recognition exemption.
- adopt \$15,000 as the threshold to determine whether a licence is a licence for which the transaction price is of low value and will apply the low value licence recognition exemption for all low value licences.
- not recognise volunteer services when the services would not have been purchased if they had not been donated.

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**10.3. Impact of standards and statements not yet effective (continued)**

**AASB 16 – Leases**

SES will adopt AASB 16 – Leases from 1 July 2019.

**Objective**

AASB 16 sets out a comprehensive model for lease accounting that addresses recognition, measurement, presentation and disclosure of leases. The outcome will be that lease information disclosed will give users of financial statements a basis to assess the effect that leases have on the financial position, financial performance and cash flows of an entity. AASB 16 Leases replaces AASB 117 Leases and Interpretation 4 Determining whether an Arrangement contains a Lease, Interpretation 115 Operating Leases – Incentives and Interpretation, and Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

**Impact on 2019-20 financial statements**

SES has assessed the estimated impact on the Statement of Financial Position of adopting AASB 16 with the transition requirements mandated by the *Treasurer's Instructions (Accounting Policy Statements)*.

AASB 16 requires lessees to recognise assets and liabilities for all leases, not subject to a recognition exemption or scoped out of the application of AASB 16. Applying AASB 16 will result in leases previously classified as operating leases having right-of-use assets and related lease liabilities being recognised in the Statement of Financial Position for the first time. Lease incentive liabilities previously recognised will be written off against the right-of-use assets or retained earnings depending on the nature of the incentive.

AASB 16 is expected to have a material impact on the Statement of Financial Position. SES has estimated the impact of this change and the results as at 1 July 2019.

The estimated impact is based on applying AASB 16's transition approach to those leases identified as leases by SES prior to 1 July 2019. The incremental borrowing rates applied to estimate the lease liability were SAFA's interest rates for principal and interest loans to SA Government agencies.

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**10.3. Impact of standards and statements not yet effective (continued)**

The estimated impact is set out below.

	as at 1 July 2019 \$'000
<b>Assets</b>	
Right-of-use assets	3 038
<b>Liabilities</b>	
Lease liabilities	3 038
<b>Net impact on equity</b>	<b>-</b>

AASB 16 will also impact on the Statement of Comprehensive Income. The operating lease expense previously included in supplies and services will mostly be replaced with:

- a depreciation expense that represents the use of the right-of-use asset; and
- borrowing costs that represent the cost associated with financing the right-of-use asset.

The estimated impact on 2019-20 Statement of Comprehensive Income is set out below.

	2020 \$'000
Depreciation and amortisation	715
Supplies and services	(727)
Borrowing costs	45
<b>Net impact on net cost of providing services</b>	<b>33</b>

The amounts disclosed are current estimates only. SES is continuing to refine its calculations of lease assets and liabilities for 2019-20 financial reporting purposes and expects that these figures will change. This includes accounting for non-lease components and clarifying lease terms and treatment of contractual rent increases.

**Related accounting policies**

The *Treasurer's Instructions (Accounting Policy Statements) 2019* sets out key requirements that SES must adopt for the transition from AASB 117 Leases to AASB 16 Leases. These requirements include that SES will:

- apply AASB 16 retrospectively. The cumulative effect of initially applying the Standard will be recognised at 1 July 2019. Comparatives will not be restated.
- only apply AASB 16 to contracts that were previously identified as containing a lease applying AASB 117 and related interpretations.
- not transition operating leases for which the lease term ends before 30 June 2020.

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**10.3. Impact of standards and statements not yet effective (continued)**

The *Treasurer's Instructions (Accounting Policy Statements) 2019* also sets out requirements for on-going application. These requirements include that SES will:

- not apply AASB 16 to leases of intangible assets.
- adopt \$15,000 as the threshold to determine whether an underlying asset is a low value asset and must apply the low value asset recognition exemption to all low value assets.
- apply the short-term leases recognition exemption for all classes of underlying asset.
- separate non-lease components from lease components.
- adopt the revaluation model, where permitted.
- where required, apply the relevant lessee's incremental borrowing rate published by the Department of Treasury and Finance.
- on initial recognition not record at fair-value leases that have significantly below-market terms and conditions principally to enable SES to further its objectives, unless they have already been recorded at fair-value prior to 1 July 2019.

**10.4. Events after the reporting period**

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June 2019 and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June 2019.

Note disclosure is made about events between 30 June 2019 and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June 2019 and which may have a material impact on the results of subsequent years.

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

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**11. Measurement and risk**

**11.1. Long service leave**

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

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

AASB 119 Employee Benefits requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has decreased from 2018 (2.75%) to 2019 (1.25%).

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

The net financial effect of the changes in the current financial year is not material. 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 left the salary inflation rate at 4% for long service leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

The unconditional portion of the long service leave provision is classified as current as SES does not have an unconditional right to defer settlement of the liability for at least 12 months after reporting date. The unconditional portion of long service leave relates to an unconditional legal entitlement to payment arising after 10 years of service.

**11.2. Fair value**

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

***Initial recognition***

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

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

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**11.2. Fair value (continued)**

**Revaluation**

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

The revaluation process is reviewed by SES each year.

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

Revaluation is undertaken on a regular cycle as detailed below. If at any time management considers that the carrying amount of an asset materially differs from its fair value, 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.

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

**Fair value hierarchy**

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 2019 and 2018, 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.

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**11.2. Fair value (continued)**

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

	Note	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Recurring fair value measurements</b>				
Land	5.1	1 939	2 297	4 236
Buildings	5.1	9 742	10 166	19 908
Vehicles	5.1	-	13 228	13 228
Communication equipment	5.1	-	1 342	1 342
Computer equipment	5.1	-	238	238
Plant and equipment	5.1	-	925	925
<b>Total recurring fair value measurements</b>		<b>11 681</b>	<b>28 196</b>	<b>39 877</b>
<b>Total recurring fair value measurements</b>		<b>11 681</b>	<b>28 196</b>	<b>39 877</b>

**Fair value classification – non-financial assets at 30 June 2018**

	Note	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Recurring fair value measurements</b>				
Land	5.1	1 249	2 297	3 546
Buildings	5.1	7 671	10 661	18 332
Vehicles	5.1	-	12 829	12 829
Communication equipment	5.1	-	1 352	1 352
Computer equipment	5.1	-	439	439
Plant and equipment	5.1	-	892	892
<b>Total recurring fair value measurements</b>		<b>8 920</b>	<b>28 470</b>	<b>37 390</b>
<b>Total recurring fair value measurements</b>		<b>8 920</b>	<b>28 470</b>	<b>37 390</b>

**Land and Buildings**

An independent valuation of land and buildings was performed by a Certified Practising Valuer from Liquid Pacific, as at 1 January 2014.

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, adjustments were applied to reflect the restriction.

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

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**11.2. Fair value (continued)**

**Plant and equipment**

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

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

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

	Land	Buildings	Vehicles	Comms. equipment	Computer equipment	Plant & equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	2 297	10 661	12 829	1 352	439	892	28 470
Capitalised asset transfers	-	-	1 397	331	11	231	1 970
Disposals	-	-	(70)	-	-	-	(70)
Gains/(losses) for the period recognised in net result:							
Depreciation	-	(495)	(928)	(341)	(212)	(198)	(2 174)
Total gains/(losses) recognised in net result	-	(495)	(928)	(341)	(212)	(198)	(2 174)
<b>Carrying amount at the end of the period</b>	<b>2 297</b>	<b>10 166</b>	<b>13 228</b>	<b>1 342</b>	<b>238</b>	<b>925</b>	<b>28 196</b>

**Reconciliation of Level 3 recurring fair value measurement at 30 June 2018**

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

	Land	Buildings	Vehicles	Comms. equipment	Computer equipment	Plant & equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	2 297	11 160	10 802	1 127	652	784	26 822
Capitalised asset transfers	-	-	3 137	469	-	280	3 886
Disposals	-	-	(129)	-	-	-	(129)
Gains/(losses) for the period recognised in net result:							
Depreciation	-	(499)	(981)	(244)	(213)	(172)	(2 109)
Total gains/(losses) recognised in net result	-	(499)	(981)	(244)	(213)	(172)	(2 109)
<b>Carrying amount at the end of the period</b>	<b>2 297</b>	<b>10 661</b>	<b>12 829</b>	<b>1 352</b>	<b>439</b>	<b>892</b>	<b>28 470</b>



**South Australian State Emergency Service**  
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**11.3. Financial instruments**

**Financial risk management**

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

The exposure of 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 SES is unable to meet its financial obligations as they fall due. SES is funded principally from the Fund. 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 note 7.1 for further information.

**Credit risk**

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

**Impairment of financial assets**

Loss allowances for receivables are measured at an amount equal to lifetime expected credit loss (ECL) using the simplified approach in AASB 9. SES uses an allowance matrix to measure the expected credit loss of receivables from non-government debtors. There are no non-government debtors at balance date, so the expected credit loss for SES is nil.

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

In the comparative period, the impairment of receivables was assessed based on the incurred loss model. The allowance was recognised when there was objective evidence that a receivable was impaired. Due to the nature of SES's trade debtors in the prior year, the impairment was assessed as nil.

**Market risk**

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

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

**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 applicable until 30 June 2018 under AASB 139 Financial Instruments: Recognition and Measurement**

The carrying amounts are detailed below of each of the following categories of financial assets and liabilities:

- Held-to-maturity investments
- Loan and receivables
- Financial liabilities measured at cost

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**11.3. Financial instruments (continued)**

**Classification applicable from 1 July 2018 under AASB 9 Financial Instruments**

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income (FVOCI) – debt instrument, FVOCI – equity instrument or fair value through profit or loss.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest only on the principal amount outstanding.

SES measures all financial instruments, except equity investments, at amortised cost.

**Classification at fair value through other comprehensive income**

Upon recognition, SES designated the equity investments that would have previously been classified as held for sale as fair value through other comprehensive income since these equity investments represent investments that SES intends to hold for long-term for strategic purposes.

No strategic investments were disposed of during 2018 or 2019 and there were no transfers of any cumulative gain or loss relating to these investments.

**Table 11.3 Categorisation and maturity analysis of financial assets and liabilities**

Category of financial asset and financial liability	Note	Carrying amount / fair value \$'000	2019 Contractual maturities			
			Current \$'000	Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
<b>Financial assets</b>						
<b>Cash and cash equivalents</b>						
Cash and cash equivalents	6.1	2 267	2 267	-	-	-
<b>Financial assets at amortised cost</b>						
Receivables		1	1	-	-	-
Other financial assets	6.3	178	178			
<b>Financial assets classified as fair value through other comprehensive income</b>						
Other financial assets	6.3	105	105	-	-	-
<b>Total financial assets</b>		<b>2 551</b>	<b>2 551</b>	-	-	-
<b>Financial liabilities</b>						
<b>Financial liabilities at amortised cost</b>						
Payables		1 317	1 317	-	-	-
<b>Total financial liabilities</b>		<b>1 317</b>	<b>1 317</b>	-	-	-

**South Australian State Emergency Service**  
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**11.3. Financial instruments (continued)**

Category of financial asset and financial liability	Note	Carrying amount / fair value \$'000	2018 Contractual maturities			
			Current \$'000	Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
<b>Financial assets</b>						
<b>Cash and cash equivalents</b>						
Cash and cash equivalents	6.1	1 379	1 379	-	-	-
<b>Loans and receivables</b>						
Receivables		33	33	-	-	-
Other financial assets	6.3	388	388	-	-	-
<b>Total financial assets</b>		<b>1 800</b>	<b>1 800</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>						
Payables		1 091	1 091	-	-	-
<b>Total financial liabilities</b>		<b>1 091</b>	<b>1 091</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Receivables and payables**

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

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

**11.4. Trust funds**

	2019 \$'000	2018 \$'000
Cash at bank	189	156
<b>Total trust funds</b>	<b>189</b>	<b>156</b>

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. SES will administer these funds until they are fully expended. In 2018-19, total income earned by the Council was \$43 000 and expenses incurred totalled \$1 000.